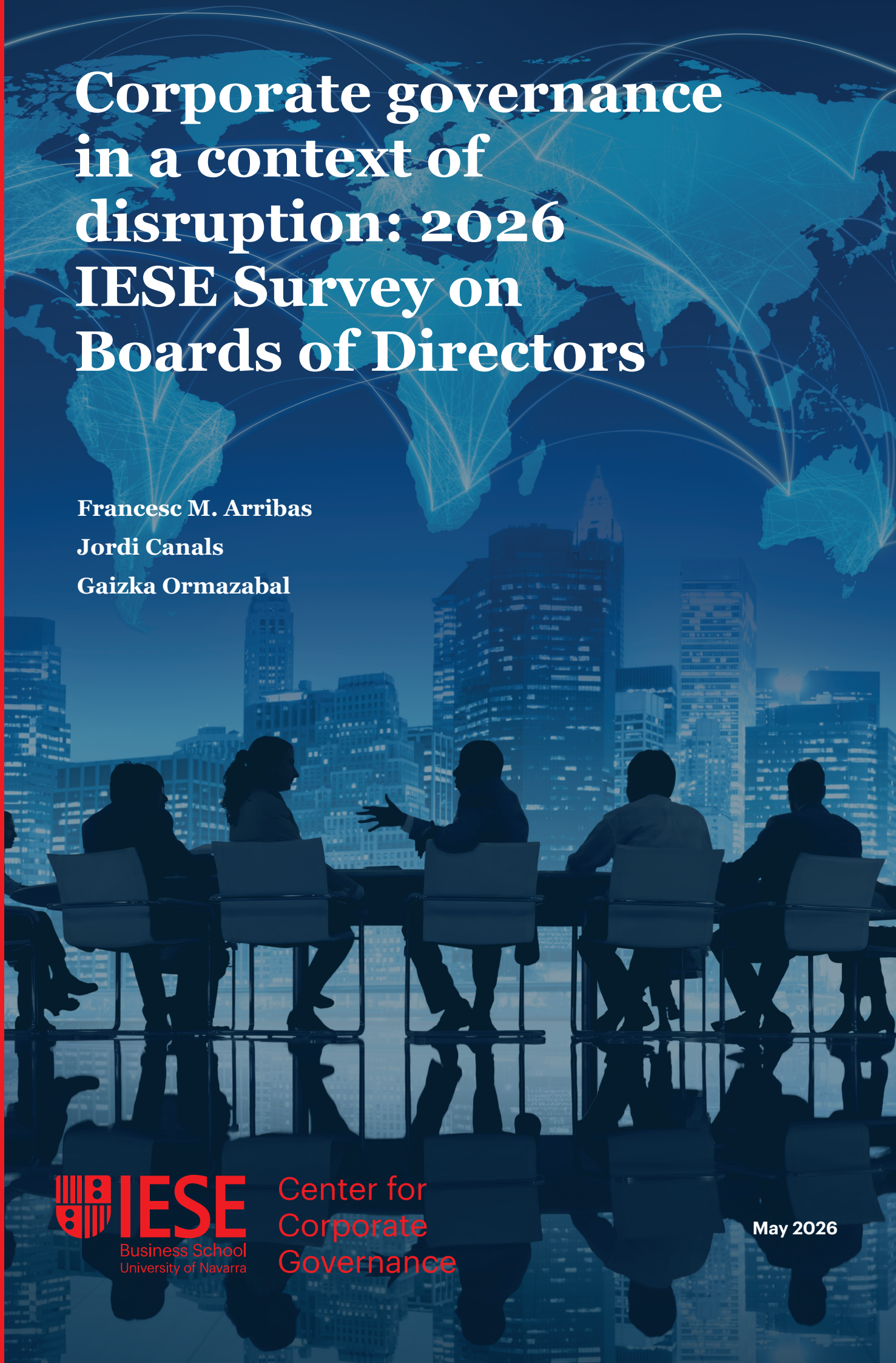
Corporate governance in a context of disruption: 2026 IESE Survey on Boards of Directors

Francesc M. Arribas
Jordi Canals
Gaizka Ormazabal



IESE Business School
University of Navarra
Center for Corporate Governance

May 2026

Corporate governance in a context of disruption: 2026 IESE Survey on Boards of Directors

Francesc M. Arribas

Research Assistant, IESE

Jordi Canals

IESE Foundation Professor of Corporate Governance, IESE

President, Center for Corporate Governance (CCG), IESE

Gaizka Ormazabal

Professor of Accounting and Control, IESE

Grupo Santander Chair of Financial Institutions and Corporate Governance, IESE

May 2026

All the material contained in this document was developed by the authors unless otherwise stated.
Copyright 2026 © IESE. No part of this publication may be reproduced.

Francesc M. Arribas
Research Assistant, IESE

Jordi Canals
IESE Foundation Professor of Corporate Governance, IESE
President, Center for Corporate Governance (CCG), IESE

Gaizka Ormazabal
Professor of Accounting and Control, IESE
Grupo Santander Chair of Financial Institutions and Corporate Governance, IESE

Design: IESE Business School: www.iese.edu

CONTENTS

1. Executive summary 6

2. Introduction 7

3. Boards and AI 8

   3.1. What are boards' top priorities concerning AI? 9

   3.2. How often do boards discuss AI? 11

   3.3. Role of the board in governing AI 13

4. Boards and geopolitical risks 16

   4.1. Sources of geopolitical risk 17

   4.2. Strategic options for companies facing geopolitical tensions 18

   4.3. Corporate strategy and geopolitical tensions 20

   4.4. Geopolitics and corporate resilience 22

5. Boards and shareholder engagement 24

   5.1. Main obstacles to effective board engagement 25

   5.2. Areas of engagement 29

6. Board dynamics and board effectiveness 33

   6.1. Collaboration between the board and the CEO 34

   6.2. Some critical factors concerning board effectiveness 37

   6.3. CEO succession 38

7. Boards, sustainability, and climate issues 42

   7.1. Sustainability and the board agenda 43

   7.2. New priorities in sustainability 46

8. Conclusions 50

9. Participant profile 52

   Role on the board 52

   Company's ownership 52

   Industry 53

References 54

1. Executive summary

This report presents the results of the 2026 IESE Survey of Boards of Directors, which are based on responses from chief executive officers (CEOs) and board members of 130 companies, from 24 countries and five continents, across 18 industries. The survey is structured around five governance areas: artificial intelligence (AI), geopolitical risks, board–shareholder engagement, board dynamics and effectiveness, and sustainability and climate issues.

The results provide a concise overview of how boards are adapting their priorities and practices in an increasingly complex and evolving environment. The key findings of the survey are as follows:

- While AI is a strategic priority, 55% of directors indicate that it is not yet delivering value. Boards primarily focus on the use of AI in relation to cost optimization (52%) and customer-related outcomes (47%), placing less emphasis on new business creation (30%). Board involvement in AI remains limited, particularly in terms of strategy definition (38%), CEO guidance (43%), and implementation (45%).

- Geopolitics represents a critical concern, with low government effectiveness (25%) and trade policies (22%) identified as key risks. Boards favor regional business strategies, with 72% of companies focusing activities on their home region, alongside increased investment in the United States (51%) and the European Union (EU; 59%). Meanwhile, 39% of respondents consider it a mistake to reduce their firm's presence in China.

- Companies are making decisions intended to strengthen resilience in the face of geopolitical risks. 62% report that they review corporate strategy twice a year. 53% show deeper engagement with governments to better understand the global context, 56% diversify supply chains, and 40% relocate key operations. Only 10% of respondents report maintaining their supply chain structure.

- Shareholders' engagement with companies is primarily focused on mergers and acquisitions (M&A; 78%), CEO succession (76%), and board composition (70%), with increasing attention paid to technology and cybersecurity (65%).

- Directors identify board–CEO collaboration (95%), time for strategic discussions (95%), and role of the chair (94%) as the most critical drivers of board effectiveness. The main obstacles facing boards when it comes to tackling CEO succession are a lack of urgency (67%), unclear processes (54%), and close CEO–board ties (48%), which point to structural governance gaps.

- Sustainability is increasingly being embedded in governance, with 56% of boards integrating it into board agendas and 61% into business models. Moreover, 63% of directors agree that corporate purpose and culture are key elements of defining sustainability goals. Companies' priorities evolve toward societal impact (76%), zero carbon dioxide (CO_2) emissions by 2050 (58%), and natural resource efficiency (61%).

2. Introduction

The business environment continues to be shaped by significant technological, geopolitical, and social disruptions worldwide. In this context, boards of directors are expected to play an active role in guiding strategic direction, supporting executive leadership, and ensuring long-term value creation. Understanding how boards are adapting to this evolving landscape is therefore essential.

This report presents the results of the 2026 IESE Survey of Boards of Directors, which center on five critical governance areas. The first area concerns how boards approach AI, including its strategic relevance, governance, and impact on value creation. The second is the sources and implications of new geopolitical risks, as well as their impact on corporate strategy and resilience. The third is board–shareholder engagement, including both the main obstacles to such engagement and the areas of greatest interest for investors. The fourth is board dynamics and effectiveness, such as the indispensable collaboration of the board with the CEO, as well as the challenges associated with CEO succession planning. The final area is the integration of sustainability and climate issues into board agendas and corporate priorities.

The results are based on 130 responses from CEOs and board members across 24 countries and 18 industries. The survey, which was conducted between October 2025 and January 2026, includes 14 questions organized around the five areas described above, most of them using Likert scales to assess priorities, perceptions, and levels of commitment.

While the 2024 IESE Survey of Boards of Directors focused on corporate purpose and culture, as well as board competencies and dynamics, the 2026 version provides a more detailed analysis of governing AI, geopolitical risks, and shareholder engagement. It also introduces board and CEO interactions as a distinct area of analysis and further develops the assessment of board effectiveness, with greater attention being paid to CEO succession. This evolution reflects the increasing complexity of the external environment and focuses more deeply on emerging challenges.

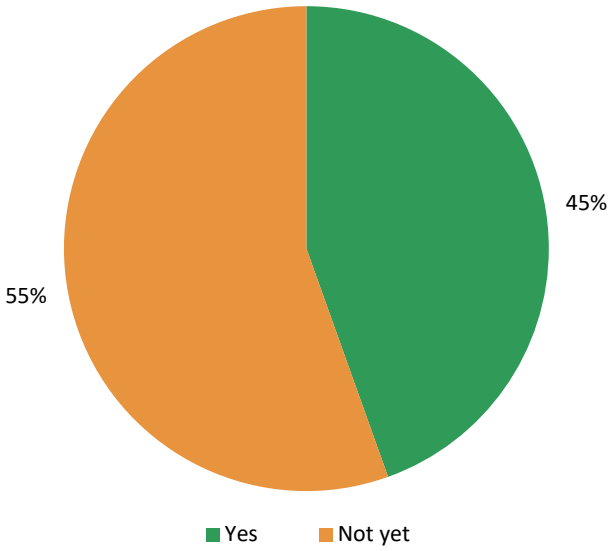
This report is organized as follows. Section 3 presents and discusses the results of the questions concerning boards and AI. Section 4 examines the results of the questions on boards and geopolitical risks. Section 5 analyses the questions about boards and shareholder engagement. Section 6 provides a summary of the answers regarding board dynamics and board effectiveness. Section 7 summarizes the results concerning boards, sustainability, and climate issues. Finally, the main conclusions are highlighted in Section 8.

3. Boards and AI

AI is rapidly reshaping the business landscape, creating both opportunities and challenges for organizations across industries. Hence, the governance and management of companies are at stake. AI presents opportunities to improve managerial efficiency and create new products and services, although it also represents a disruptive force for many companies, involving significant risks regarding data privacy, model design, and outcome reliability. As AI continues to evolve, boards of directors are expected to play a more active role in understanding the opportunities and implications it presents for governance, guiding its strategic adoption and implementation, and defining risk policies.

However, the surveyed directors indicate that the value delivered by AI strategies remains limited at this stage (see Figure 1). For instance, only 45% of board directors think that AI is currently delivering value, whereas a larger share—55%—consider that this has not yet been achieved. This suggests that, despite the growing strategic relevance of AI, many organizations are still in the process of translating AI initiatives into tangible business outcomes.

Figure 1. Is AI delivering value?



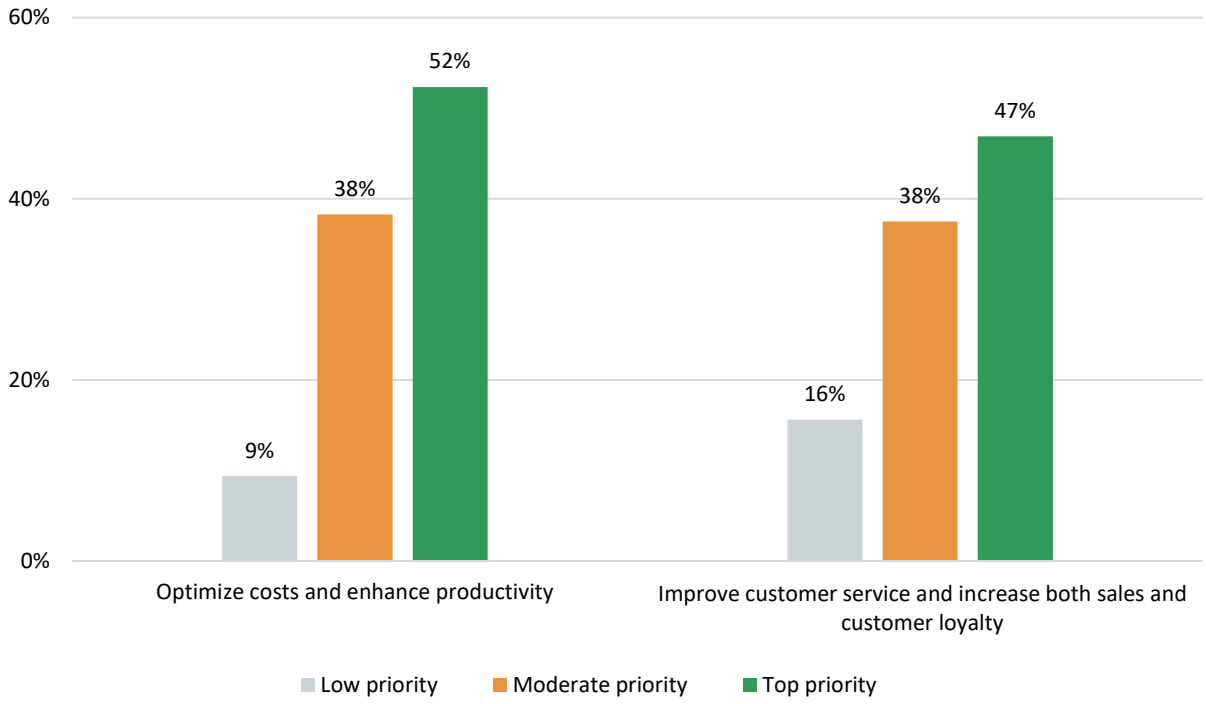
This section of the survey explores how boards perceive the potential of AI to disrupt their industries, how frequently these issues are discussed at the board level, and the extent to which AI is embedded in their firms' strategic priorities and objectives. It also examines the board's role in governing AI, including its involvement in defining AI strategy, overseeing implementation, and addressing risks and responsibilities. Finally, it assesses the level of board commitment to key AI-related initiatives and evaluates whether current AI strategies are delivering tangible value for organizations.

3.1. What are boards' top priorities concerning AI?

Board members attribute significant importance to AI as a driver of operational efficiency (see Figure 2a). More specifically, 52% of respondents identify optimizing costs and enhancing productivity as top priorities, while 38% consider them moderate priorities and only 9% perceive these aspects as low priorities. This widely held view by board members is consistent with the automation view of AI (e.g., Acemoglu and Restrepo 2025).

Furthermore, improving customer service and increasing both sales and customer loyalty are also widely perceived as strategic objectives. Thus, 47% of respondents identify them as top priorities, while 38% consider them moderate priorities and 16% low priorities.

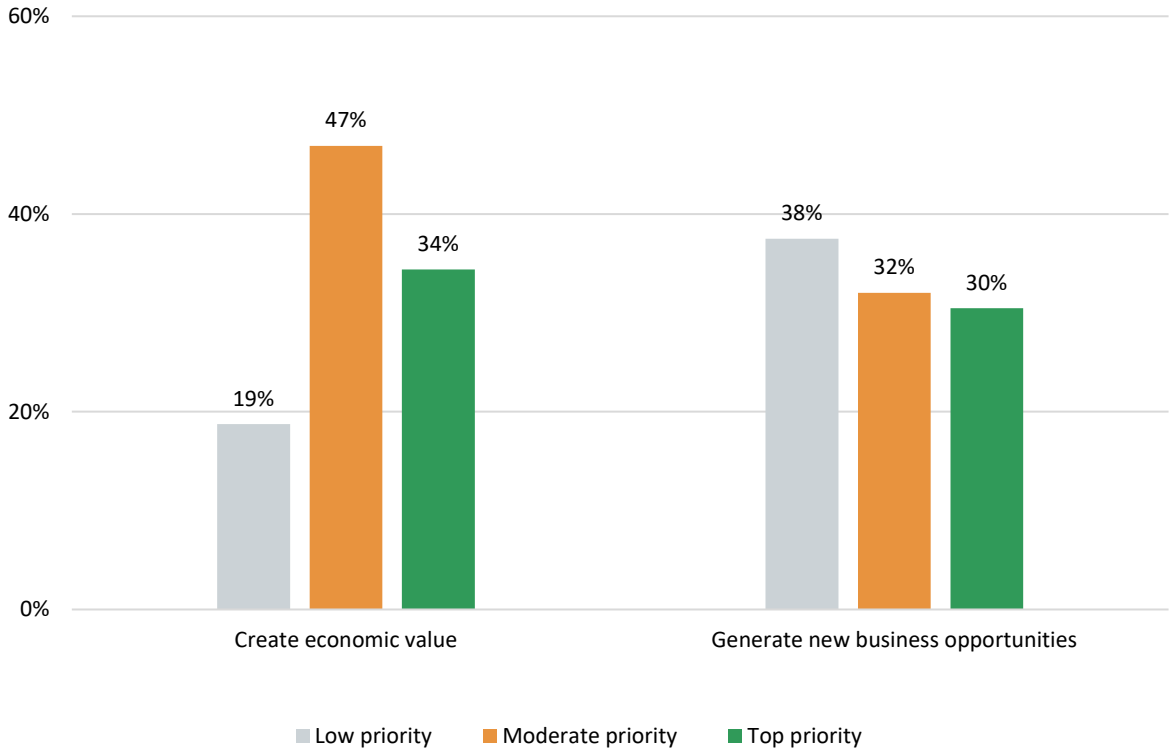
Figure 2a. Boards of directors' goals concerning AI



Board members have different expectations regarding the role of AI in creating economic value and fostering business growth (see Figure 2b). The creation of economic value via AI is widely recognized as an important objective, with 34% of respondents rating it as a top priority, 47% as a moderate priority, and 19% as a low priority. This outcome again reflects moderate expectations as to how AI may create value beyond improving corporate efficiency, as shown in Figure 1.

In terms of the generation of new business opportunities, 38% of respondents consider that AI is a low-priority initiative for creating new businesses, while 30% regard it as a top priority (see Figure 2b). These results also suggest a cautious or exploratory approach to AI-driven value creation and growth.

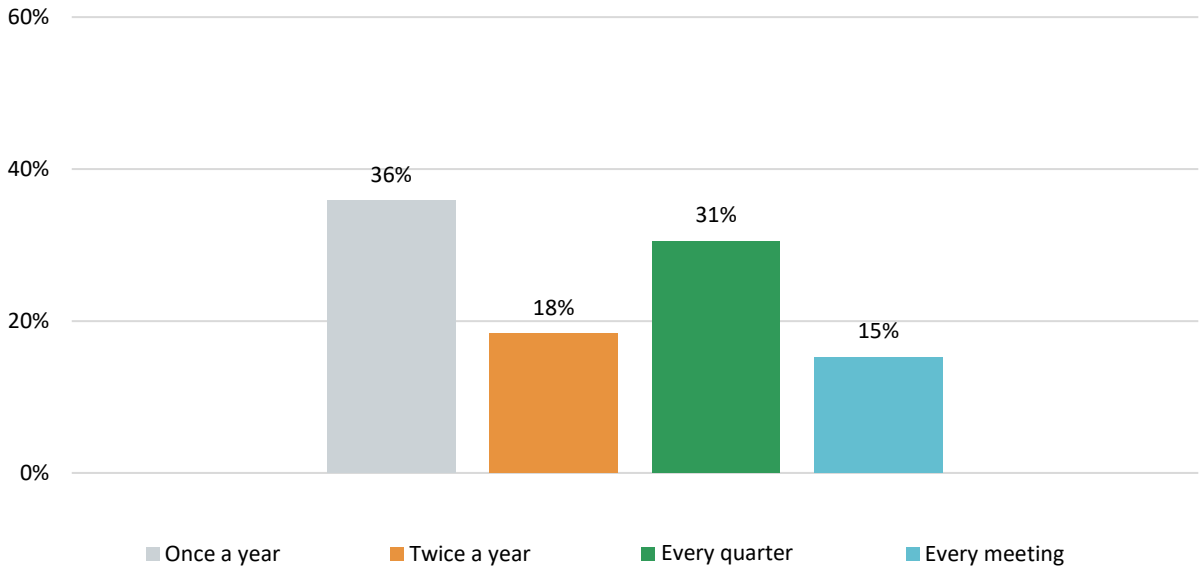
Figure 2b. Boards of directors' goals regarding AI



3.2. How often do boards discuss AI?

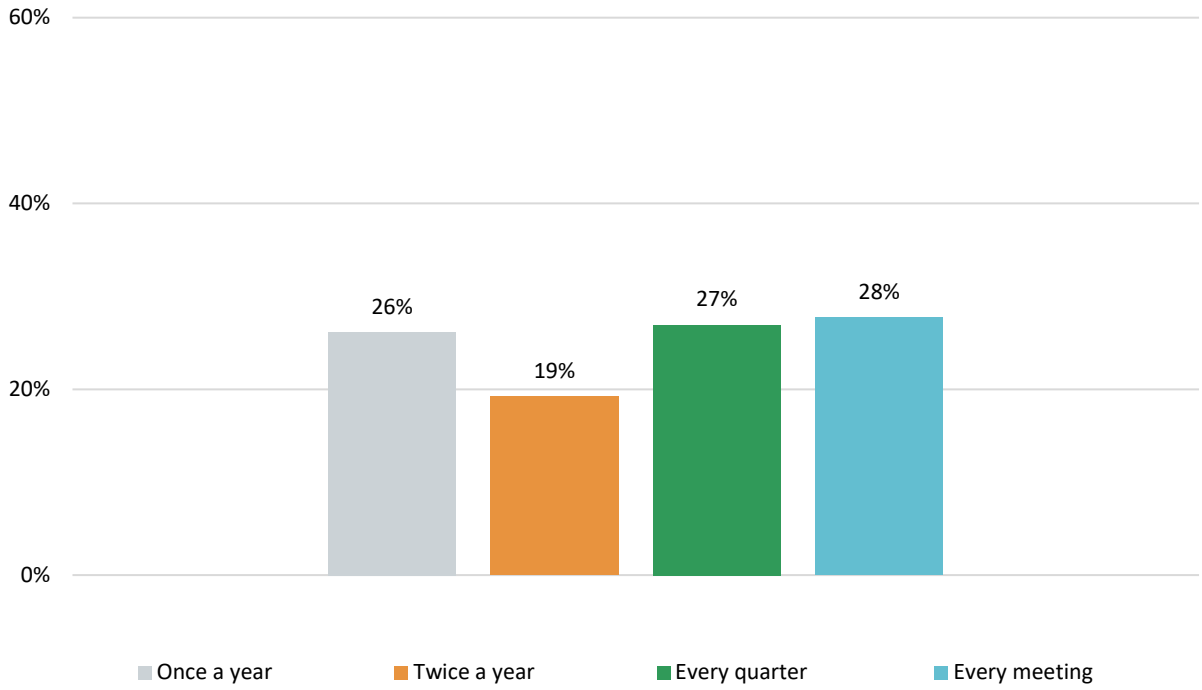
The respondents report that boards of directors discuss a range of AI-related issues with varying frequency. For example, 31% of respondents report that the challenge posed by AI is addressed by the board every quarter, 18% report that their boards discuss it twice a year, and 15% state that it is raised at every board meeting. Moreover, 36% of respondents report that their boards only consider this theme once a year (see Figure 3a).

Figure 3a. Frequency of board discussions regarding AI potential



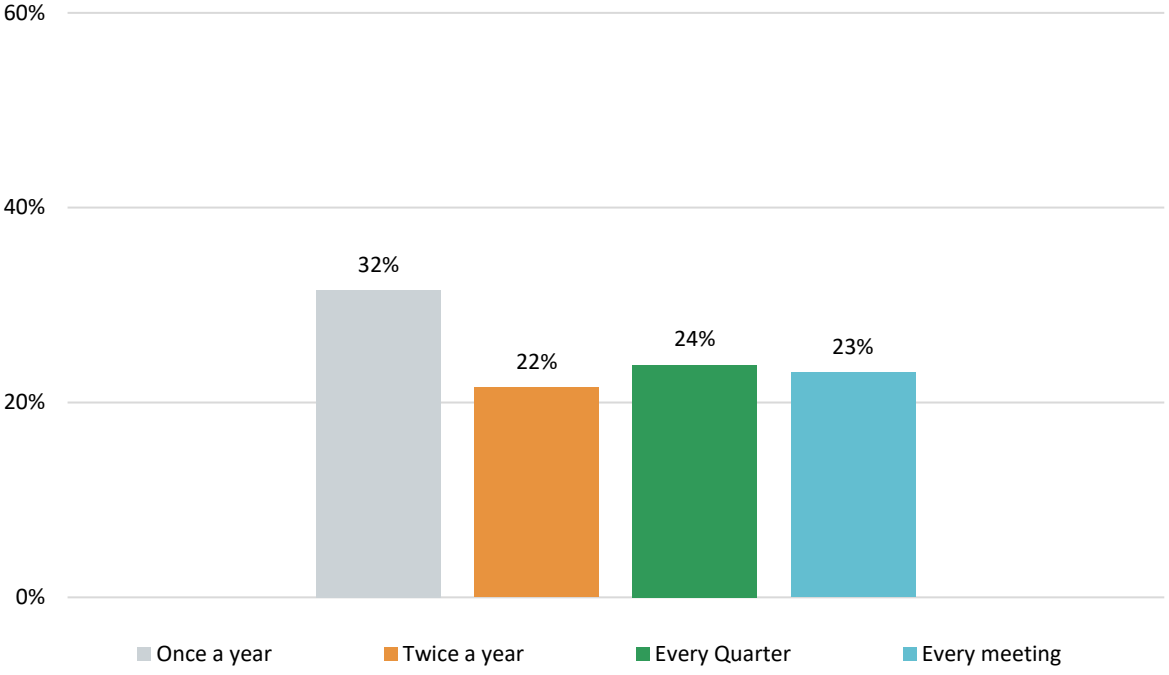
Regarding the integration of AI into the company's business model and the associated opportunities, risks, and responsibilities, discussions appear more evenly distributed (see Figure 3b). Here, 26% of respondents indicate that the integration of AI into their firm's business model is discussed once a year, 27% every quarter, 28% at every meeting, and 19% twice a year. This is a key issue that may explain why AI adoption is not delivering value to a majority of companies (see Figure 1).

Figure 3b. Board discussions about the integration of AI into the business model



Finally, the opportunities, risks, and responsibilities related to AI are discussed by 32% of respondents once a year, while 24% address them every quarter and 22% twice a year, indicating relatively regular engagement with the governance and risk-related aspects of AI (see Figure 3c).

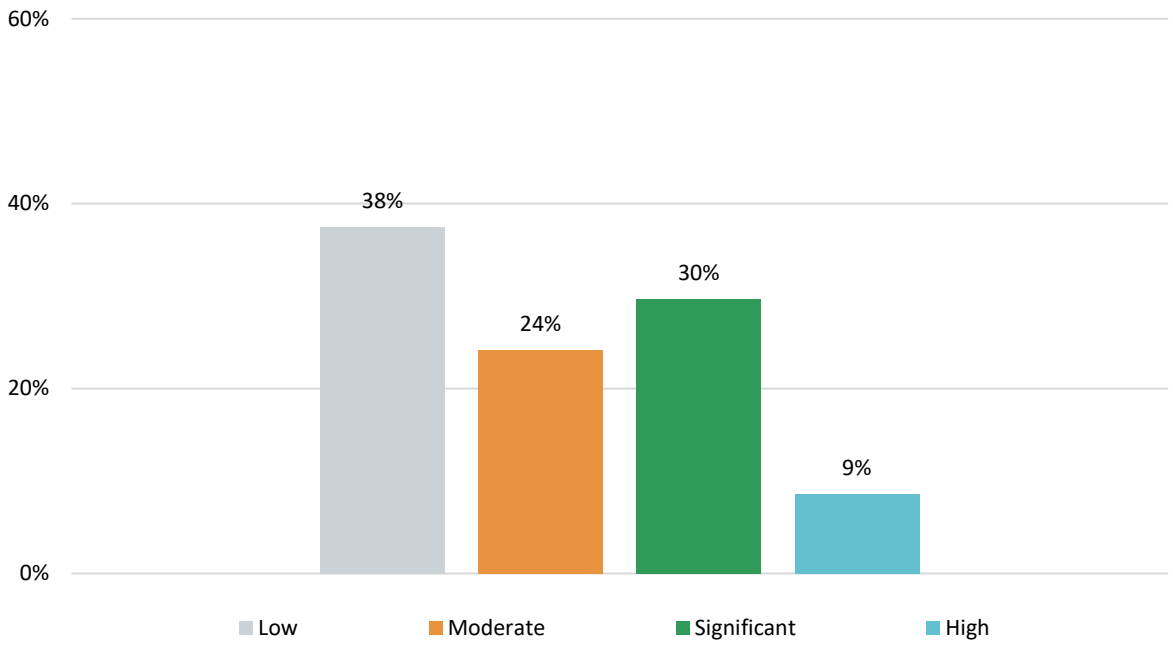
Figure 3c. Board discussions about AI's opportunities and risks



3.3. Role of the board in governing AI

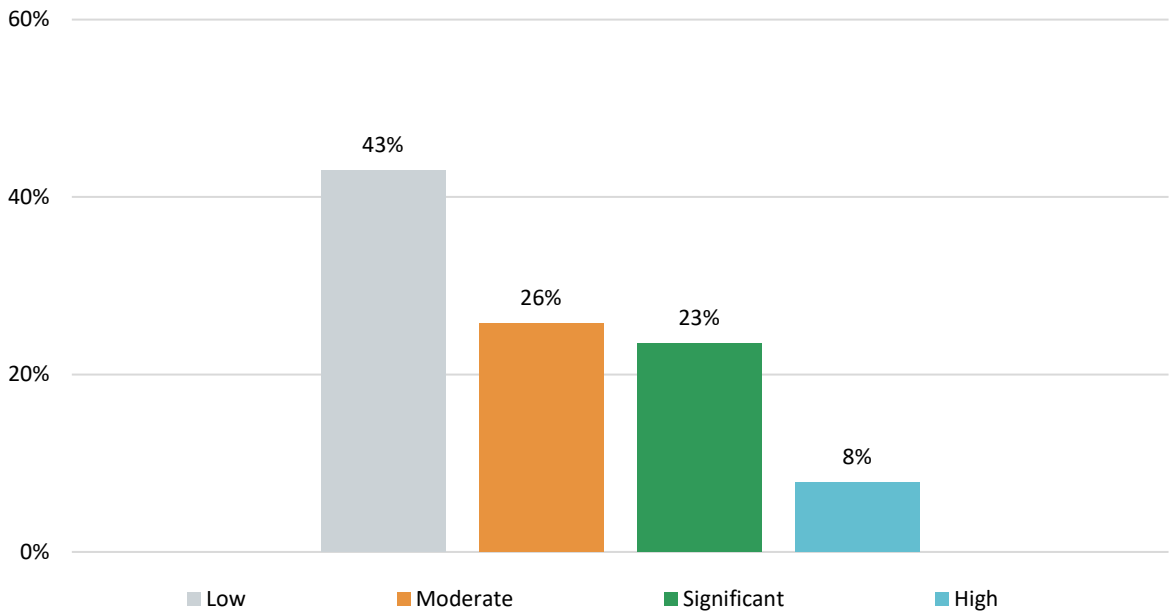
The survey results suggest that board commitment to key AI governance issues remains uneven (see Figure 4). A significant share of directors perceive the board as having limited involvement in defining a strategic AI roadmap, including AI-related objectives, strategy, investment, and risk management. Moreover, 38% of respondents assess the board's commitment in this area as low, 24% rate it as moderate, and only 9% consider it high.

Figure 4. Board involvement in defining a strategic AI roadmap



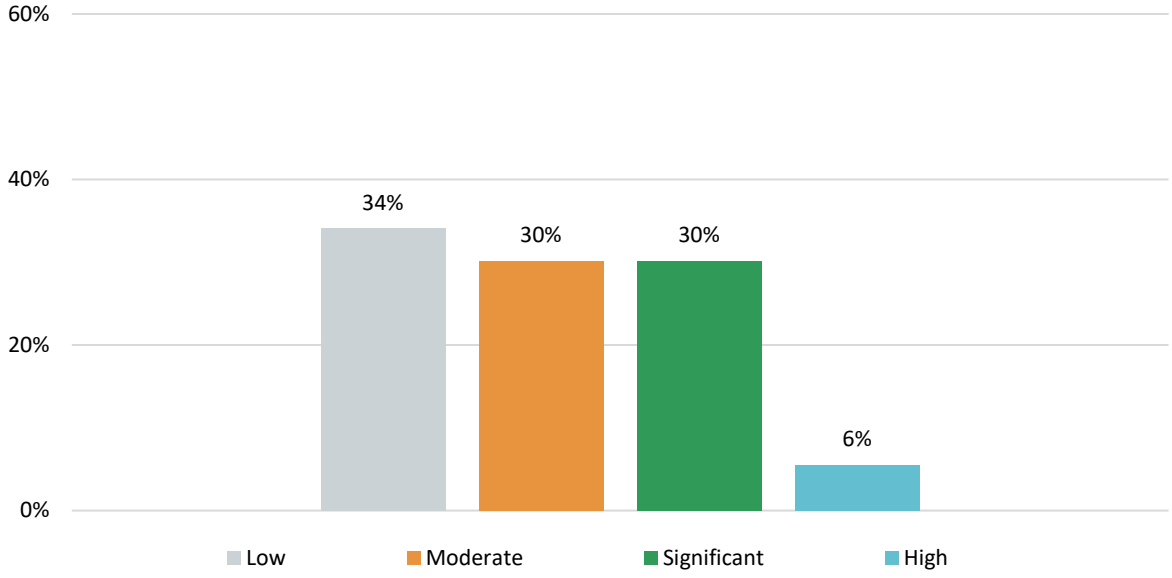
A similar pattern emerges regarding the board's guidance and support for the CEO when it comes to implementing AI strategy (see Figure 5). 43% of respondents consider the level of board involvement to be low, 26% rate it as moderate, while 23% consider it significant. Only 8% of respondents report that the level of support is high, suggesting that many boards are still discovering and exploring their role in supporting AI strategy and implementation.

Figure 5. Board guidance for effective AI implementation



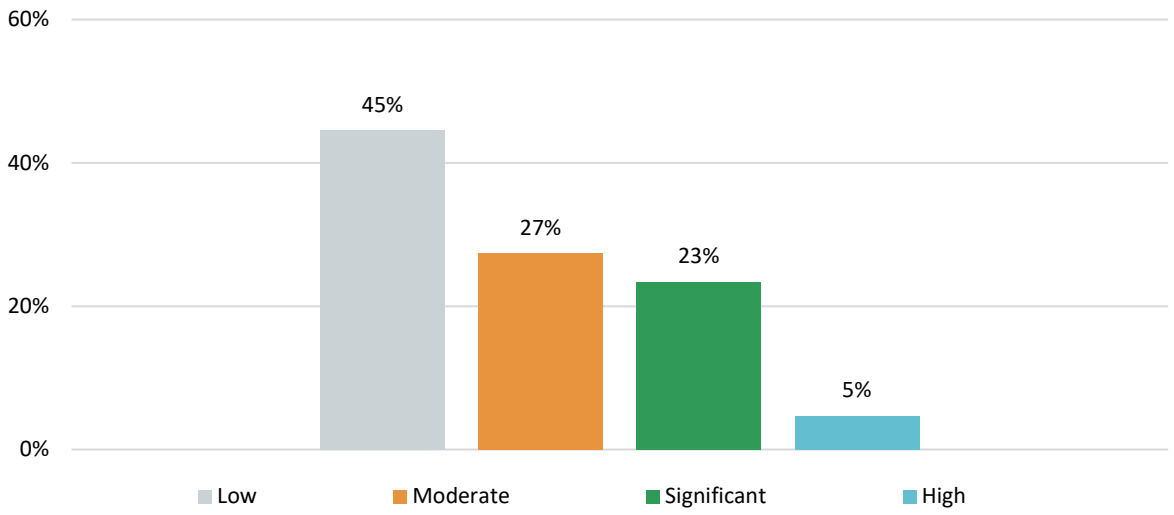
Respondents suggest that board commitment to supporting organizational capabilities and AI implementation also remains uneven (see Figure 6). A significant proportion of respondents perceive limited board involvement in defining policies intended to upskill employees through continuous training. More specifically, 34% of respondents assess the board's commitment in this area as low, while 30% rate it as moderate, 30% as significant, and 6% as high.

Figure 6. Board involvement in defining policies to upskill employees



A similar pattern is observed in relation to the board's role in supporting AI implementation (see Figure 7). Here, 45% of respondents consider the level of involvement to be low, while 27% rate it as moderate, 23% as significant, and 5% as high, indicating that many boards have yet to play an active role in enabling AI execution.

Figure 7. Board involvement in AI implementation



The survey results suggest that, despite the strategic relevance of AI, many boards exhibit only limited engagement in helping the CEO with AI adoption, as is the case for promoting workforce upskilling (see Figure 6) and actively supporting the implementation of AI initiatives (see Figure 7).

In addition, board members indicate that many organizations have yet to realize significant value from their AI strategies (see Figure 1). In fact, while 45% report that their AI strategy is already delivering value, a larger share—55%—acknowledge that this is not yet the case.

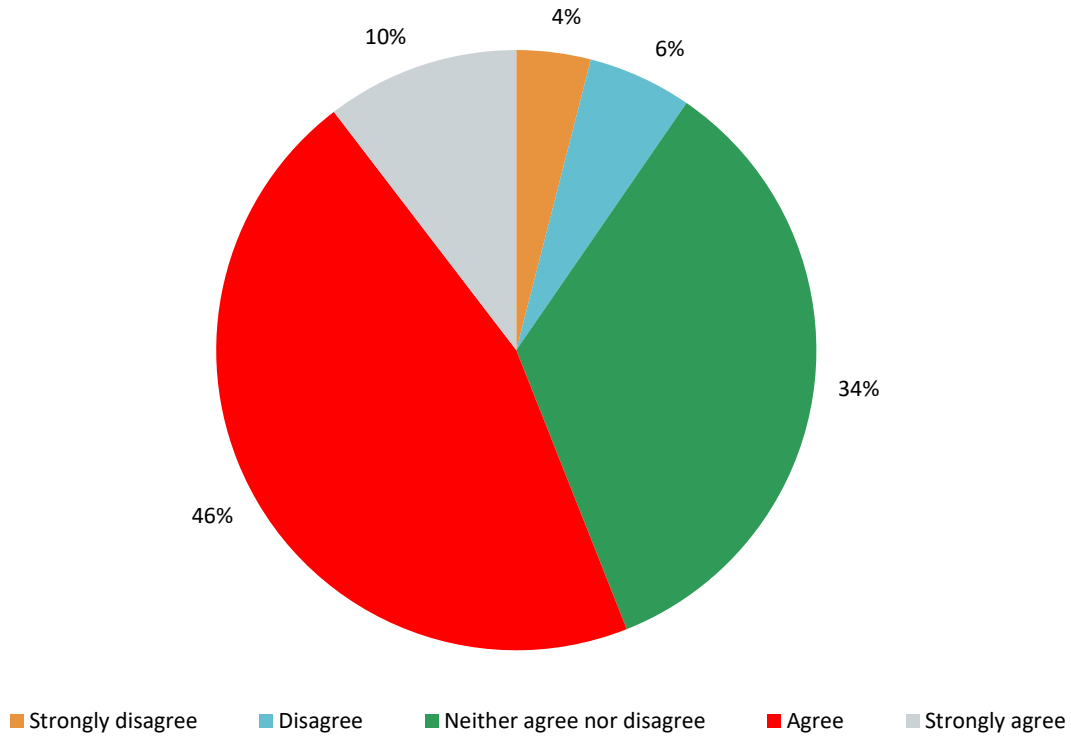
Overall, the surveyed directors suggest that AI is increasingly embedded in corporate strategies, although many organizations are still in the process of translating related initiatives into tangible business outcomes (see Figure 3b). This suggests that the level of AI adoption by companies that participated in the survey is relatively moderate and that the surveyed boards are only involved in the governance of AI to a limited extent.

4. Boards and geopolitical risks

Geopolitics has become a critical factor for companies. Geopolitical disruptions—such as wars, trade tariffs, industrial policies, and large-power unilateralism —reshape the global business environment. Such developments introduce new layers of uncertainty that can significantly affect corporate strategy, operations, and long-term value creation, requiring boards to closely monitor and anticipate their implications and then reorient business strategy accordingly.

Increasing fragmentation, trade uncertainties, and regional risks are all leading firms to reduce their dependencies and diversify their operational footprint (see Figure 8). Respondents indicate that many companies have already taken steps in this direction. Indeed, 46% of respondents agree and 10% strongly agree that their companies have diversified their supply chains over the past few years, representing a total of 56%. By contrast, only a limited share disagree (6%) or strongly disagree (4%), suggesting that only 10% of respondents' companies have maintained their supply chain structures.

Figure 8. Geopolitical tensions impact companies' supply chain resilience



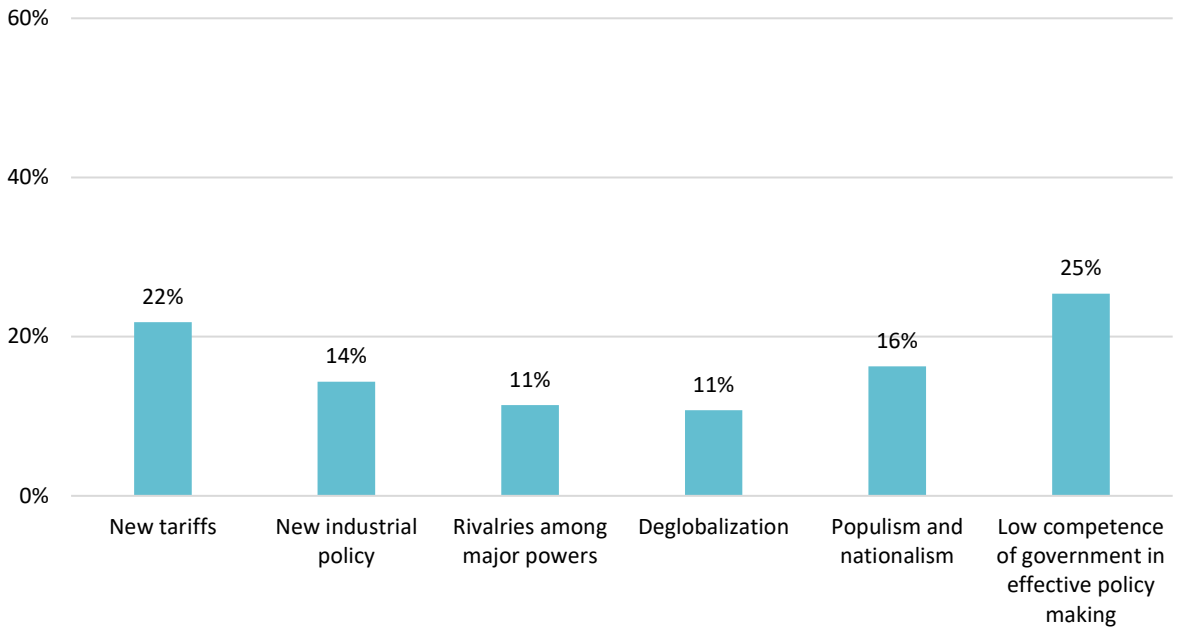
The second section of the survey examines how boards of directors perceive the main sources of geopolitical risk affecting their organizations, as well as the strategic options that companies are considering in response to such challenges. It also explores how geopolitical tensions are influencing corporate strategy, including investment decisions and engagement with external stakeholders. Finally, this section analyses how companies are strengthening their resilience in the face of geopolitical uncertainty, with a particular focus on operational flexibility and supply chain diversification.

4.1. Sources of geopolitical risk

The surveyed board members identify a range of geopolitical factors as potential sources of risk for their organizations (see Figure 9). In particular, 25% of respondents point to the low competence of governments in relation to effective policymaking as a key concern during this period of upheaval, followed by new tariffs and trade policy (22%).

Other relevant risks include both populism and nationalistic policies (16%) and new industrial policies (14%), while rivalries among major powers and deglobalization are only considered by 11% of respondents. However, as the survey was conducted before the outbreak of the recent military conflict in the Iran in March 2026, it is possible that this war has changed directors' views regarding geopolitical risk.

Figure 9. Main sources of geopolitical risk in companies



4.2. Strategic options for companies facing geopolitical tensions

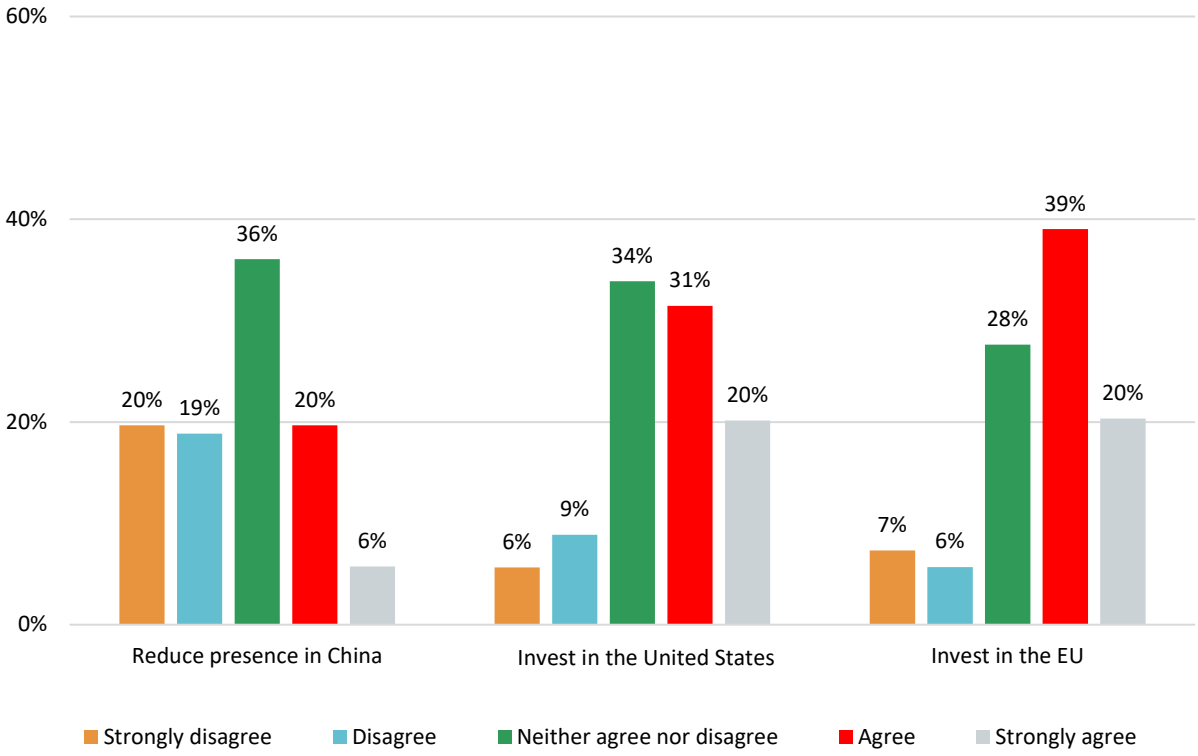
The surveyed directors express mixed views regarding the strategic investment options companies may pursue in response to geopolitical tensions (see Figure 10).

We asked the board members to consider their companies' future investment in the three major economies—namely, China, the United States, and the EU. In terms of the future investment in China, respondents exhibit a cautious stance: 20% strongly disagree and 19% disagree with the idea of reducing their companies' presence in that country. Only 6% strongly agree with a drastic reduction of their firms' presence in China.

In contrast, respondents show a greater preference for investing in the United States. Here, 31% of respondents agree and 20% strongly agree that their companies should invest more in the United States in the near future. Only 6% strongly disagree with this view.

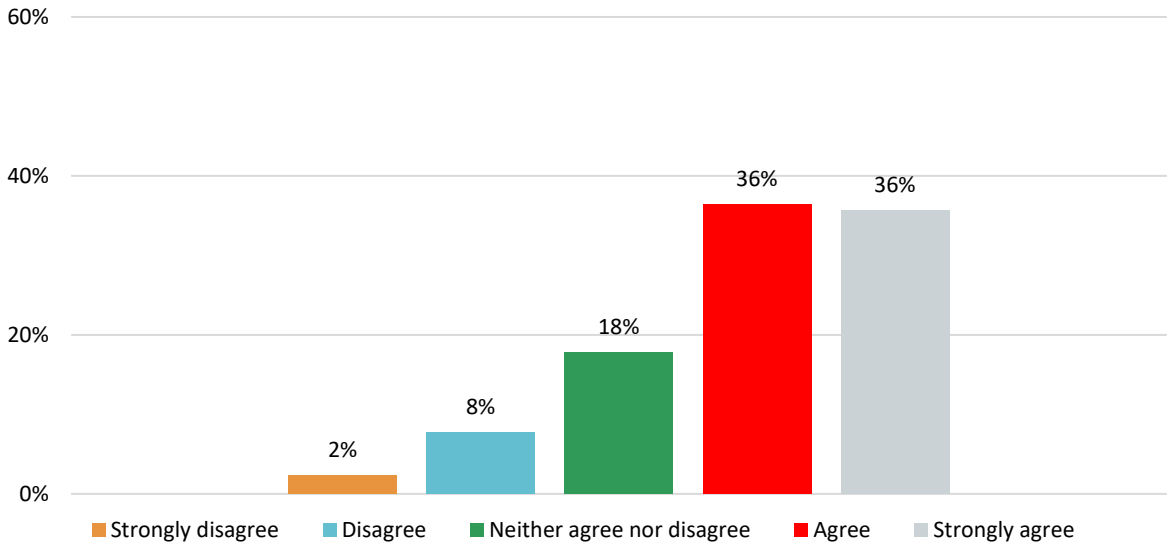
More broadly, the EU is the most resilient area when it comes to future investment. In fact, 20% of respondents strongly agree and 39% agree about the wisdom of investing in the EU in the face of global geopolitical tensions. Only 13% disagree with this strategic option.

Figure 10. Strategic options for companies facing geopolitical tensions



Respondents show strong support for focusing on companies' home regions in response to geopolitical uncertainty (see Figure 11). In total, 72% of respondents either agree or strongly agree with this approach. Only a small share disagree (10%). These answers indicate broad alignment with the regionalization of international trade and investment as a strategic response to geopolitical tensions. These data are consistent with patterns observed in international trade following the COVID-19 pandemic, as well as with previous research on the strong trade links among neighboring countries (Ghemawat 2003).

Figure 11. Focus on the home region as a strategic option for tackling geopolitical risks

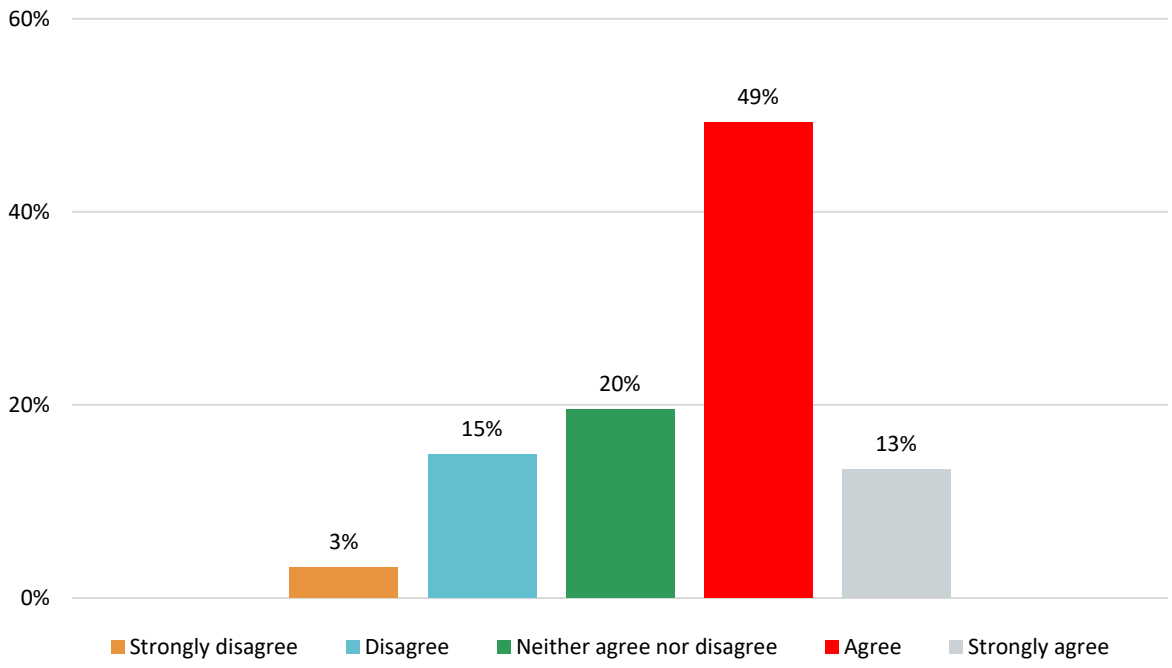


Overall, respondents indicate that companies are adopting a cautious and increasingly regionalized response to geopolitical risks (Canals 2023). While their views are mixed when it comes to more disruptive strategic shifts, there is broader agreement with strengthening investments in stable and familiar environments. The surveyed directors exhibit a clear preference for focusing on companies' home regions, suggesting that boards tend to prioritize proximity, stability, and greater control over operations as key elements of their strategic response during times of uncertainty.

4.3. Corporate strategy and geopolitical tensions

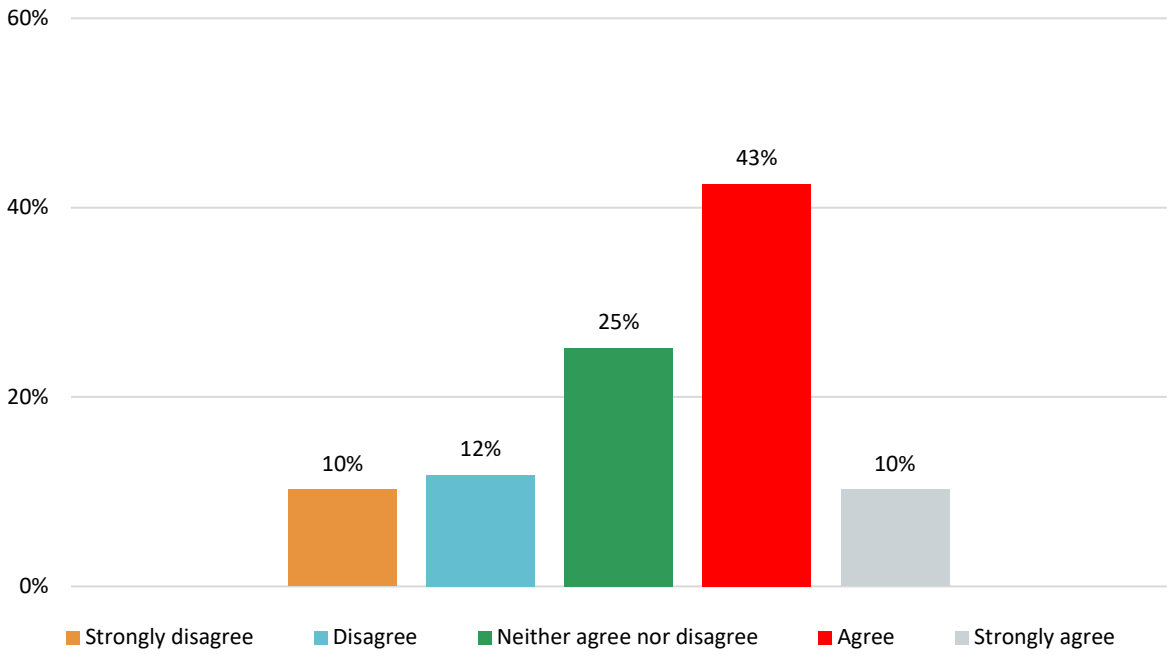
The survey results suggest that geopolitical tensions are prompting companies to reassess their strategic planning and engagement with governments (see Figure 12). In this regard, 49% of respondents agree and 13% strongly agree that their companies should review their strategies and consider different scenarios at least twice a year, indicating that geopolitical uncertainty is prompting firms to revisit their strategic orientation more frequently.

Figure 12. Companies should review their corporate strategy at least twice a year



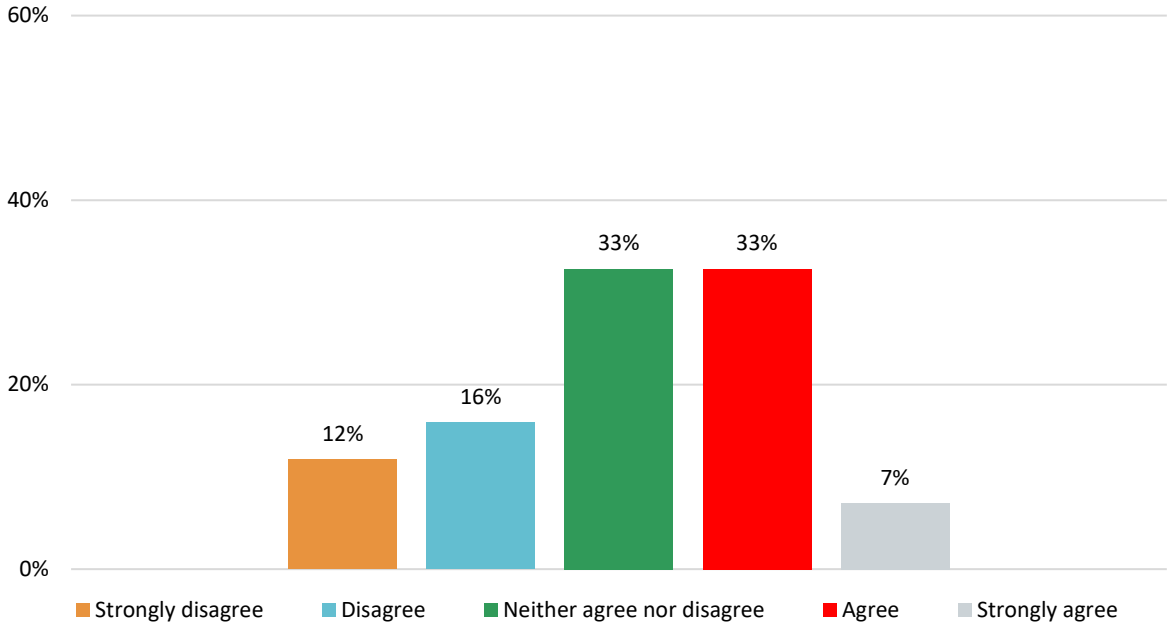
A similar pattern is observed in relation to companies' engagement with governments (see Figure 13). Here, 43% of directors agree and 10% strongly agree that their companies should seek to better understand the geopolitical context through institutional dialogue. In contrast, 12% disagree and 12% strongly disagree with their companies engaging more deeply with governments.

Figure 13. Companies should engage with governments to understand the geopolitical context



By contrast, respondents express more divided views concerning relocating key operations to more stable countries (see Figure 14). Indeed, only 33% agree and 7% strongly agree with this approach, suggesting greater caution with regard to relocation as a strategic response.

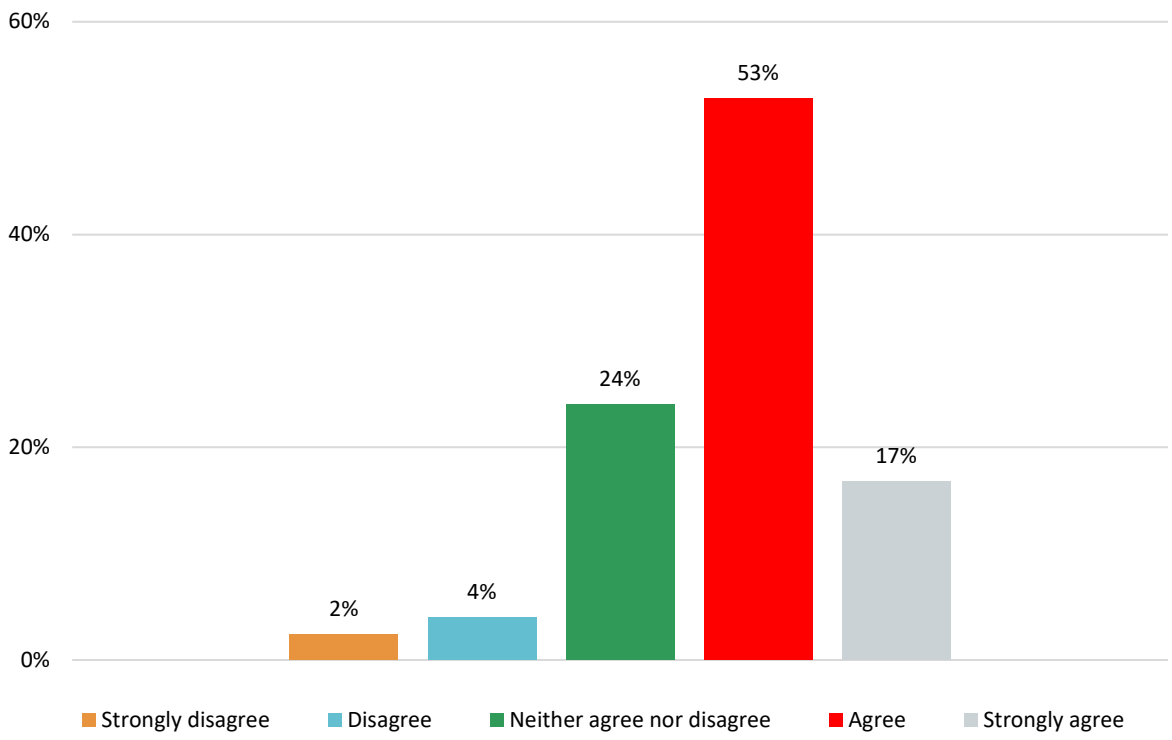
Figure 14. Companies have relocated key operations to safer countries due to geopolitical tensions



4.4. Geopolitics and corporate resilience

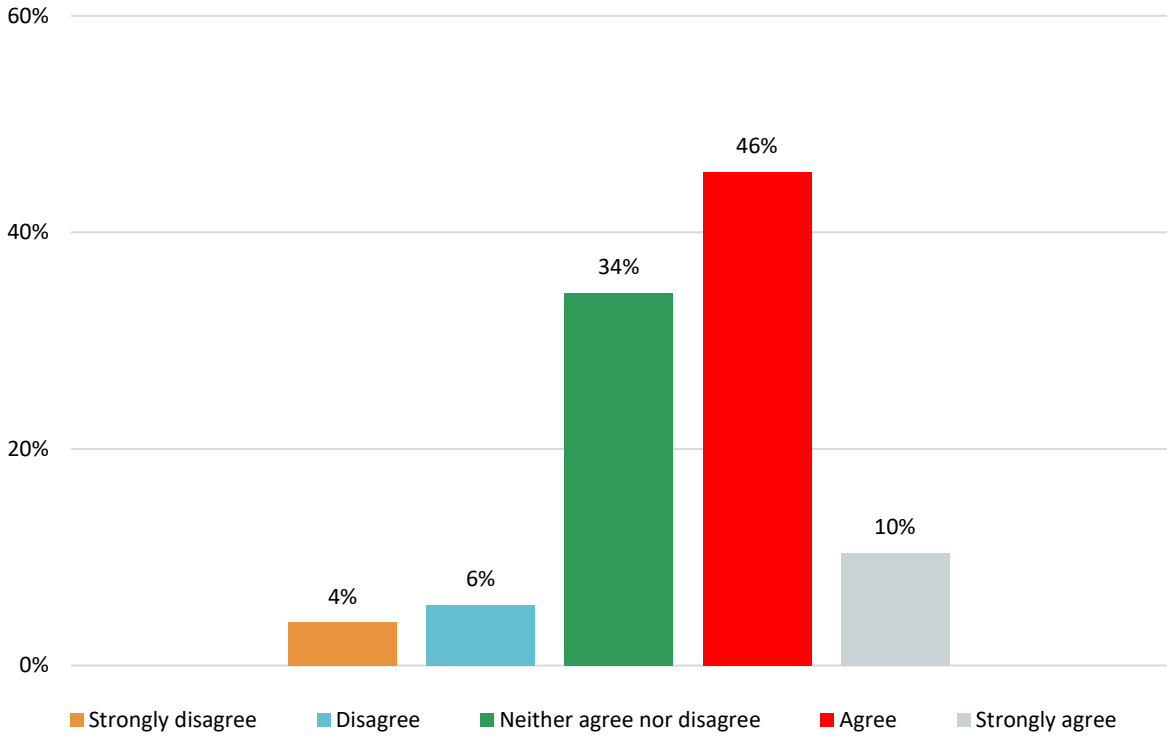
Board members highlight how their companies are strengthening their resilience in response to geopolitical tensions, particularly through increasing flexibility and diversifying supply chains. Moreover, 53% of respondents agree and 17% strongly agree that their organizations have increased financial and operational flexibility in an effort to adapt to disruptions, while only a small share disagree (4%) or strongly disagree (2%) with this orientation (see Figure 15).

Figure 15. Companies have increased their financial and operational flexibility to adapt to geopolitical disruptions



Board members also consider that supply chain diversification is a key lever for enhancing resilience (see Figure 16). Thus, 46% of respondents agree and 10% strongly agree that their companies have diversified or will diversify their supply chains, while 34% neither agree nor disagree. Only a smaller share disagree (6%) or strongly disagree (4%), indicating a generally positive—albeit not universal—shift toward diversification strategies.

Figure 16. Companies have diversified their supply chains due to geopolitical tensions

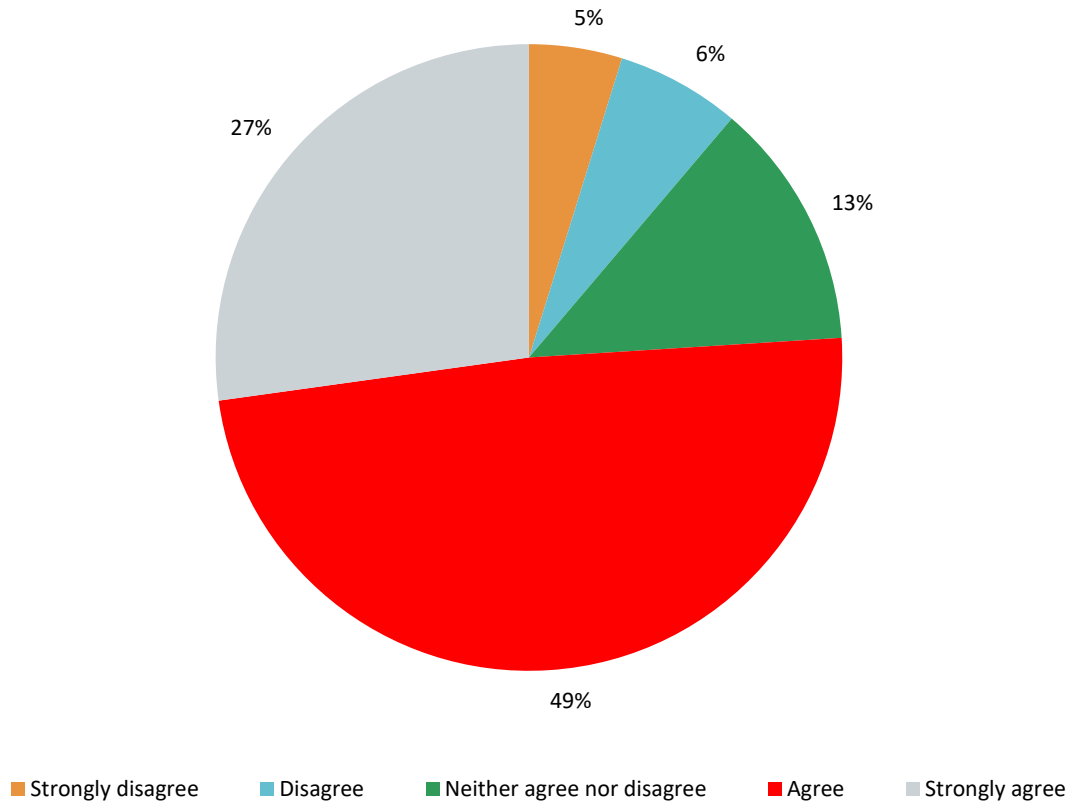


5. Boards and shareholder engagement

Effective shareholder engagement with board members has become a key component of sound corporate governance (Fisch and Solomon, 2019). As investors play a more active role in engaging with boards and indicating their concerns and preferences, boards are increasingly expected to maintain transparent, consistent, and constructive dialogue with shareholders in relation to strategic and governance matters.

CEO succession represents a key area of shareholder interest, reflecting its critical importance for both long-term value creation and corporate stability (see Figure 17). Hence, 49% of respondents agree and 27% strongly agree that shareholders have a significant interest in this topic, which indicates a strong (76%) and consistent focus on succession planning as a core governance priority.

Figure 17. Shareholder interest in CEO succession



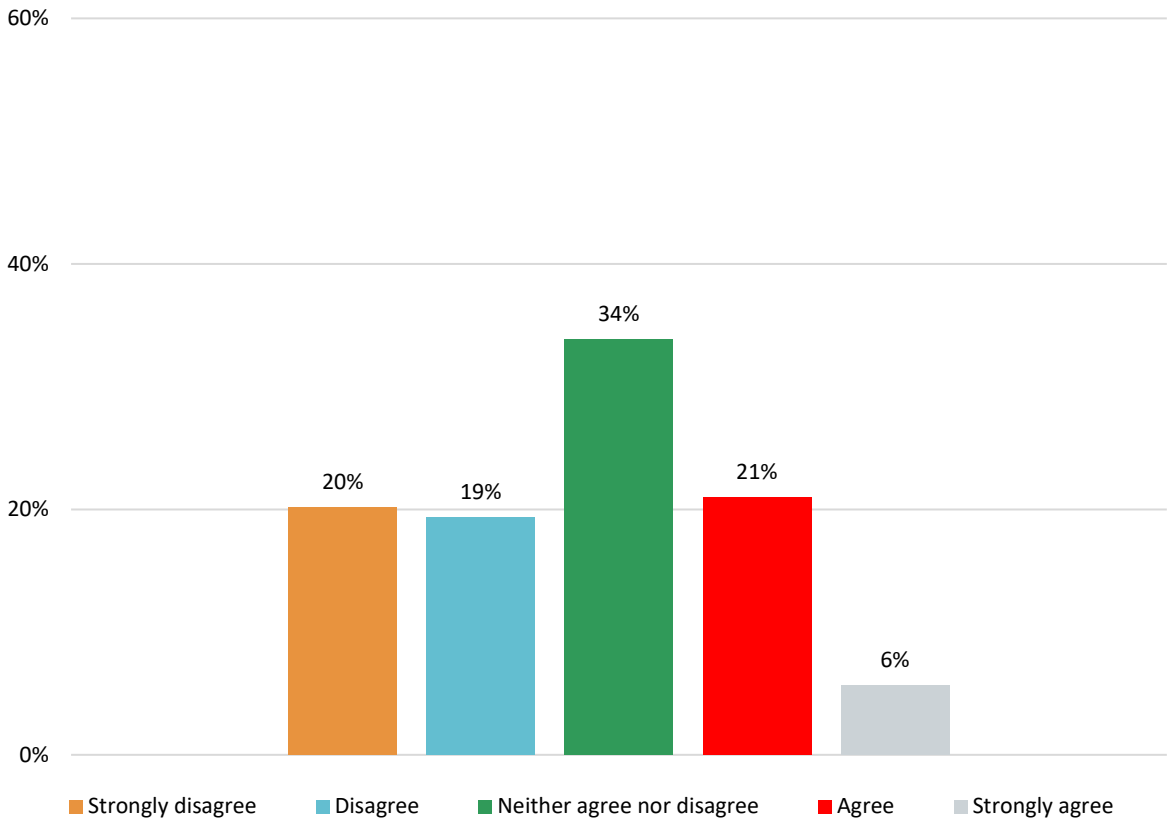
This section of the survey examines the main obstacles that may hinder effective board–shareholder engagement, including structural, informational, and resource-related challenges. It also explores key areas where engagement takes place, as well as the topics that attract the greatest interest on the part of shareholders.

Overall, the analysis provides insights into how boards and shareholders interact, and it indicates the extent to which this engagement contributes to stronger governance.

5.1. Main obstacles to effective board engagement

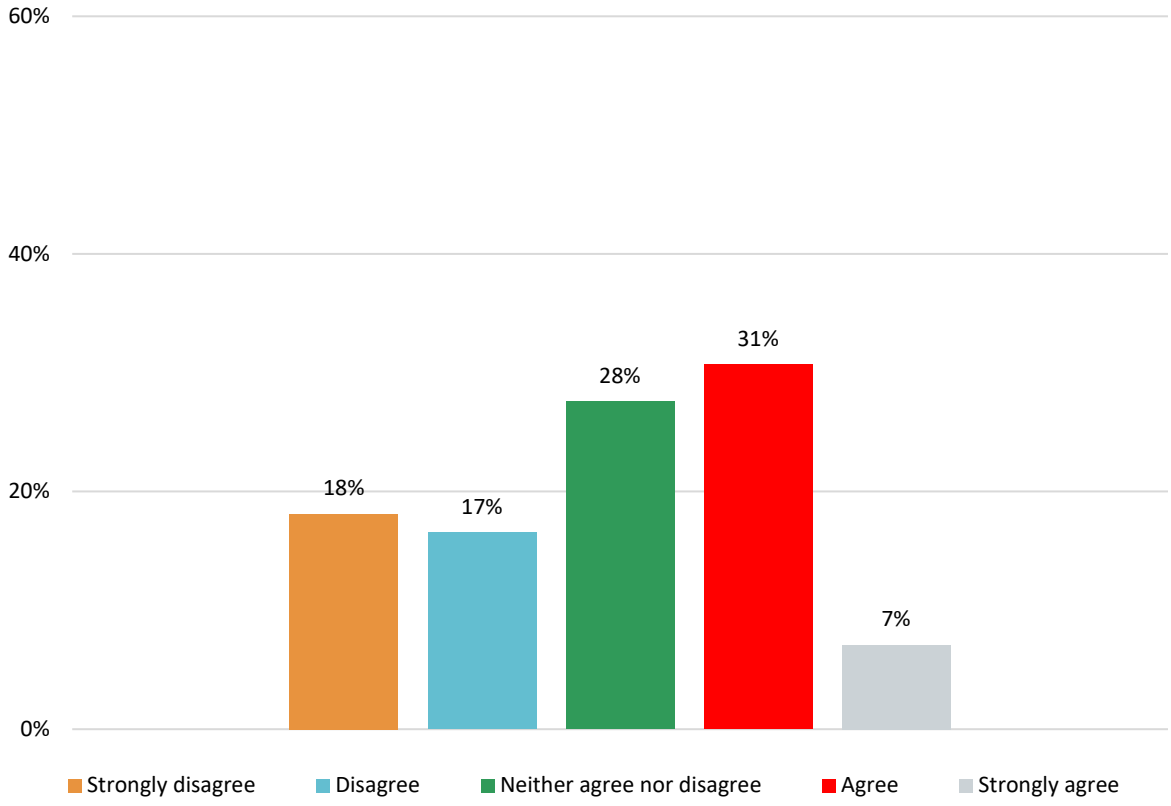
Respondents identify several challenges affecting effective engagement between boards and shareholders (see Figure 18). The risk of interfering with the board's decision-making process seems to be an important concern, that limits shareholders' engagement. Only 19% of respondents disagree with this view, and 20% strongly disagree.

Figure 18. Is shareholders' interference an obstacle to effective engagement?



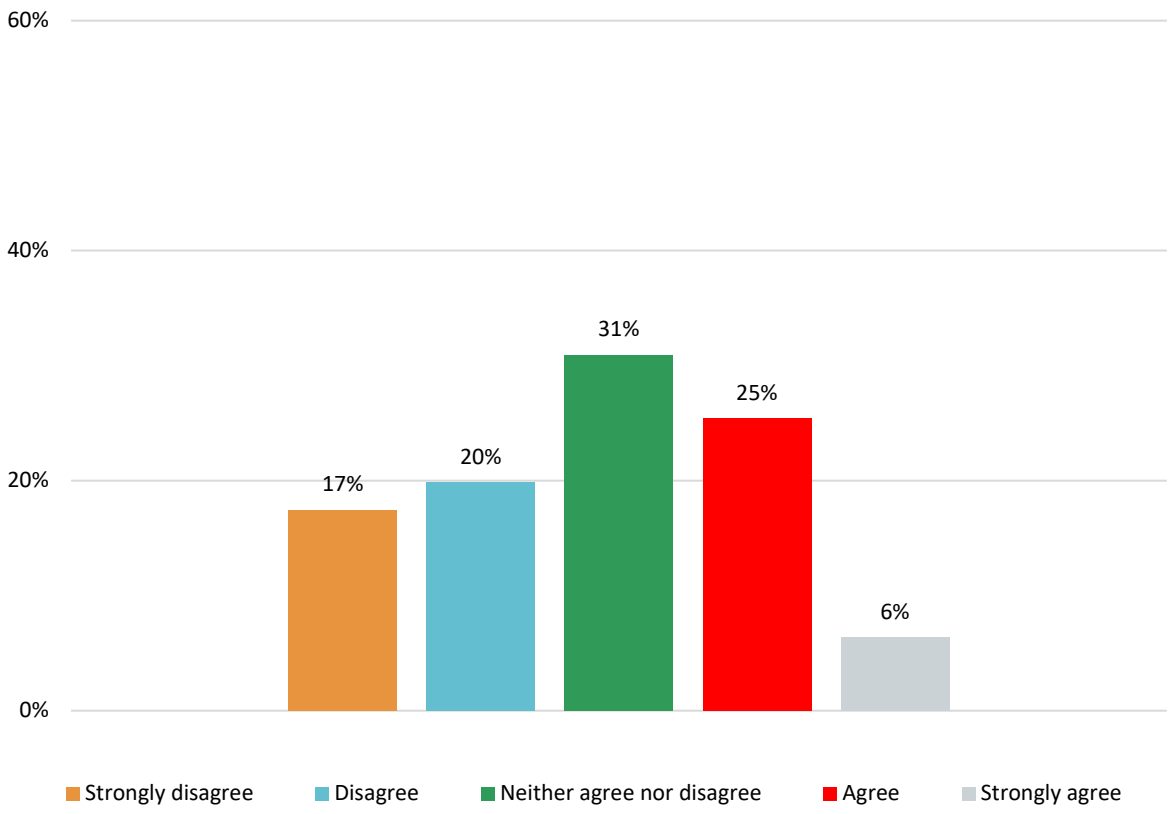
A deeper concern emerges in relation to diverse or conflicting shareholder interests (see Figure 19). Here, 31% of respondents agree and 7% strongly agree that shareholders' differing priorities constitute a significant challenge to deeper engagement.

Figure 19. Are conflicting shareholder interests an obstacle to engagement?



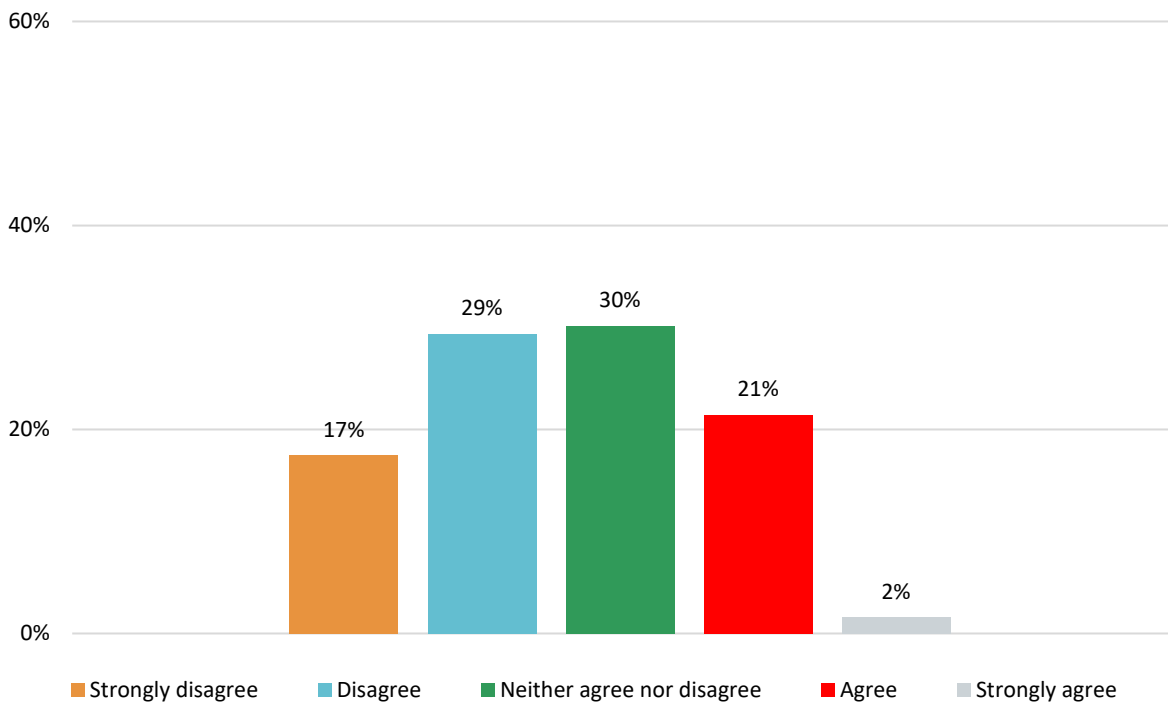
Board members also point to the risk of information asymmetry when disclosing relevant information as potential barrier to effective board–shareholder engagement (see Figure 20), where 25% agree and 6% strongly agree that this represents a relevant challenge. Yet 20% disagree and 17% strongly disagree, suggesting there to be differing views concerning the extent to which information asymmetry affects engagement. This also highlights how investors have different expectations.

Figure 20. Is asymmetric information an obstacle to effective engagement?



A similar pattern is observed in relation to resource constraints (see Figure 21), where 21% of respondents agree and 2% strongly agree that having insufficient resources to render shareholder engagement effective constitutes a barrier. However, 29% disagree and 17% strongly disagree with this, indicating that perceptions of resource limitations vary considerably among respondents, probably due to their specific firm's size and available resources.

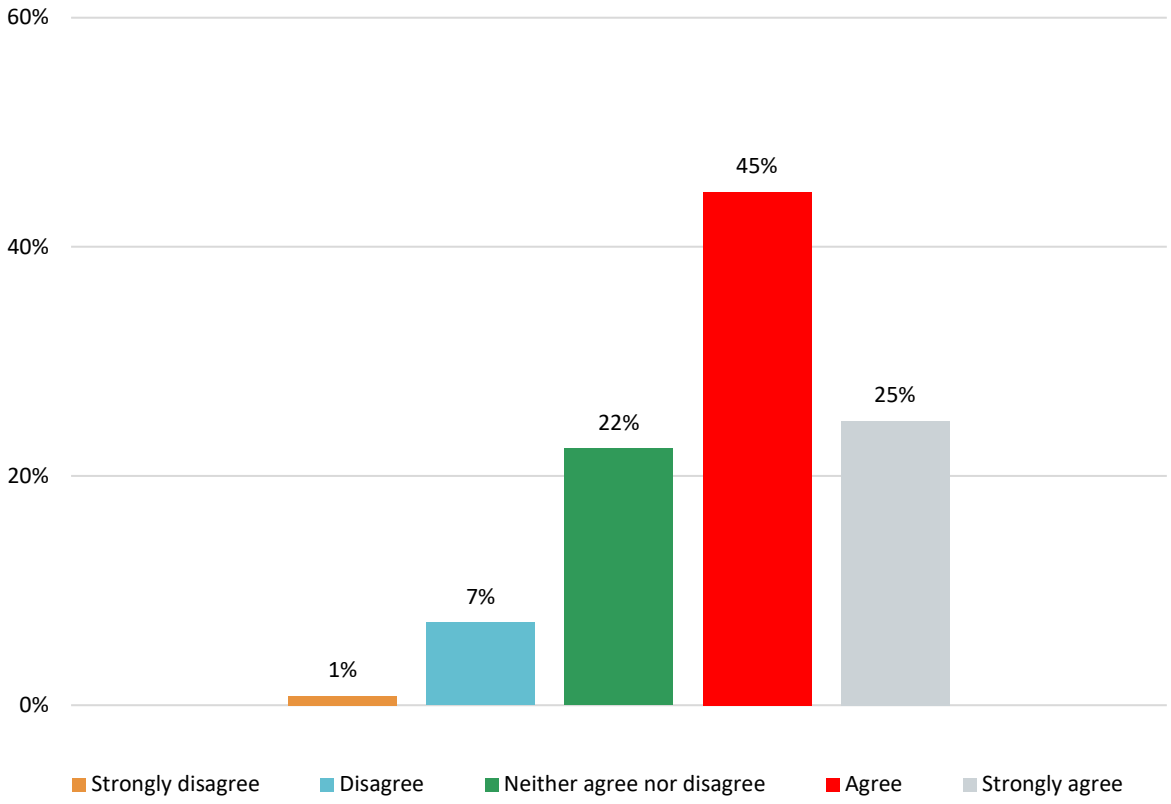
Figure 21. Is lack of resources an obstacle to engagement?



5.2. Areas of engagement

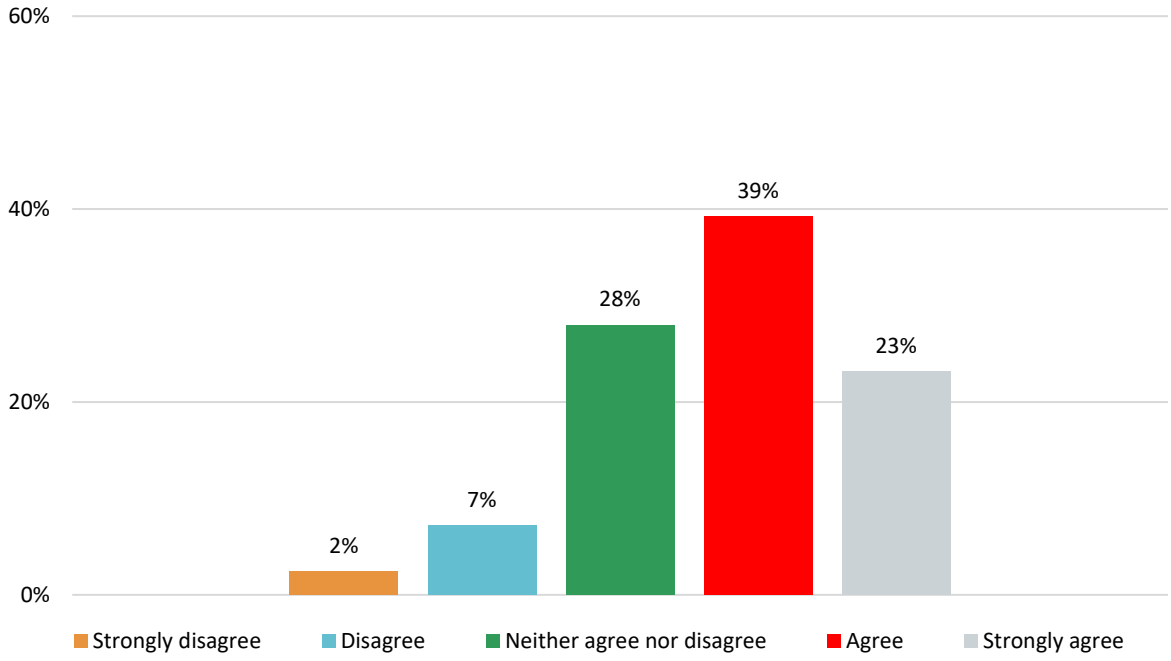
Respondents highlight how shareholders show strong interest in several key governance areas (see Figure 22). Board composition and structure attract significant attention, with 45% of respondents agreeing and 25% strongly agreeing that shareholders want to be engaged in terms of this theme. Only a small share of respondents disagree (7%) or strongly disagree (1%) with this view.

Figure 22. Do shareholders show interest in board composition and structure?



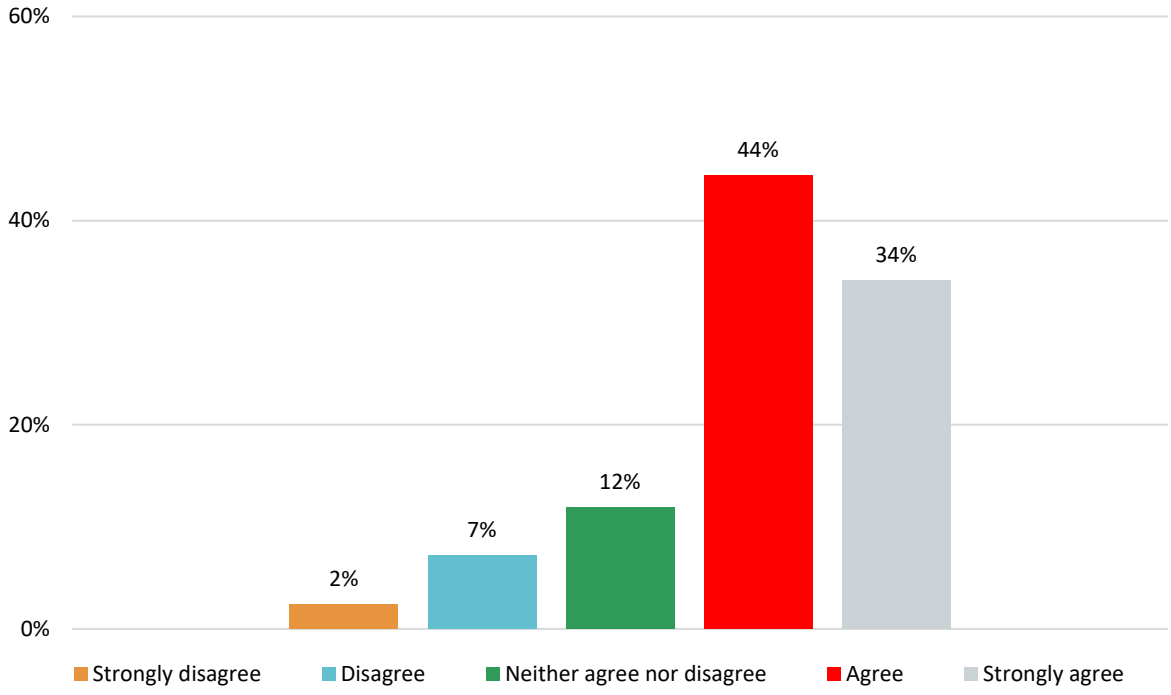
Similarly, executive compensation is also identified as an area of shareholders' interest (see Figure 23), with 39% of respondents agreeing and 23% strongly agreeing that shareholders exhibit interest in engaging with the board to discuss executive compensation.

Figure 23. Do shareholders show interest in executive compensation?



As expected, M&A transactions also attract the interest of shareholders (see Figure 24). Here, 44% of respondents agree and 34% strongly agree that shareholders want to be actively involved in related issues, while only a small share disagree (7%) or strongly disagree (2%).

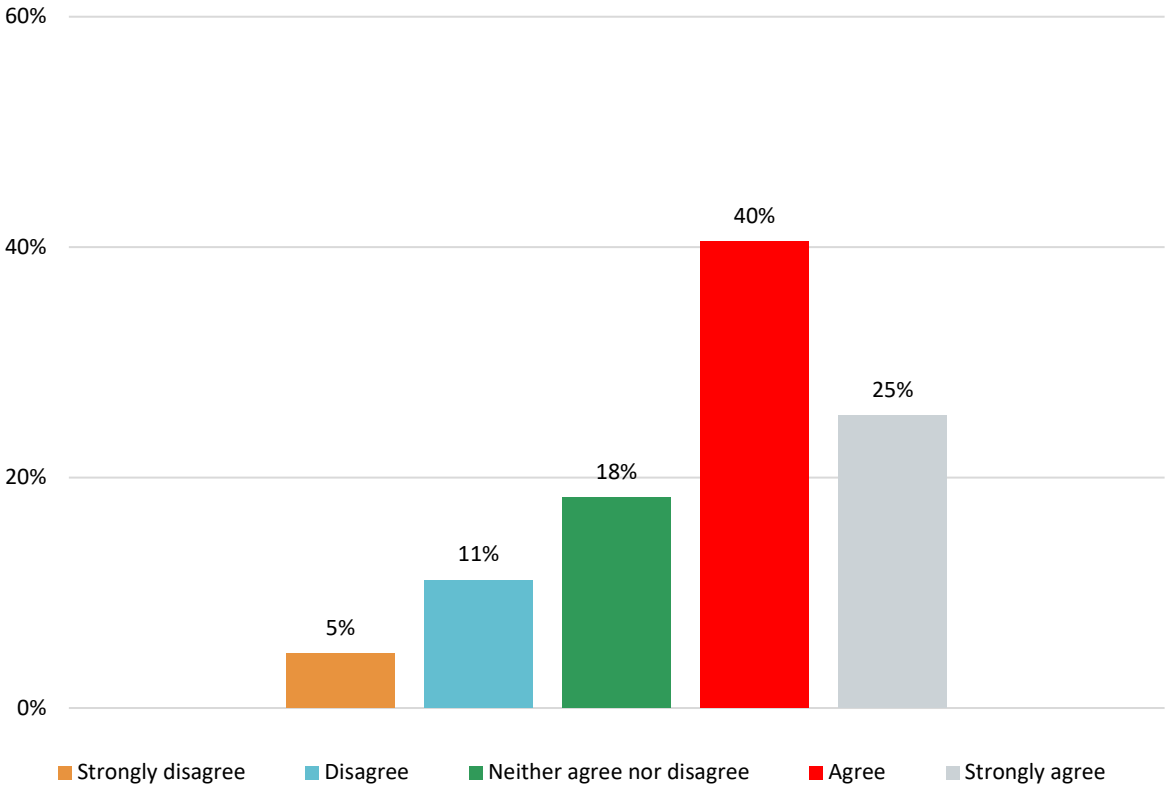
Figure 24. Do shareholders show interest in M&A transactions?



Furthermore, respondents point to shareholders' strong interest in CEO transitions, sustainability, and technological risks (see Figure 17). In this regard, CEO succession emerges as a key area of engagement, with 49% of respondents agreeing and 27% strongly agreeing with shareholders' interest in this issue.

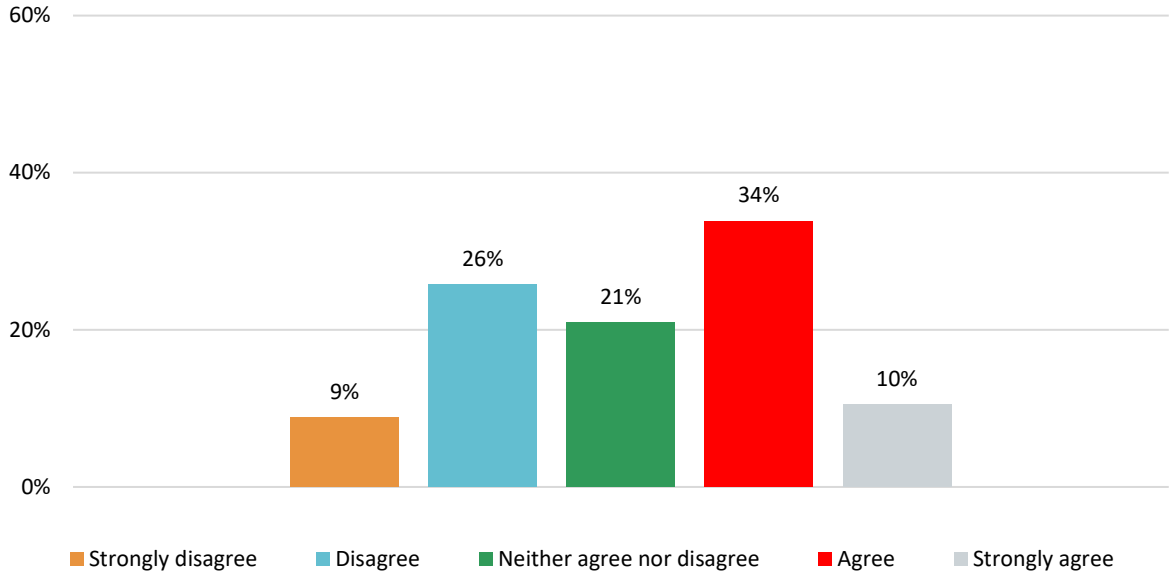
Technology and cybersecurity are increasingly attracting shareholders' attention (see Figure 25). Thus, 40% of respondents agree and 25% strongly agree that shareholders are interested in such matters, whereas a smaller share disagree (11%) or strongly disagree (5%).

Figure 25. Do shareholders show interest in technology and cybersecurity?



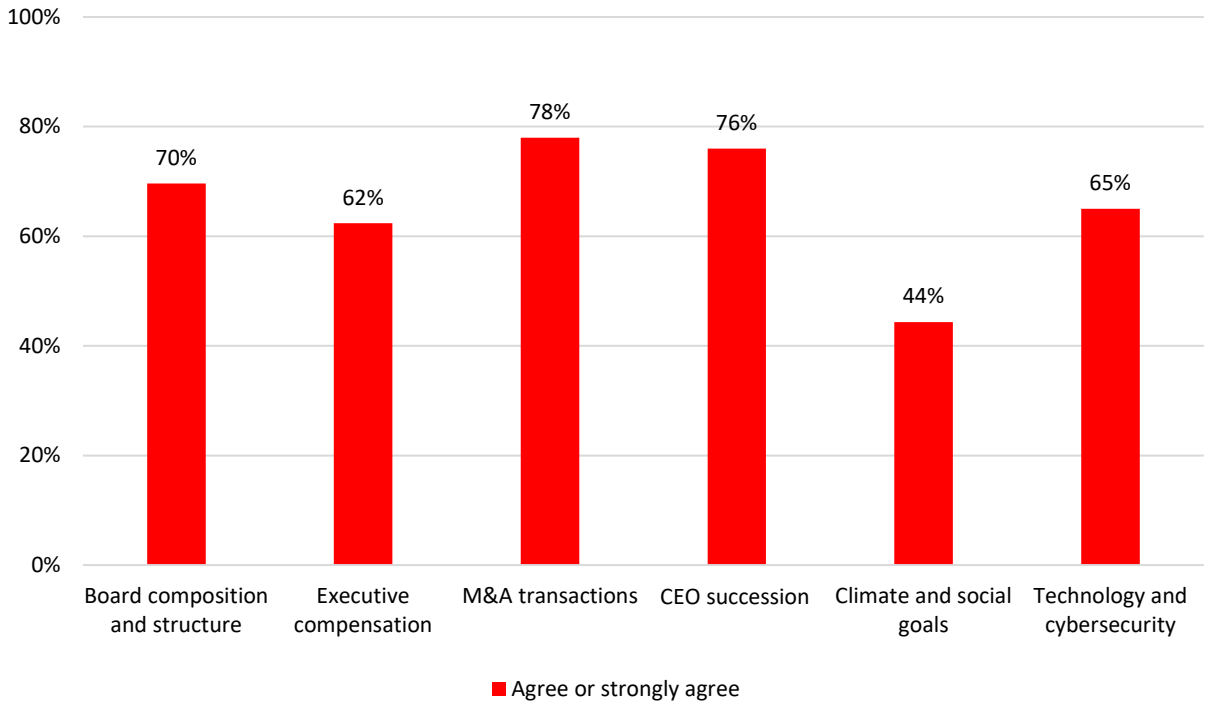
Climate and social goals seem to be the least relevant areas for shareholders (see Figure 26). In fact, only 34% of respondents agree and 10% strongly agree as to the relevance of these themes for shareholders. Moreover, 26% of respondents disagree and 9% strongly disagree that shareholders engage actively with the board to discuss issues related to climate and social goals.

Figure 26. Do shareholders show interest in climate and social goals?



Overall, the survey results indicate that shareholders show the greatest interest in key strategic and governance issues (see Figure 27). 78% of respondents report shareholder interest in M&A transactions, 76% in CEO succession, 70% in board composition and structure, and 65% in technology and cybersecurity. By contrast, climate and social goals appear to be less important areas for shareholders when it comes to engaging with the board (44%).

Figure 27. Shareholders' main interests when engaging with the board

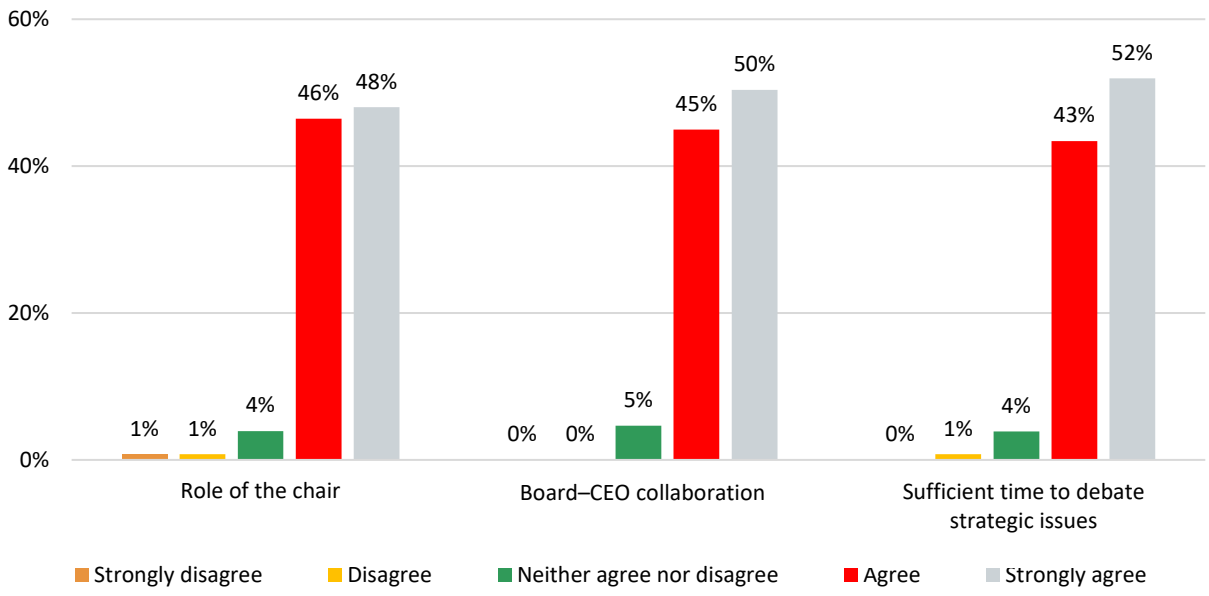


6. Board dynamics and board effectiveness

Effective board dynamics are a critical driver of both board performance and overall corporate governance (Cheng et al. 2021; Sakasai, Ormazabal, and Canals 2024). The quality of the dialogue and interactions within the board, as well as those between the board and executive leadership, plays a central role in shaping board decision-making and strategic oversight.

Respondents identify several key factors that contribute to effective board dynamics, with strong alignment noted across all dimensions (see Figure 28). Collaboration between the board and the CEO is the most critical factor, with 45% of respondents agreeing and 50% strongly agreeing as to its importance. The role of the chair is considered essential, which 46% agree and 48% strongly agree with, while allocating sufficient time to debate strategic issues has similarly strong support, with 43% agreeing and 52% strongly agreeing.

Figure 28. Essential factors in fostering positive board dynamics

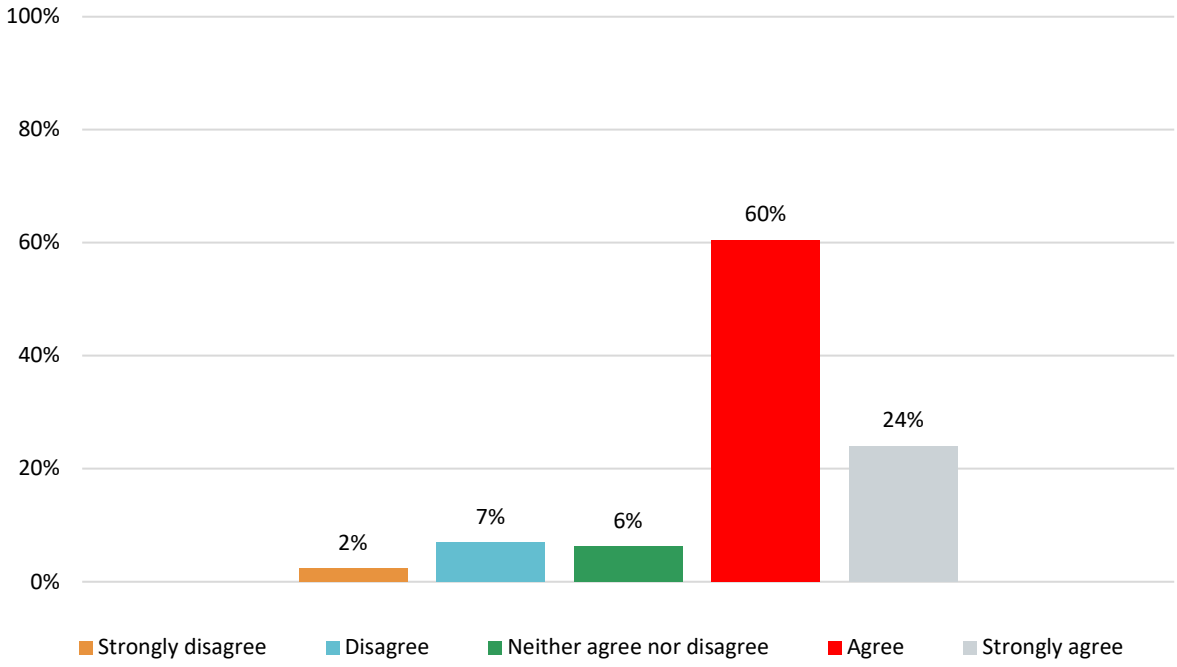


This section of the survey explores the nature of the collaboration between the board and the CEO, focusing on how the board supports, challenges, and guides executive leadership. It also examines key factors that foster positive board dynamics, including leadership, composition, and quality of strategic discussions. Moreover, this section addresses the main challenges associated with CEO succession planning, highlighting the structural and relational factors that may influence the effectiveness of succession processes.

6.1. Collaboration between the board and the CEO

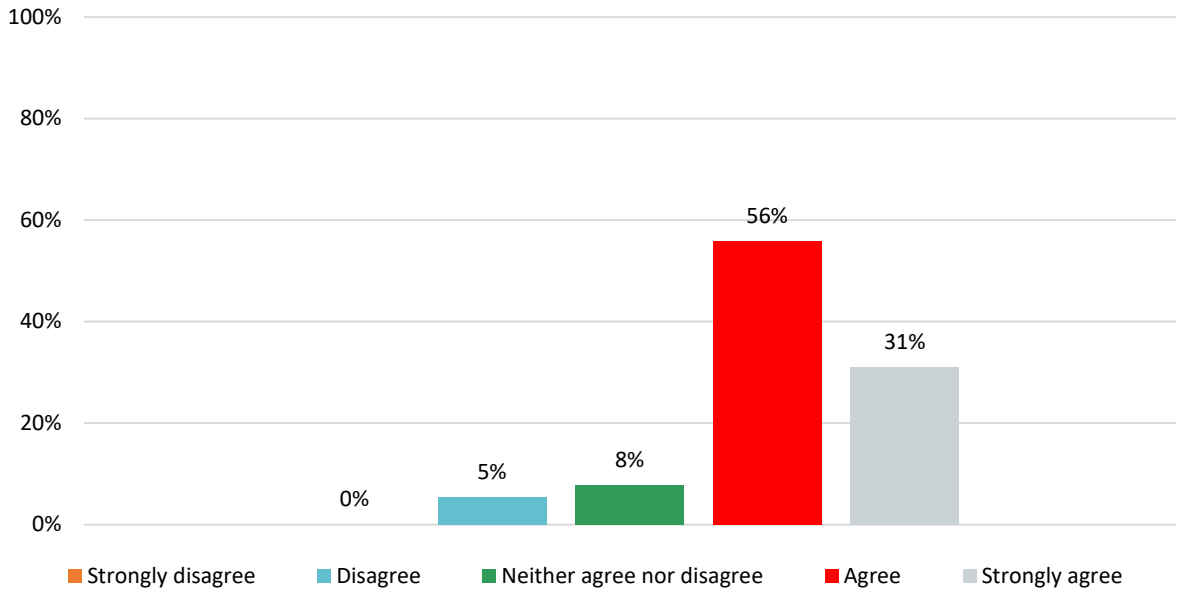
Respondents report strong collaboration between boards of directors and CEOs in their companies (see Figure 29). Indeed, 60% of respondents agree and 24% strongly agree that the board sets clear objectives and expected outcomes for the CEO, whereas only a small share disagree (7%) or strongly disagree (2%).

Figure 29. The board sets clear objectives for the CEO



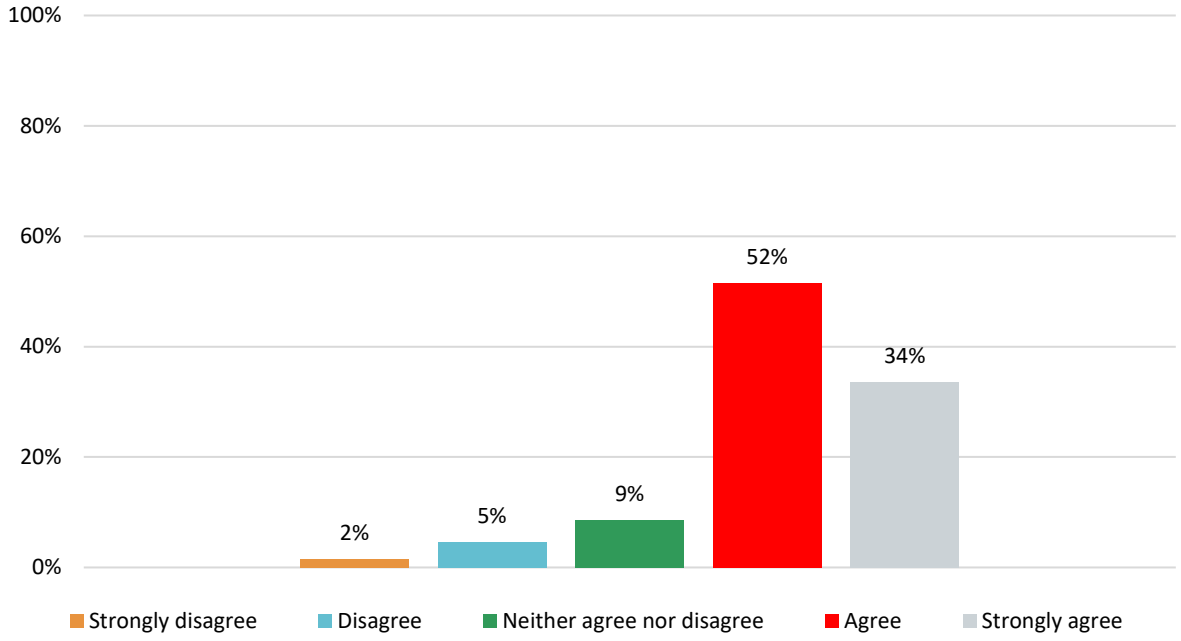
A similar level of satisfaction is observed in relation to the board's role in challenging and encouraging the CEO when facing complex decisions (see Figure 30). Here, 56% of respondents agree and 31% strongly agree that the board behaves in such a way, while only a limited proportion disagree (5%), highlighting the board's active involvement in guiding and supporting executive leadership.

Figure 30. The board challenges and encourages the CEO in complex decisions



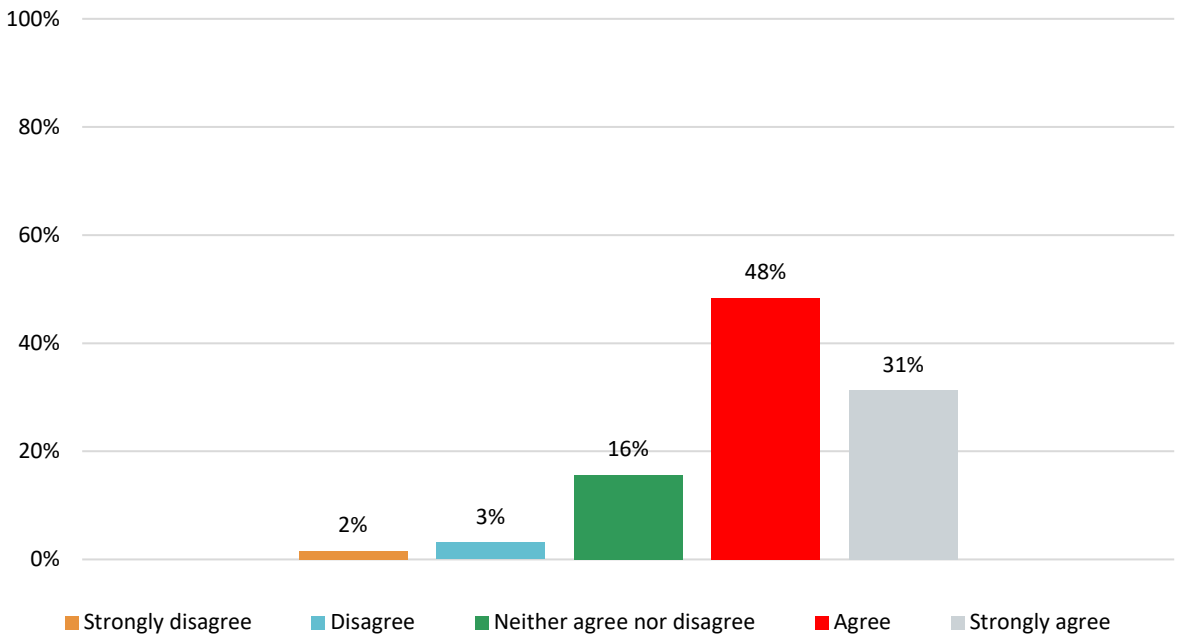
Respondents exhibit a strong perception of constructive interaction between the board and the CEO (see Figure 31), where 52% of respondents agree and 34% strongly agree that their board supports the development of the CEO and senior management through feedback, whereas only a small proportion, 7%, disagree or strongly disagree with this view.

Figure 31. The board supports the CEO development



Board members identify the central role of the chair in shaping board dynamics (see Figure 32). In this regard, 48% of respondents agree and 31% strongly agree regarding this role, while a very limited share disagree (3%) or strongly disagree (2%) with it, underscoring the importance of board leadership in enabling the effectiveness of the board of directors.

Figure 32. The chairperson fosters board collaboration



Overall, respondents report a high level of constructive interaction between boards and CEOs. As mentioned above, 87% agree or strongly agree that the board challenges and encourages the CEO when facing complex decisions, while 86% perceive that the board supports the development of the CEO and senior management through the provision of active feedback. In addition, 79% of respondents agree or strongly agree that the chair fosters board collaboration and deep discussion, and 84% state that the board sets clear objectives and outlines expected outcomes for the CEO, highlighting the board's active role in guiding and supporting executive leadership.

6.2. Some critical factors concerning board effectiveness

Respondents exhibit broad consensus regarding the key factors that foster effective board dynamics (see Figure 28). In particular, the role of the chair is widely recognized as essential, with 46% of respondents agreeing and 48% strongly agreeing that it is a critical element of good board functioning, while only a negligible share disagree (1%) or strongly disagree (1%).

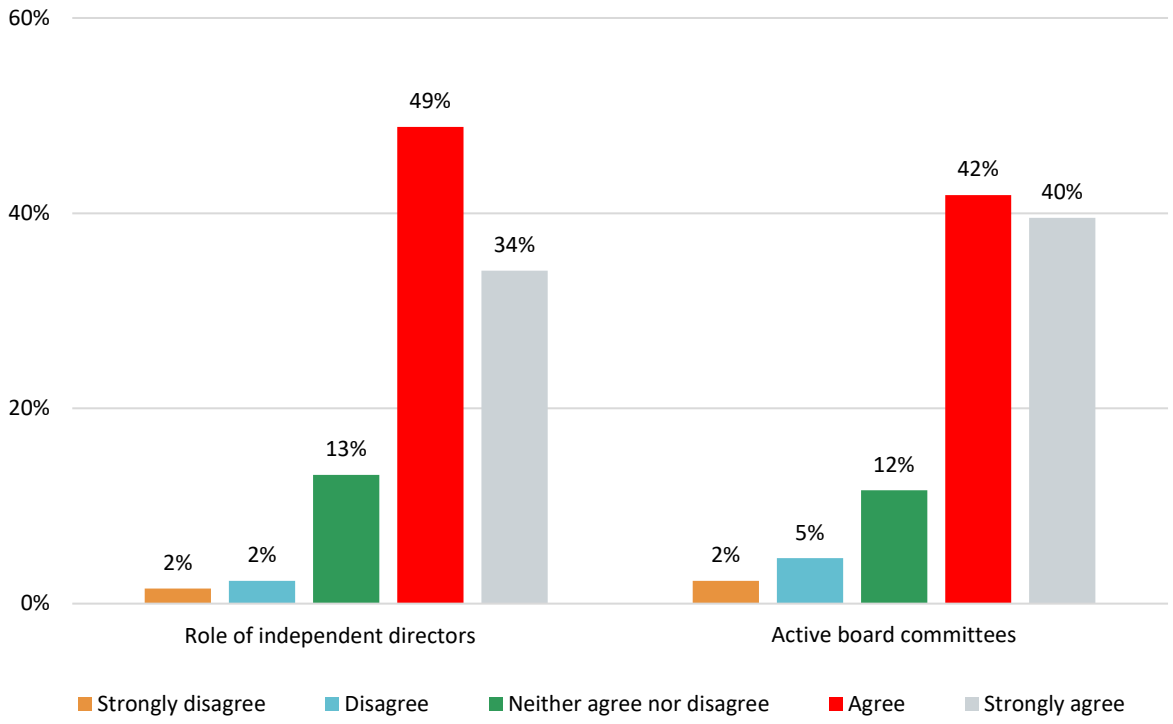
Similarly, collaboration between the board and the CEO is viewed as a fundamental driver of board effectiveness. Thus, 45% of respondents agree and 50% strongly agree that this collaboration is crucial. This is consistent with the findings of recent research (Canals 2023; Cheng et al. 2021).

Finally, allocating sufficient time to debate strategic issues is identified as another key enabler of board performance. In this regard, 43% of respondents agree and 52% strongly agree that dedicating appropriate time to strategic discussions is essential, while virtually none (1%) express disagreement with this notion, highlighting strong alignment on the importance of leadership, collaboration, and strategic dialogue.

Respondents also emphasize the importance of board composition and board committees in fostering effective board dynamics (see Figure 33). In particular, the role of independent directors is highly valued, with 49% of respondents agreeing and 34% strongly agreeing that independent directors' contribution is essential for effective board functioning.

Similarly, active board committees are seen as an important factor supporting good governance practices. Indeed, 42% of respondents agree and 40% strongly agree that well-functioning board committees promote stronger board dynamics.

Figure 33. Essential factors for fostering board effectiveness

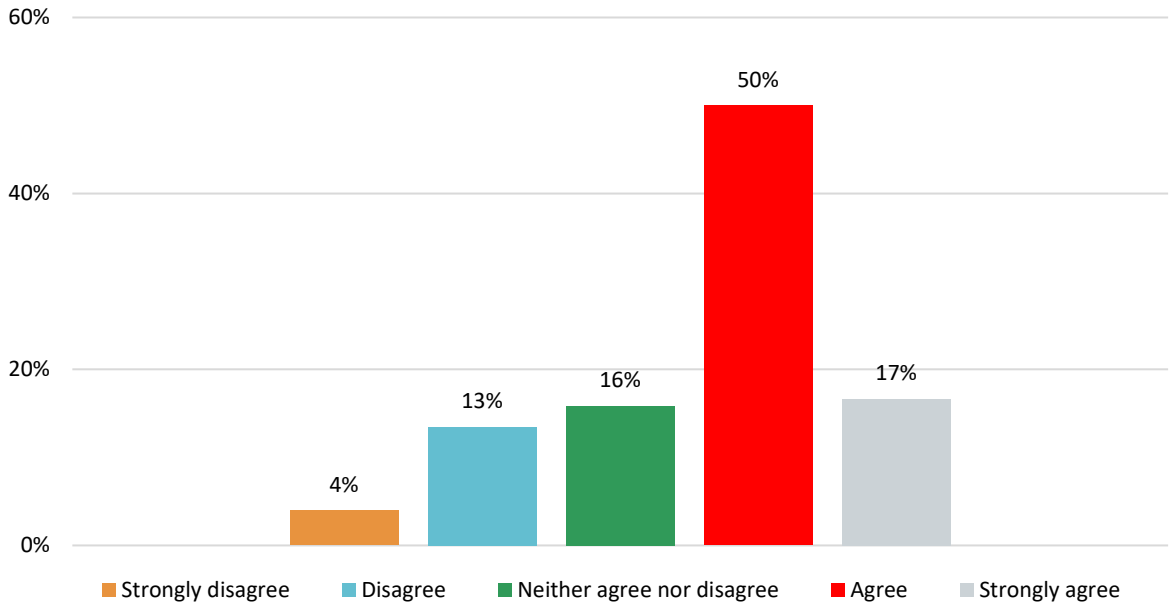


Overall, the surveyed directors show strong alignment when it comes to the key enablers of board effectiveness. A large majority of them emphasize both the role of the chair and strong board–CEO collaboration as critical elements of such effectiveness. In addition, the directors underline the value of independent oversight and active board committees, reinforcing the importance of leadership and governance structures in supporting effective board performance.

6.3. CEO succession

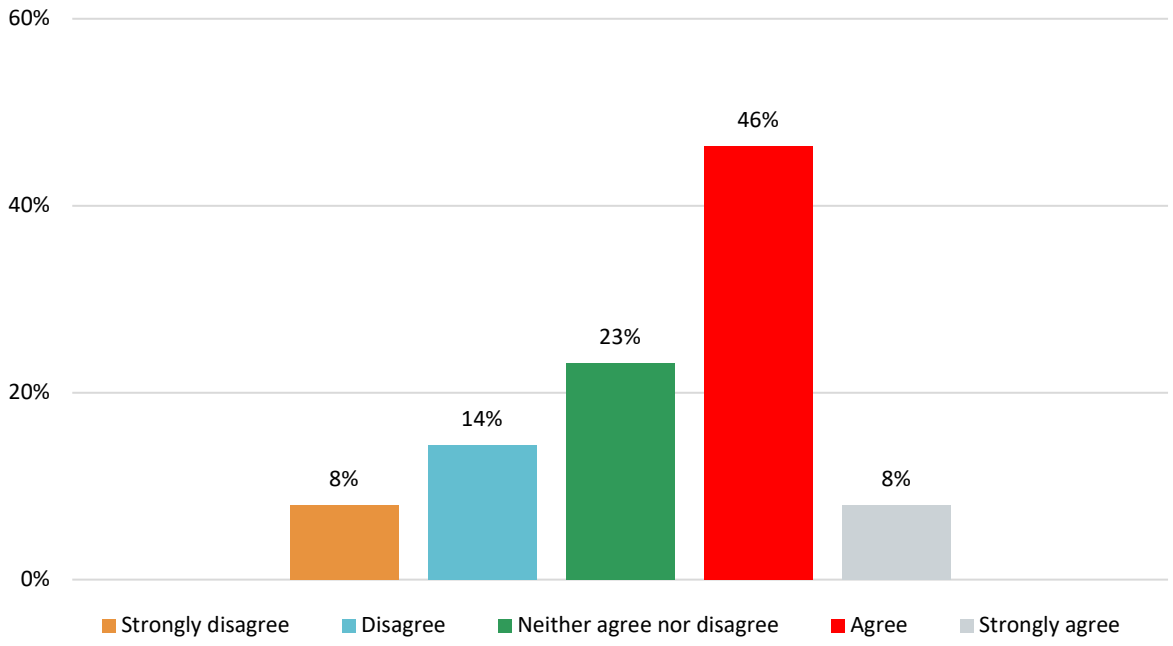
Respondents identify several organizational and governance factors that may hinder effective CEO succession planning (see Figure 34). For instance, the perception of a low sense of urgency at the board level emerges as a key challenge in this regard, with 50% of respondents agreeing and 17% strongly agreeing that this issue affects succession planning, whereas 13% disagree and 4% strongly disagree.

Figure 34. Low sense of urgency as an obstacle to CEO succession planning



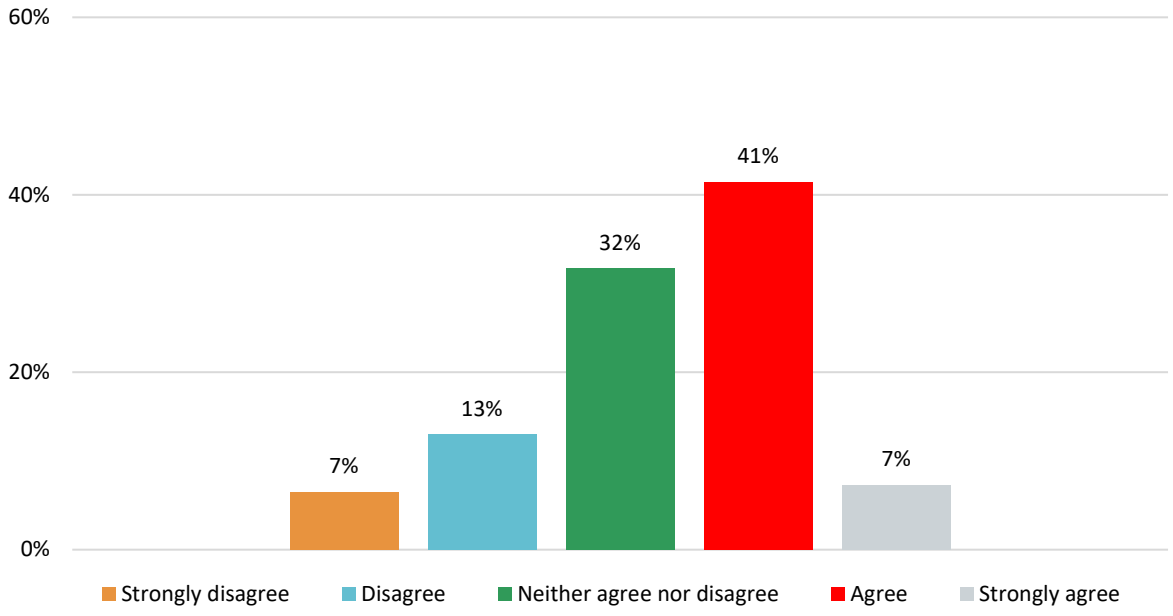
Similarly, board members identify structural and relational factors as potential obstacles to effective CEO succession planning (see Figure 35). In particular, the absence of formal processes and presence of unclear roles at the board level emerge as relevant challenges, with 46% of respondents agreeing and 8% strongly agreeing that these issues complicate succession planning.

Figure 35. Lack of formal processes and unclear roles as challenges to CEO succession



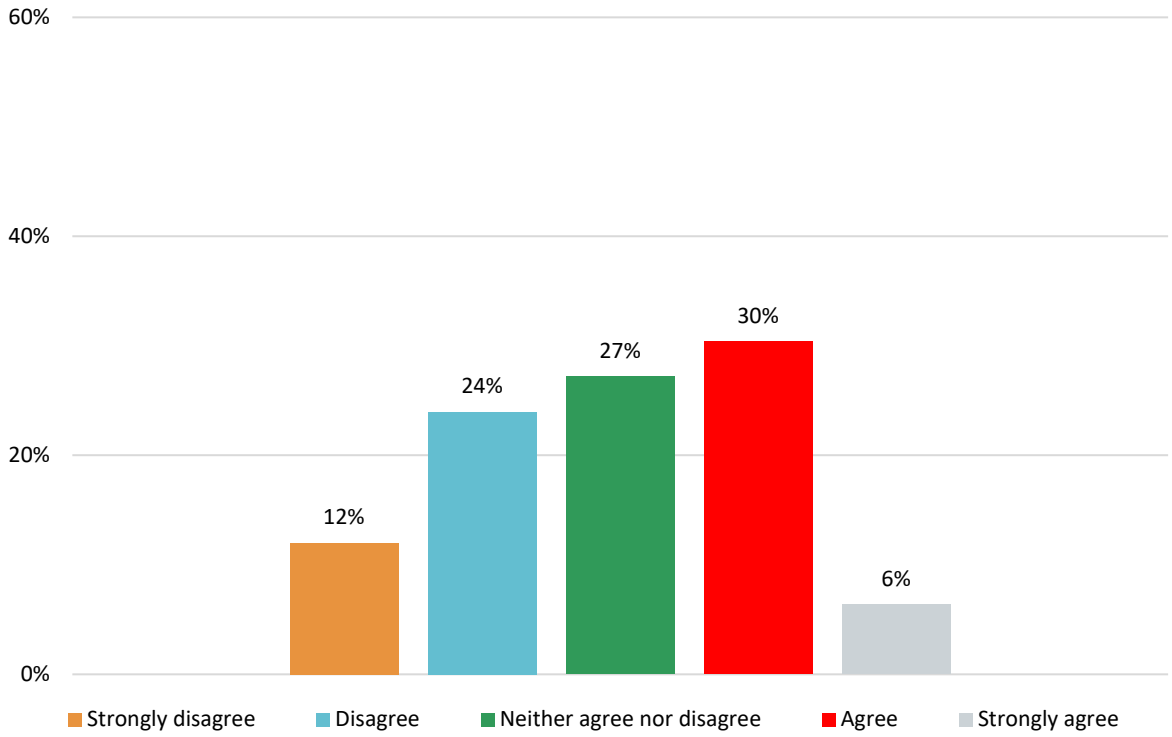
In addition, the existence of close ties between the CEO and the board is also perceived as a potential barrier to effective succession planning (see Figure 36). In fact, 41% of respondents agree and 7% strongly agree that ties between the board and the CEO perceived as being too close may affect succession planning.

Figure 36. Close CEO–board ties as a challenge to CEO succession planning



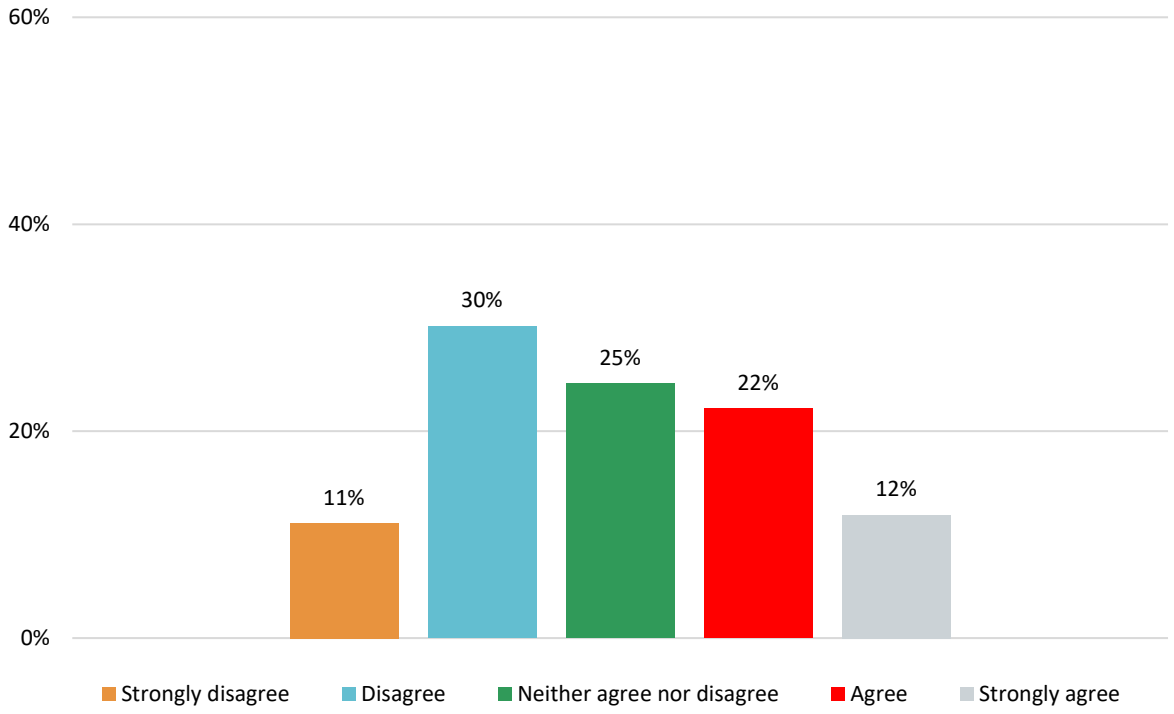
The surveyed directors suggest that both structural factors and interpersonal relations and board dynamics can influence the effectiveness of CEO succession processes. They also point to capability- and alignment-related challenges that may affect effective CEO succession planning (see Figure 37). A lack of agreement as to the competencies required for a new CEO emerges as a relevant concern, as indicated by 30% of respondents agreeing and 6% strongly agreeing with this view.

Figure 37. Lack of agreement on new CEO competencies as a challenge to CEO succession planning



A low level of experience in dealing with succession processes within the board is also identified as an obstacle (see Figure 38). Some 22% of respondents agree and 12% strongly agree that this factor complicates succession planning, whereas 30% disagree and 11% strongly disagree, indicating there to be divided perceptions regarding the board's capacity to effectively manage succession processes.

Figure 38. Lack of board experience as a challenge to CEO succession planning



Overall, respondents identify a number of structural and governance-related obstacles to effective succession planning. In sum, 67% agree or strongly agree that a lack of urgency represents a major challenge in this regard (see Figure 34), while 54% point to the absence of formal processes and existence of unclear roles as relevant factors (see Figure 35). In addition, 48% identify close ties between the CEO and the board as a potential obstacle to effective succession planning (see Figure 36). By contrast, fewer respondents consider a lack of agreement concerning the skills required for a new CEO (36%; see Figure 37) or a lack of board experience in succession planning to be significant challenges (34%; see Figure 38).

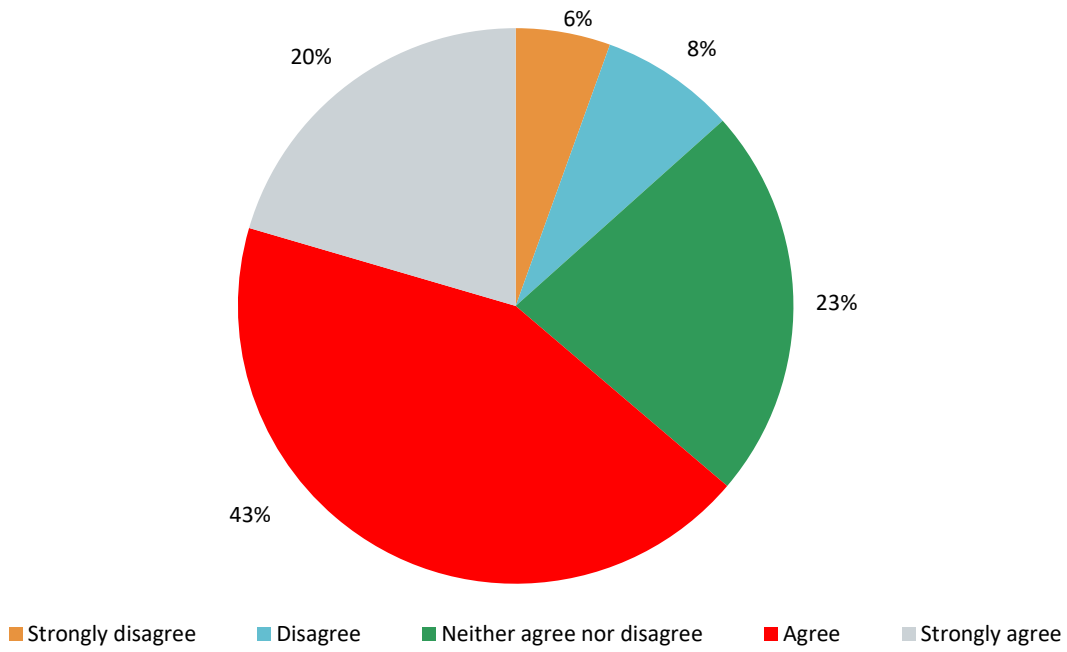
7. Boards, sustainability, and climate issues

Over the past 15 years, sustainability and climate-related considerations have become increasingly relevant to corporate governance and long-term corporate strategy. Hence, boards of directors are now expected to integrate environmental factors into their oversight responsibilities, ensuring that their organizations respond effectively to regulatory pressures and both investor and stakeholder expectations.

Sustainability strategies are increasingly being shaped by broader corporate principles, with purpose and culture playing a central role in guiding long-term priorities. As companies face growing expectations in this regard on the part of stakeholders, boards are expected to ensure that sustainability goals are aligned with their organization's values and embedded within its overall strategic framework.

Respondents indicate that corporate purpose and culture are widely recognized as key elements of defining sustainability goals (see Figure 39), as evidenced by 43% of respondents agreeing and 20% strongly agreeing with this view.

Figure 39. Corporate purpose and culture are key elements of defining sustainability goals

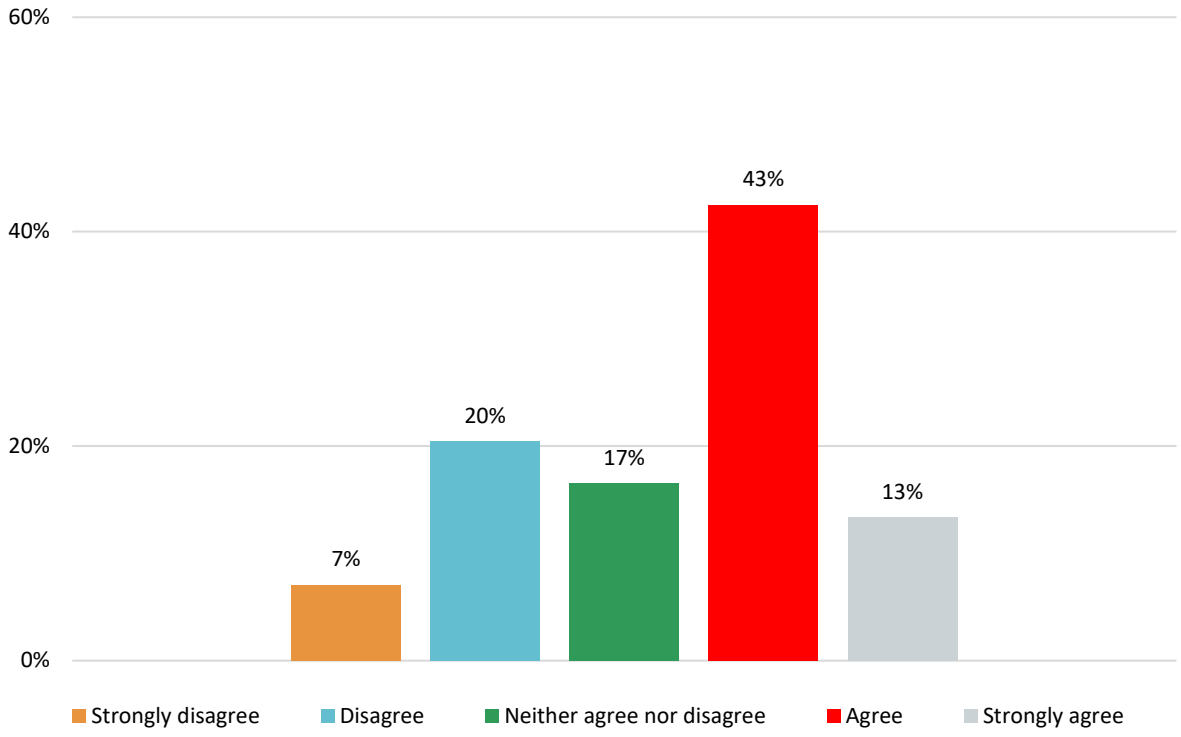


The fifth section of the survey explores the extent to which sustainability and climate issues are embedded in board agendas, including considering their integration into strategic discussions, business models, and organizational priorities. It also explores how corporate purpose and culture shape the definition of sustainability goals. Moreover, this section analyses the emerging priorities in terms of sustainability, highlighting the environmental and societal objectives that boards consider most relevant to guiding corporate action.

7.1. Sustainability and the board agenda

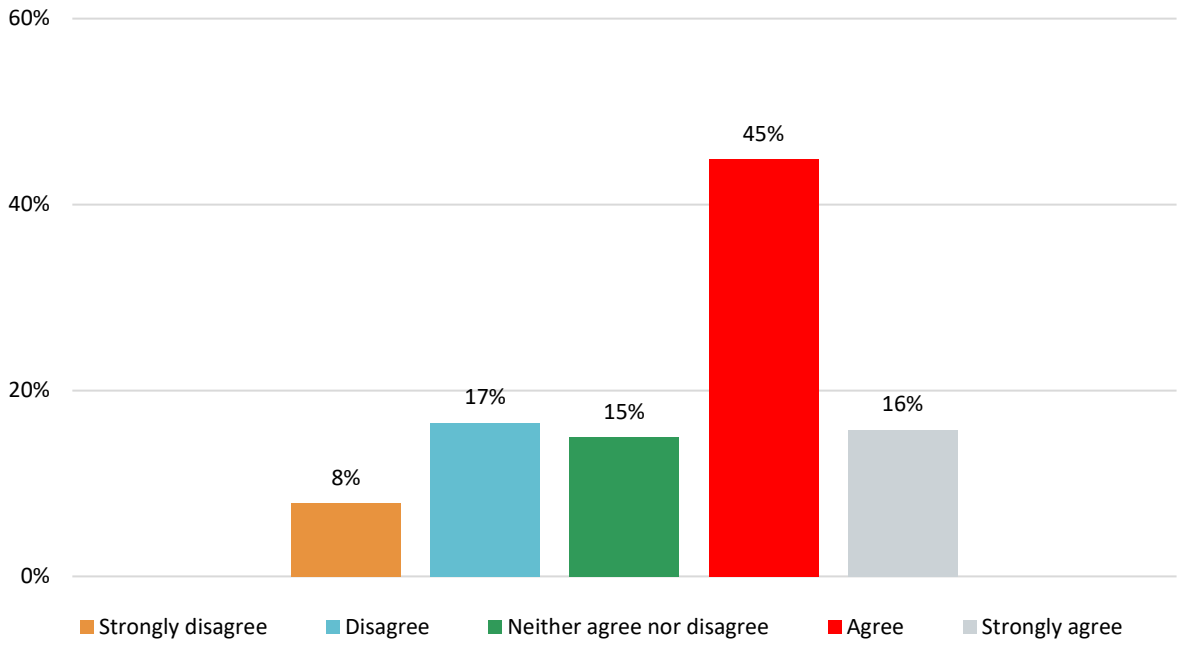
Respondents indicate that climate and sustainability are becoming increasingly integrated into both board discussions and corporate strategies (see Figure 40). Thus, 43% of respondents agree and 13% strongly agree that these topics are consistently included on the board agenda, while a smaller share disagree (20%) or strongly disagree (6%).

Figure 40. Climate and sustainability are consistently included in the board agenda



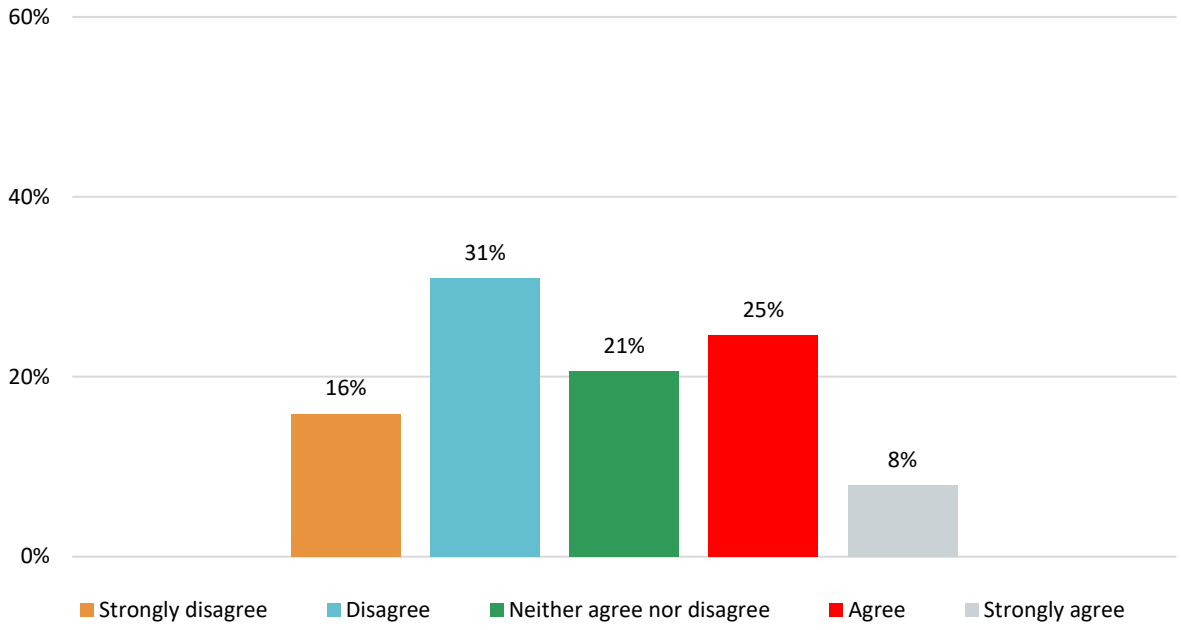
Respondents also note that sustainability goals and metrics are increasingly being incorporated into business models (see Figure 41), with 45% of respondents agreeing and 16% strongly agreeing with this view, while 17% disagree and 8% strongly disagree. This indicates that, while sustainability considerations are gaining prominence at the board level, their integration into business models still varies across organizations.

Figure 41. Sustainability goals and metrics are included in the business model



The survey results suggest that a slight majority of companies have maintained a focus on climate and sustainability issues (see Figure 42). This is happening despite the political backlash in the United States against sustainability initiatives gaining momentum (Cifrino 2025). Similarly, in early 2026, the EU adopted the Omnibus I package (European Commission 2025), which simplifies sustainability reporting and due diligence in an effort to enhance competitiveness. As a consequence, 31% of respondents disagree and 16% strongly disagree with the perception that companies have reduced their focus on climate and sustainability.

Figure 42. Boards have reduced their focus on climate and sustainability issues

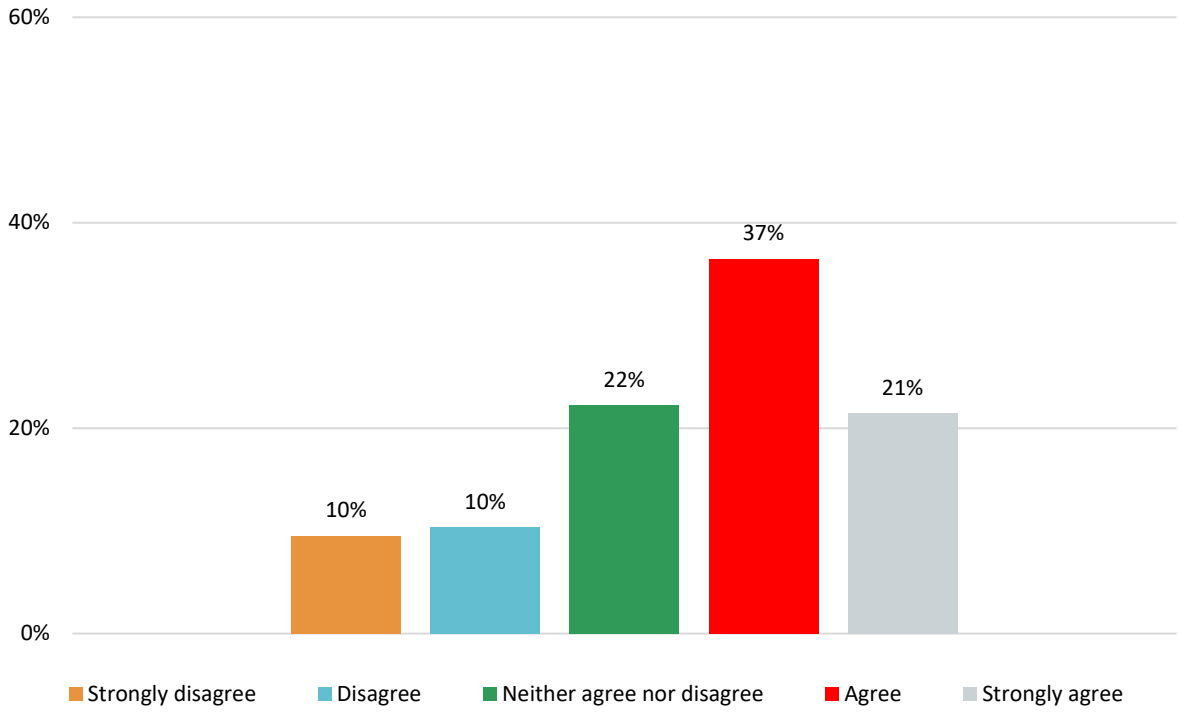


Yet corporate purpose and culture are widely recognized as key elements of sustainability goals and initiatives in a more holistic way (Canals 2023), something that 43% of respondents agree and 20% strongly agree with. Only a small share disagree (8%) or strongly disagree (6%) in this regard, highlighting broad recognition of the role of organizational values in shaping sustainability strategies (see Figure 39).

7.2. New priorities in sustainability

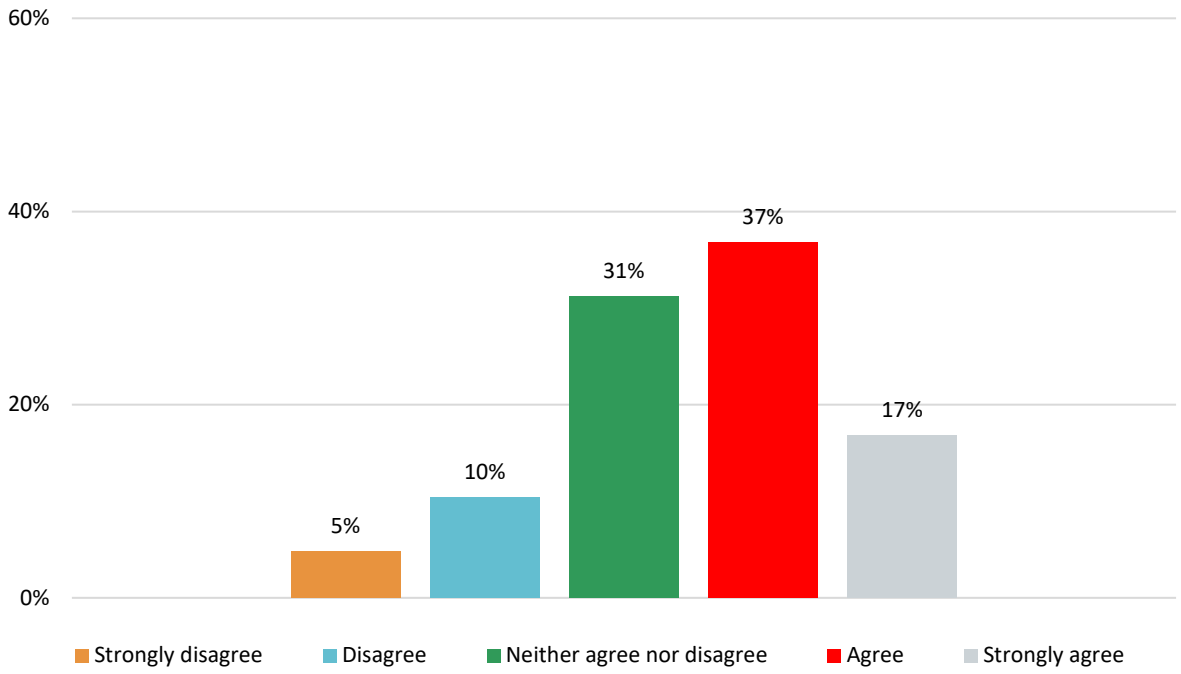
Respondents indicate that boards are increasingly prioritizing environmental objectives within their sustainability agendas (see Figure 43). For instance, 37% of respondents agree and 21% strongly agree that achieving zero CO_2 emissions before 2050 is a priority, whereas 20% express some level of disagreement with this.

Figure 43. Achieving zero CO_2 emissions before 2050 is a sustainability priority for boards



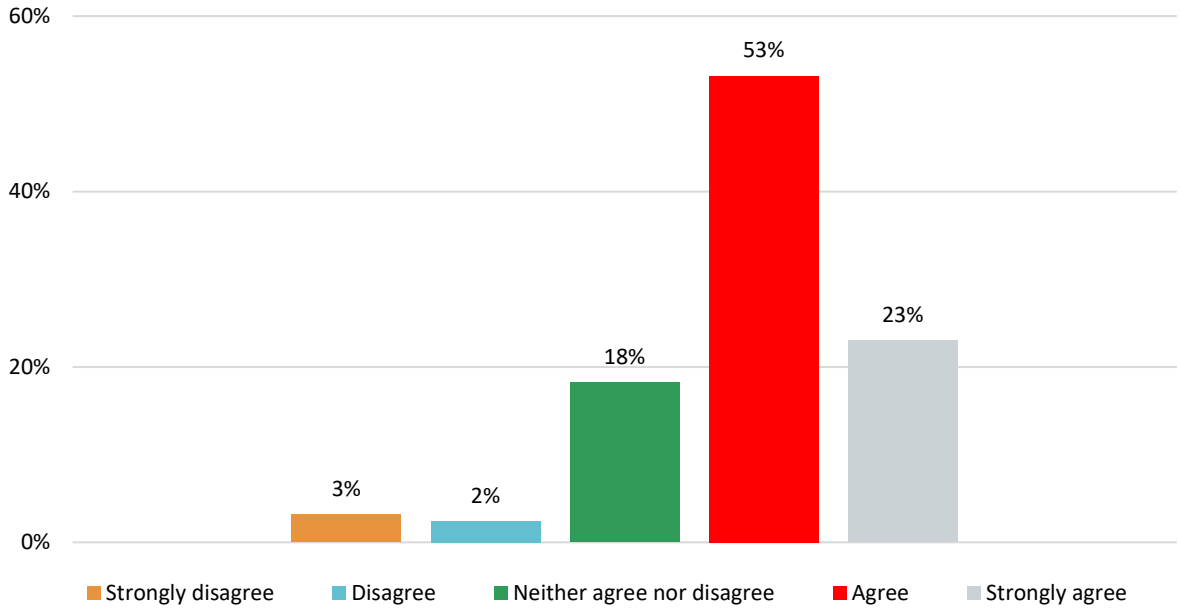
Respondents also perceive strong support for advancing circularity in operations (see Figure 44), with 37% agreeing and 17% strongly agreeing that doing so is a board priority.

Figure 44. Advancing circularity in operations is a sustainability priority for boards



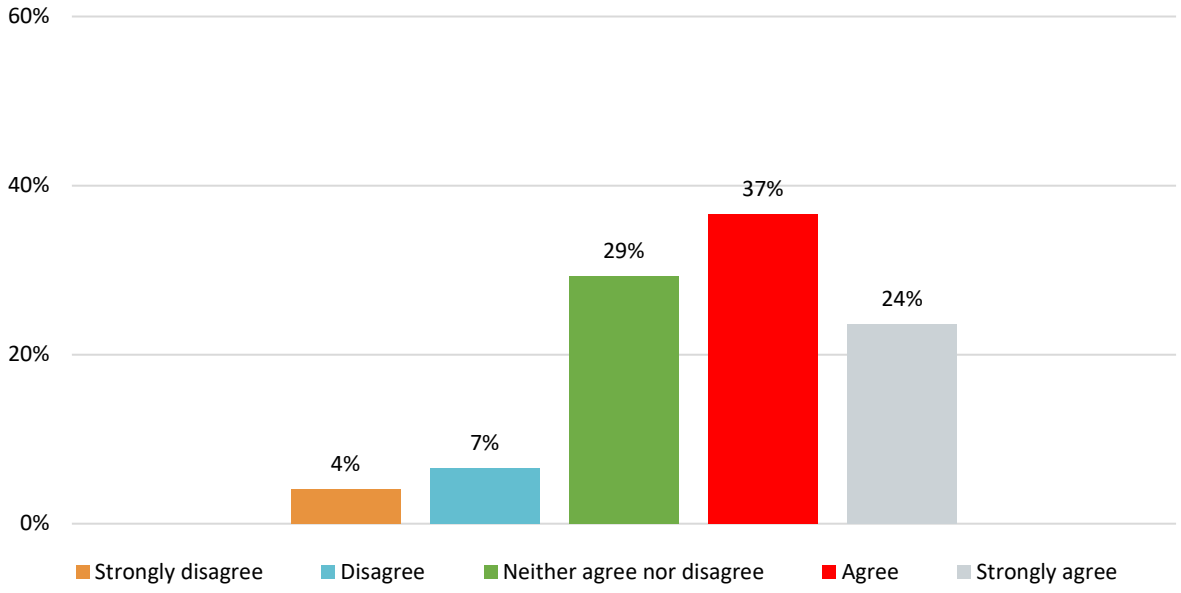
Respondents further emphasize the importance that boards attribute to the broader environmental and societal impacts of corporate activities (see Figure 45). Hence, 53% of respondents agree and 23% strongly agree that the societal impacts of operations—including job creation, education, reskilling, and community involvement—are priority considerations.

Figure 45. Social impacts of company operations are a priority for boards



Board members also highlight how reducing the use of water and other natural resources has been positioned as a key sustainability objective (see Figure 46). Here, 37% of respondents agree and 24% strongly agree with this priority, reinforcing the relevance of resource efficiency within sustainability agendas. By contrast, only a small share disagree (7%) or strongly disagree (4%) regarding the importance of such efficiency.

Figure 46. Reducing the use of water and other natural resources is a priority for boards



Overall, when it comes to boards' priorities in terms of climate and sustainability, respondents highlight both environmental and societal objectives. More specifically, 76% agree or strongly agree that the societal impacts of corporate operations—such as job creation, education, reskilling, and community engagement—are a key priority. In addition, 58% identify the achievement of net-zero CO_2 emissions prior to 2050 as an important objective, while 54% emphasize the importance of advancing circularity in operations. Finally, 51% agree or strongly agree as to the importance of reducing the use of water and other natural resources, indicating that boards are increasingly considering both resource efficiency and environmental sustainability within their strategic priorities.

8. Conclusions

The results of this survey offer some useful information on how some externa forces are changing board of directors:

- AI is widely recognized as a strategic priority, although its value delivery remains limited. Most board members (55%) believe that AI is not yet delivering tangible business outcomes, suggesting that AI deployment in organizations entails a slow process.
- Board engagement with AI is regular but not fully embedded. While discussions concerning AI-related disruption take place periodically, a significant share of boards (36%) still address the topic only once a year.
- Boards prioritize AI deployment for greater efficiency rather than new business models or growth. The focus is on cost optimization (52%) and customer-related outcomes (47%), while less emphasis is placed on developing new business opportunities (30%).
- Board involvement in AI remains limited. A significant proportion of board members report low involvement in key areas, including strategy definition (38%), CEO guidance (43%), talent upskilling (34%), and implementation (45%), highlighting a gap between relevance and governance attention.
- Geopolitical risks are a central concern for boards. The key risks include low government effectiveness (25%), protectionist trade policy (22%), and broader political and economic dynamics such as populism (16%).
- Companies are adapting their corporate strategy based on regionalization. Board members exhibit limited support for reducing exposure to China while favoring increased investment in the United States and EU. A large majority of board directors (72%) prefer to focus investment on the home region.
- In the face of geopolitical disruptions, boards review their corporate strategy more often (52%), engaging deeper with governments (53%) and, to a lesser extent, relocating operations (40%).
- Resilience is a key strategic objective. Most companies are diversifying their supply chains (56%), whereas only a small share (10%) report maintaining their current structures. This suggests clear shift away from traditional globalization models.
- The main areas of shareholder interest are M&A (78%), CEO succession (76%), and board composition (70%), followed by technology and cybersecurity (65%).
- Conflicts of interest remain a potential source of tension in shareholder engagement. Nearly half of board members (48%) identify diverse or conflicting shareholders' interests as an obstacle to effective engagement, while concerns about information asymmetry and resource constraints reveal more mixed perspectives.
- A significant share of board members (39%) do not consider shareholder involvement to be detrimental to board effectiveness.
- Board effectiveness is primarily driven by internal dynamics. Thus, strong alignment exists regarding the importance of board–CEO collaboration (95%), the quality of strategic discussions (95%), and the role of the chair (94%).

- Positive board–CEO interaction is considered a key strength. Board members report high levels of constructive engagement, with 87% indicating that their board challenges and supports the CEO. While 86% highlight their board's active involvement in leadership development.
- Other governance mechanisms reinforce board effectiveness. The role of independent directors (83%) and active board committees (82%) is widely recognized as essential.
- CEO succession is a key governance priority, although it remains insufficiently structured. The main obstacles identified are a low sense of urgency (67%), unclear processes and roles (54%), and close CEO–board ties (48%).
- Sustainability is increasingly integrated into governance. Most board members indicate that climate and sustainability are often discussed by their board (56%), which integrates such discussions into the business model (61%). Corporate purpose and culture both play a key role in sustainability (63%).
- Sustainability priorities are becoming more operational and impact driven. The key areas include societal impacts (76%), net-zero targets (58%), circularity (54%), and resource efficiency (61%), reflecting a shift toward measurable and actionable outcomes.

9. Participant profile

Role on the board

Role on the board	%
CEO	28%
Independent director	34%
Shareholder representative	10%
Chair	18%
Other	10%

Company's ownership

Is your company...	%
Listed	29%
Not listed, family owned	46%
Private equity controlled	13%
Other	12%

Industry

Industry	%
Accommodation and food service	2%
Administrative and support service	2%
Agriculture, forestry, and fishing	6%
Arts, entertainment, and recreation	1%
Construction	3%
Education	2%
Electricity, gas, steam, and air-conditioning supply	7%
Financial and insurance	18%
Human health and social work	8%
Information and communication	4%
Manufacturing	20%
Mining and quarrying	1%
Other services	9%
Professional, scientific, and technical	8%
Real estate	1%
Transportation and storage	4%
Water supply, sewerage, waste management, and remediation	2%
Wholesale and retail trade	4%

References

Acemoglu, Daron, and Pascual Restrepo. "Automation and New Tasks: How Technology Displaces and Reinstates Labor." *Journal of Economic Perspectives* 33, no. 2 (Spring 2025): 3–30.

Canals, Jordi. *Boards of Directors in Disruptive Times.* Cambridge: Cambridge University Press, 2023.

Cheng, J. Yo-Jud, Boris Groysberg, Paul Healy, and Rajesh Vijayarghavar. "Directors' Perception of Board Effectiveness and Internal Operations." *Management Science* 37, no. 10 (January 2021): 5969–6627.

Cifrino, David A. "The Future of Corporate Sustainability and Climate Action in the Anti-'Woke' Era." Harvard ALI Social Impact Review. Last modified February 18, 2025. https://www.sir.advancedleadership.harvard.edu/articles/future-corporate-sustainability-climate-action-in-anti-woke-era.

European Commission. "Omnibus I Package - Commission Simplifies Rules on Sustainability and EU Investments, Delivering over €6 Billion in Administrative Relief." Finance. Last modified February 26, 2025. https://finance.ec.europa.eu/publications/omnibus-i-package-commission-simplifies-rules-sustainability-and-eu-investments-delivering-over-eu6_en.

Fisch, Jill E., and Steven Davidoff Solomon. "Should Corporations Have a Purpose? The Role of Shareholder Engagement in Corporate Governance." Law Working Paper No. 510/2020. European Corporate Governance Institute, September 2021. https://www.ecgi.global/sites/default/files/working_papers/documents/fischsolomonfinal_2.pdf.

Ghemawat, Pankaj. "Semiglobalization and International Business Strategy." *Journal of International Business Studies* 34, no. 2 (March 2003): 138–152.

Sakasai, Yuki, Gaizka Ormazabal, and Jordi Canals. *IESE Survey on Boards of Directors: Corporate Purpose, Culture, and Strategy.* Barcelona: IESE Publishing, 2022.

Sakasai, Yuki, Gaizka Ormazabal, and Jordi Canals. *How Can Boards Improve Their Effectiveness? 2024 IESE Survey on Boards of Director*. Barcelona: IESE Publishing, 2024.

www.iese.edu

Barcelona
Madrid
Munich
New York
São Paulo

IESE
Business School
University of Navarra

A Way to Learn. A Mark to Make. A World to Change.