Board Effectiveness:
A Survey of the C-suite
About the survey

The PwC and The Conference Board study, *Board Effectiveness: A Survey of the C-suite*, gauges the perception that C-suite executives at public companies from across the United States have related to the performance of their boards of directors. In 2020, 551 executives participated in our survey. The respondents represent a cross-section of senior executives from over a dozen industries, the majority of which have annual revenues of more than $1 billion.
# Board Effectiveness:  
A Survey of the C-suite

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• KEY FINDINGS

Executives say that directors have a deep understanding of the company. Roughly 9 out of 10 executives say their board understands the company’s strategy, key business risks, competitive landscape, culture, shareholders, and talent development and pipeline.

Yet almost half of executives think the board falls short in overall effectiveness. 40% say their boards are doing a fair or poor job overall.

But views are not consistent across the C-suite. 74% of IT executives view board performance as fair or poor, compared to just 25% of CEOs and CFOs.

Executives want director turnover. 82% of executives think that at least one member of their company’s board should be replaced. 43% think two or more directors should go.

Director preparedness falls short. Only 37% of executives say their board comes to meetings fully prepared.

The COVID-19 pandemic put a special spotlight on issues with crisis management oversight. Only 30% of executives say their board is able to respond well in a crisis.

Management wants boards to be more engaged, not less. Only 9% of executives say the board oversteps its oversight authority, while many more think the board should be more willing to challenge management in areas like crisis preparedness (48%) and risk management (37%).
INTRODUCTION: EXECUTIVES WANT MORE FROM THEIR BOARDS

For almost two decades, PwC’s Annual Corporate Directors Survey has compiled board members’ views on governance, their own performance, the performance of their peers, and the performance of their management teams. For 2020, PwC has joined with The Conference Board to turn the spotlight on management’s views. We surveyed over 550 public company C-suite executives to gather their opinions about the performance of their company’s board of directors. And the results surprised us.

Because of the nature of the board’s oversight role, management typically has very little opportunity to give “upward feedback” to its directors. The survey results give us a glimpse from their perspective. And what they see is a gap between, on one hand, the deep understanding directors have of the company, and on the other, their board’s effectiveness. By and large, executives say that directors “get it”—they understand not just the company’s strategy and business risks, but also its shareholder base, competitive landscape, corporate culture, and talent pipeline. That’s impressive, but from the perspective of many executives, it’s not enough.

Sixty percent (60%) of executives give their board a positive rating of good or excellent on overall effectiveness. They identify concerns including directors’ lack of preparedness, overboarding, and aging board members who are not as effective as they once were. While they give boards high marks in areas such as financial and operational expertise, they also find certain expertise is missing. This is especially true in specialized areas like IT, ESG, and crisis management. And not surprisingly, management wants to see board refreshment. More than 4 out of 5 executives think that at least one director on the board needs to be replaced.

Boards are, and should remain, largely independent from management. They are not directly accountable to their executive teams and should not be afraid of acting in ways that displease them. But the findings from this survey point to some of the ways in which boards, and their management teams, can work to enhance both substance and perception of board performance. With a view into C-suite opinions, these findings may also help investors refine their future engagements with boards and management teams.
Directors are in sync with company challenges and goals

From their seat in the boardroom, it can be a challenge for directors to fully grasp the day-to-day at a company. Directors are not present at the company every day and are there to provide oversight, not management. Yet executives praise their directors’ understanding of the company and the way it operates.

More than 9 out of 10 executives (94%) say that the board understands the company strategy somewhat or very well. Eighty-nine percent (89%) say the same about the company’s key business risks, and between 85% and 87% of executives think the board has a good understanding of the shareholder base, competitive landscape, culture, and talent development and pipeline. Many of these are areas that have received special attention in recent years, as boards have pushed for more reporting and a better understanding of internal operations. That work has paid dividends.

But as discussed further on page 13, the area of the company executives believe that directors understand the least is its crisis response plan. This may have been influenced by the backdrop of the COVID-19 pandemic. About three-quarters (73%) of executives The Conference Board surveyed separately said that their crisis management plans were also inadequate to the challenges of the time. This highlights an area for additional attention from both boards and management going forward, so that boards can evaluate whether the right issues are being elevated at the right time. Boards need to be able to judge whether the company was prepared for a crisis before it happened, whether the right people were involved, and whether the response was effective.

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Executives praise directors’ grasp of company issues

Percentage of executives saying directors understand the issue somewhat or very well

- **Strategy**: 94%
- **Key business risks**: 89%
- **Shareholder base**: 87%
- **Competitive landscape**: 86%
- **Corporate culture**: 85%
- **Talent development and pipeline**: 85%
- **Crisis response plan**: 57%

Q8. How well do you think your board understands the following about your company?
Base: 539-541

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Executives say boards miss the mark on overall effectiveness

As discussed on page 6, according to management, directors have a good grasp of what’s going on at the company. And while a majority rate their board’s overall effectiveness as good (43%) or excellent (16%), a surprising percentage give a grade of fair (33%) or poor (7%). Where is the disconnect between management’s views of the board’s understanding and its perception of board performance?

This gap may be linked to some of the complaints we heard from executives, including unprepared or overburdened board members and disappointing levels of expertise in many areas. The latter may be especially true when it comes to IT. Executives in IT roles were the most critical of board members, with almost three-quarters (74%) giving the board a grade of fair or poor, compared to just 25% from the office of the CEO or CFO giving similar assessments. Yet since executives in this area may have more limited interaction with the board, it could also reflect a lack of understanding about the board’s role and directors’ general oversight function.

Middling marks on effectiveness

Percentage of executives grading their board’s overall effectiveness as:

- Excellent: 16%
- Good: 43%
- Fair: 33%
- Poor: 7%

Q1: How would you rate the overall effectiveness of your board of directors? Base: 550
According to the C-suite, directors are not doing their homework

The job of a director is a challenging one. It requires oversight without micromanagement, perspective without the daily details. Directors are not involved in everyday details, but are expected to have a strong understanding of the entire company. They rely heavily on their management teams to help them do their jobs.

When asked about directors’ overall engagement and preparation, management sees room for improvement. A slight majority say that the board is not overstepping its role and is spending sufficient time in its role (54% and 53%, respectively). But fewer (46%) see probing questions from the board, and only 37% say that members of the board come to meetings fully prepared. Among executives in IT roles, only 7% think their board members are prepared.

The global COVID-19 pandemic and related economic crisis may have contributed to this perception. The crises companies have faced have led to an increased volume of board reporting and materials, and directors may have been asked to address topics relating to employee and customer health and safety that had not previously been a focus of board attention.

Management looking for a more prepared and engaged board

Executives agreeing with the following statements about their board’s key functions:

- The board does not overstep the boundaries of its oversight role: 54%
- The board spends a sufficient amount of time in its oversight role: 53%
- The board asks probing questions: 46%
- Members of the board come to meetings fully prepared: 37%

Q2. With which of the following general statements about your board do you agree? (Select all that apply)
Base: 479

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2 For similar findings, also see Corporate Governance Challenges in the COVID-19 Crisis, The Conference Board, May 2020.
More than 80% of executives think a member of their board should be replaced

In PwC’s 2020 Annual Corporate Directors Survey, almost half of directors (49%) said that one or more of their fellow board members should be replaced. This figure indicates that directors themselves see the need for turnover on boards.

Even more executives are looking for change. Eighty-two percent (82%) of executives say that at least one director on their board should be replaced. Forty-three percent (43%) think that two or more board members should go, compared to 21% of directors. By comparison, the average turnover on S&P 500 and Russell 3000 boards is less than one director per year.³

There is a gap between how boards and management perceive the performance of individual directors—with management seeing more room for improvement. While the desire for board turnover is most pronounced among members of management who may have relatively limited interaction with boards, it is notable that 31% of CEOs and CFOs and 40% of Chief Legal Officers support replacing two or more directors.

Executives concerned about director age and bandwidth

A number of executives express concern about their directors’ ability to contribute to boardroom deliberations. Forty-four percent (44%) of executives say diminished performance due to director age is an issue on their board—something that directors do not see as a particular problem. Thirty-eight percent (38%) say that directors serve on too many boards. That is consistent with shareholder concerns about overboarding, even as relatively few directors say they see overboarding as an issue among their peers.4

On the other hand, executives are less likely than directors to think that board members overstep their oversight authority. It’s among the most common complaints from directors (18%), but only 9% of executives identify it as a problem. They are more likely to say that their board is reluctant to challenge management (25% versus 18% of directors). In particular, executives say that the board should be more willing to challenge management on its crisis preparedness. As further discussed on page 13, crisis management stands out as a particular area of concern with board oversight.

Executives and directors see different issues on boards

![Bar chart showing the percentage of executives and directors who believe in various issues on boards.]

Q9. Do you believe any of the following about any of your company’s/fellow board members? (select all that apply)

* Results for directors are based on responses to PwC’s 2020 Annual Corporate Directors Survey.

Executives in the financial industry are more likely to point to problems

![Pie chart showing the percentage of executives in different industries who believe in various issues on boards.]

Q9. Do you believe any of the following about any of your company’s board members? (select all that apply)

* PwC, 2020 Annual Corporate Directors Survey; September 2020.
Management questions directors’ expertise

Director recruitment is often driven by the need for certain skills, experiences, and expertise. Directors often view themselves and their peers as experts in certain areas. This mix helps to create a well-rounded and high-functioning board.

But executives aren’t convinced of their board members’ subject matter expertise. They gave the highest marks in operations and finance, with nearly two-thirds of executives saying the board’s expertise is good or excellent (65% and 63% respectively).

In other areas, however, the numbers were lower. Less than half ranked director expertise as good or excellent in areas like IT/digital/data privacy (48%), ESG (47%), and cyber risk (46%). Crisis management expertise is also a particular area of concern, with only 37% of executives giving a positive score to their directors’ level of expertise.

Executives give low marks on subject matter expertise

Percentage of executives grading directors’ expertise in the following areas as good or excellent:

- Operations: 65%
- Finance: 63%
- IT/digital/data privacy: 48%
- ESG (environmental, social, and governance): 47%
- Cyber risk: 46%
- Crisis management: 37%

Q6. How would you describe your board’s expertise in the following areas?
Base: 539-541
Finding common ground on board diversity

For years, as institutional investors have pushed boards to consider and improve their board diversity, directors themselves have reported seeing the value of that diversity. The vast majority of them say that board diversity brings unique perspectives to the boardroom and that it enhances board performance.5

Executives’ views of board diversity are similar. Eighty-eight percent (88%) of executives say that board diversity brings unique perspectives to the boardroom, and 86% agree that it enhances board performance. Executives are even more likely to say that diversity improves the board’s strategy and risk oversight (83%) compared to 71% of board members.6 And they are also slightly more likely to say that diversity enhances company performance, with 77% of executives agreeing (compared to 72% of board members).7

As boards have worked hard to diversify, they can be encouraged that executives see some of the same benefits that directors and investors see.

Executives and directors agree on board diversity’s benefits

- **EXECUTIVES**
  Base: 391-392
  - Brings unique perspectives to the boardroom: 88%
  - Enhances board performance: 86%
  - Enhances company performance: 77%

- **DIRECTORS (about their fellow board members)**
  Base: 680-684
  - Brings unique perspectives to the boardroom: 94%
  - Enhances board performance: 83%
  - Enhances company performance: 72%

Q7. To what extent do you agree with the following statements about board diversity?
Response: Strongly agree and somewhat agree

* Results for directors are based on responses to PwC’s 2020 Annual Corporate Directors Survey.

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### CRISIS MANAGEMENT

**C-suite concerns with crisis management oversight**

Amid the continuing COVID-19 pandemic and its economic impact, executives say their boards are not measuring up on crisis management oversight. But management is also critical of its own plans. About three-quarters (73%) of senior legal, governance, and investor relations executives surveyed said that their crisis management plans were not adequate, and over half (53%) of the companies did not include key functions—such as HR—in their executive-level crisis management teams.\(^8\)

As the crisis hit in 2020, companies struggled to contain the impact on their employees, customers, and supply chain—and on their bottom lines—putting crisis management plans to the test. Managing a crisis day-to-day falls to management. But the board plays an important role as well.

As an area of board oversight, the C-suite finds crisis management lacking. It’s the oversight area that executives say directors understand the least, with only 57% giving directors a positive rating. Only 37% of executives said the board has good or excellent crisis management expertise—the lowest figure in any category of expertise. Almost half (48%) say that crisis preparedness is an area where directors need to challenge management more, making it the number one response. Moreover, less than one-third of executives (30%) say their boards respond well in a crisis.

With the pandemic highlighting gaps in crisis management at both the board and management levels, companies cannot waste this opportunity to learn from their crisis response and to be better prepared for when the next crisis hits.

#### Executives see work to be done on crisis management oversight

<table>
<thead>
<tr>
<th>Percentage of executives saying the board:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is able to respond well in a crisis</td>
</tr>
<tr>
<td>Has good or excellent crisis management expertise</td>
</tr>
<tr>
<td>Should be more willing to challenge management on crisis preparedness</td>
</tr>
<tr>
<td>Understands the company’s crisis response plan well</td>
</tr>
</tbody>
</table>

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Q2. With which of the following general statements about your board do you agree? (Select all that apply)
Q6. How would you describe your board’s expertise in the following areas? Crisis management, Response: Excellent or good
Q11. In your opinion, in which of the following areas should directors be more willing to challenge management? (select all that apply)
Q8. How well do you think your board understands the following about your company? Crisis response plan, Response: Very much or somewhat

Base: 479; 539; 539; 541

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\(^8\) *Corporate Governance Challenges in the COVID-19 Crisis*, The Conference Board, May 2020. Over 28% of companies do not have a C-suite-level crisis management team. Of those that do, only 47% include members of HR and only 34% include the risk management function.
Confident that their boards understand the company’s business, executives are viewing the board as a strategic resource—and they want more from their directors. More expertise, more preparation, and more engagement in critical areas. Some tips for directors—and management—to help boards meet that challenge:

- **Board performance evaluations**

  **Directors:** Reassess the board and committee self-evaluation processes, including considering the best way to receive input from management on how the board as a whole is adding value, and areas they may need to improve in or spend more (or less) time on.

  **Management:** As part of the board evaluation process, seek feedback from directors on how agenda, materials, and presentations could be improved, so that you can make it easier for the board to fully engage.

- **Board education**

  **Directors:** Keep up the good work by continuing to stay on top of key company issues in the boardroom. But take advantage of other opportunities to deepen your understanding of more specialized topics outside meetings. Contact management in advance of a meeting if the material you’ve received assumes knowledge you don’t have or uses terms that are unfamiliar, or if you want to have a deeper conversation with management or a company consultant.

  **Management:** Ensure that the board has the right baseline information to be effective. Directors are not living these issues every day and don’t need to be subject matter experts in every area, but they may benefit from educational sessions from management and from outside advisers. Make sure that executives with specialized expertise can speak effectively to the board in terms that an educated layperson can understand.

  **Directors and management:** Work together to increase interaction and elevate board transparency, as seen from those in the C-suite. Ensure that members of the executive management team have more insight into board operations—how the board functions and why—so management can provide the support the board needs.
• Board composition

 Directors: Focus on succession planning. If a clear board succession plan is not already in place, make that a priority. This may not mean immediate changes, but the board should know where it’s going and feel that it’s responsible for determining what skills are needed in the future. Boards may also be well served to take a hard look at their own directors and determine whether their directors are spread too thin or whether any directors are no longer bringing the right set of skills and expertise to the table.

 Management: Contribute insights about what the board might be missing and where to focus in the future. Suggestions about adopting or revising refreshment policies may be appropriate, including examining the board’s retirement age and/or tenure policy.

• Crisis management

 Directors and management: Consider different types of crises and the board’s role in each. For example, in significant cyber attacks, management takes the lead and the board does not have a direct role, but the board should be notified along the way and should be involved in major policy decisions. Take a retrospective look at the first part of the crisis presented by COVID-19 to find ways to improve the board’s and management’s responses.

 Directors: Each crisis is different, so have a process in place for determining the most effective way for the board to stay on top of unfolding events. The board chair, lead independent director, and committee chairs can be invaluable in helping to decide how to keep the board informed and involved—including whether a special committee should be formed.

 Management: Evaluate communications among board members, and between the board and management, to find improvements. Consider including board members in tabletop and other exercises as the company works through revisions to the crisis management plan.

Investors have a role to play, too. Shareholders can also work to improve board effectiveness by asking about the issues identified in this paper during their engagements with management and the board.
1. How would you rate the overall effectiveness of your board of directors?

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor</td>
<td>7%</td>
</tr>
<tr>
<td>Fair</td>
<td>33%</td>
</tr>
<tr>
<td>Good</td>
<td>43%</td>
</tr>
<tr>
<td>Excellent</td>
<td>16%</td>
</tr>
</tbody>
</table>

Base: 550

2. With which of the following general statements about your board do you agree? (select all that apply)

- The board does not overstep the boundaries of its oversight role: 54%
- The board spends a sufficient amount of time in its oversight role: 53%
- The board asks probing questions: 46%
- Members of the board come to meetings fully prepared: 37%
- The board is able to respond well in a crisis: 30%
- My function does not receive sufficient time/attention from the board: 15%
- The board appears distracted or disengaged: 11%

Base: 479

3. As it relates to the COVID-19 pandemic and associated business disruptions, how would you grade your board in the following areas?

- The board’s readiness to handle the crisis: 12% Excellent, 39% Good, 41% Fair, 8% Poor
- The board’s responsiveness to rapidly changing business circumstances: 15% Excellent, 38% Good, 40% Fair, 7% Poor
- The board’s ability to shift to non-traditional meeting structures: 14% Excellent, 45% Good, 34% Fair, 7% Poor
- The board’s support for a new long-term strategy, if necessary: 14% Excellent, 42% Good, 37% Fair, 7% Poor
- The board’s ability to provide value to management: 12% Excellent, 44% Good, 37% Fair, 7% Poor
- The board’s ability to consider and balance stakeholder concerns: 12% Excellent, 43% Good, 37% Fair, 9% Poor

Base: 544-550

Charts may not total 100% due to rounding.
4. To what extent do you agree with the following statements about your board’s response to the COVID-19 pandemic and associated business disruptions?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Very much</th>
<th>Somewhat</th>
<th>Not very much</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our board had robust discussion about the issues at hand</td>
<td>30%</td>
<td>46%</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>Our board brought unique and valuable input to the crisis</td>
<td>23%</td>
<td>51%</td>
<td>20%</td>
<td>6%</td>
</tr>
<tr>
<td>Our board provided stability and calm to management</td>
<td>24%</td>
<td>51%</td>
<td>22%</td>
<td>4%</td>
</tr>
<tr>
<td>Our board struggled to provide effective oversight</td>
<td>30%</td>
<td>49%</td>
<td>17%</td>
<td>4%</td>
</tr>
<tr>
<td>Our board hindered the company’s ability to respond to the crisis</td>
<td>16%</td>
<td>49%</td>
<td>30%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Base: 469-471

5. In your opinion, has the COVID-19 pandemic and associated business disruptions exposed vulnerabilities at your company in any of the following areas? (select all that apply)

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crisis response plan</td>
<td>36%</td>
</tr>
<tr>
<td>Board composition (e.g., director skill sets, background)</td>
<td>29%</td>
</tr>
<tr>
<td>Board performance assessment process</td>
<td>29%</td>
</tr>
<tr>
<td>Internal control oversight process</td>
<td>25%</td>
</tr>
<tr>
<td>Financial reporting process</td>
<td>20%</td>
</tr>
<tr>
<td>N/A - The crisis has not exposed any particular vulnerabilities at our company</td>
<td>20%</td>
</tr>
<tr>
<td>Activist shareholder response strategy</td>
<td>16%</td>
</tr>
<tr>
<td>CEO performance assessment process</td>
<td>14%</td>
</tr>
<tr>
<td>Structure of executive compensation programs</td>
<td>12%</td>
</tr>
<tr>
<td>CEO succession planning</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
</tr>
</tbody>
</table>

Base: 545
6. How would you describe your board’s expertise in the following areas?

<table>
<thead>
<tr>
<th>Area</th>
<th>Excellent</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>20%</td>
<td>43%</td>
<td>32%</td>
<td>4%</td>
</tr>
<tr>
<td>Operations</td>
<td>17%</td>
<td>48%</td>
<td>33%</td>
<td>3%</td>
</tr>
<tr>
<td>Risk management</td>
<td>17%</td>
<td>41%</td>
<td>34%</td>
<td>8%</td>
</tr>
<tr>
<td>Industry trends</td>
<td>15%</td>
<td>42%</td>
<td>36%</td>
<td>7%</td>
</tr>
<tr>
<td>Cyber risk</td>
<td>8%</td>
<td>38%</td>
<td>42%</td>
<td>12%</td>
</tr>
<tr>
<td>IT/digital/data privacy</td>
<td>9%</td>
<td>39%</td>
<td>41%</td>
<td>12%</td>
</tr>
<tr>
<td>Marketing and communications</td>
<td>14%</td>
<td>43%</td>
<td>37%</td>
<td>6%</td>
</tr>
<tr>
<td>Human resources</td>
<td>16%</td>
<td>44%</td>
<td>34%</td>
<td>6%</td>
</tr>
<tr>
<td>ESG (environmental, social, and governance)</td>
<td>13%</td>
<td>34%</td>
<td>41%</td>
<td>12%</td>
</tr>
<tr>
<td>International</td>
<td>11%</td>
<td>42%</td>
<td>39%</td>
<td>9%</td>
</tr>
<tr>
<td>Crisis management</td>
<td>7%</td>
<td>30%</td>
<td>41%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Base: 535-541
7. To what extent do you agree with the following statements about board diversity?

- **Brings unique perspectives to the boardroom**
  - Somewhat agree: 39%
  - Strongly agree: 49%
  - Somewhat disagree: 6%
  - Strongly disagree: 6%

- **Enhances board performance**
  - Somewhat agree: 22%
  - Strongly agree: 64%
  - Somewhat disagree: 8%
  - Strongly disagree: 6%

- **Enhances company performance**
  - Somewhat agree: 13%
  - Strongly agree: 64%
  - Somewhat disagree: 17%
  - Strongly disagree: 7%

- **Improves strategy/risk oversight**
  - Somewhat agree: 18%
  - Strongly agree: 65%
  - Somewhat disagree: 12%
  - Strongly disagree: 6%

- **Improves relationships with investors**
  - Somewhat agree: 40%
  - Strongly agree: 48%
  - Somewhat disagree: 9%
  - Strongly disagree: 3%

- **Results in boards nominating unqualified candidates**
  - Somewhat agree: 6%
  - Strongly agree: 24%
  - Somewhat disagree: 55%
  - Strongly disagree: 15%

- **Results in boards nominating additional unneeded candidates**
  - Somewhat agree: 5%
  - Strongly agree: 27%
  - Somewhat disagree: 51%
  - Strongly disagree: 16%

- **Shareholders are too preoccupied with board diversity**
  - Somewhat agree: 9%
  - Strongly agree: 20%
  - Somewhat disagree: 56%
  - Strongly disagree: 15%

- **Board diversity efforts are driven by political correctness**
  - Somewhat agree: 12%
  - Strongly agree: 31%
  - Somewhat disagree: 43%
  - Strongly disagree: 14%

- **Board diversity has become a moral imperative for a corporate citizen**
  - Somewhat agree: 32%
  - Strongly agree: 41%
  - Somewhat disagree: 21%
  - Strongly disagree: 7%

Base: 387-392
8. How well do you think your board understands the following about your company?

<table>
<thead>
<tr>
<th>Topic</th>
<th>Very well</th>
<th>Somewhat</th>
<th>Not very well</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>31%</td>
<td>63%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Key business risks</td>
<td>31%</td>
<td>58%</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>Competitive landscape</td>
<td>23%</td>
<td>62%</td>
<td>14%</td>
<td>1%</td>
</tr>
<tr>
<td>Talent development and pipeline</td>
<td>25%</td>
<td>60%</td>
<td>13%</td>
<td>1%</td>
</tr>
<tr>
<td>Corporate culture</td>
<td>25%</td>
<td>60%</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>Crisis response plan</td>
<td>11%</td>
<td>46%</td>
<td>33%</td>
<td>9%</td>
</tr>
<tr>
<td>Cybersecurity vulnerabilities</td>
<td>12%</td>
<td>59%</td>
<td>24%</td>
<td>8%</td>
</tr>
<tr>
<td>Executive compensation plans and incentives</td>
<td>20%</td>
<td>64%</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>Shareholder base</td>
<td>25%</td>
<td>62%</td>
<td>13%</td>
<td>1%</td>
</tr>
<tr>
<td>Key stakeholders' concerns</td>
<td>13%</td>
<td>53%</td>
<td>30%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Base: 539-541

9. Do you believe any of the following about any of your company’s board members? (select all that apply)

- Advanced age has led to diminished performance: 44%
- Serves on too many boards: 38%
- Reluctant to challenge management: 25%
- None of the above: 22%
- Interaction style negatively impacts board dynamics (e.g., style/culture/fit): 19%
- Lacking true independence of judgment: 14%
- Too risk averse: 13%
- Unqualified to serve on the board: 10%
- Oversteps the boundaries of his/her oversight role: 9%
- Consistently unprepared for meetings: 8%

Base: 543
10. In your opinion, how many directors on your board should be replaced? (select one)

Zero 18%
One 39%
Two 26%
More than two 17%

Base: 545

11. In your opinion, in which of the following areas should directors be more willing to challenge management? (select all that apply)

- Crisis preparedness 48%
- Company risk management 37%
- Capital allocation 24%
- N/A - Our board sufficiently challenges management in all areas 23%
- Company performance 21%
- Corporate culture 20%
- CEO/executive pay 19%
- Engagement or focus on environmental/sustainability issues 18%
- Talent management 11%
- Company strategy 11%

Base: 539

12. Which of the following have you observed in your own boardroom? (select all that apply)

- Directors who dominate the discussion 30%
- None of the above 29%
- Excessive deference to executives 29%
- Excessive deference to long-tenured directors 26%
- Directors who do not actively participate in the dialogue 19%
- Overly collegial atmosphere 19%
- Inability to remain focused on the discussion at hand 19%
- Reluctance to change course strategically 18%
- Failure to devote adequate time to important agenda items 17%
- Weak board/committee leadership 14%

Base: 541
13. How effective do you believe your board is at the following?

<table>
<thead>
<tr>
<th>Task</th>
<th>Very effective</th>
<th>Somewhat effective</th>
<th>Not very effective</th>
<th>Extrememly effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advising management on strategy execution</td>
<td>53%</td>
<td>9%</td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td>Requesting the right information from management</td>
<td>47%</td>
<td>16%</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>Developing relationships with senior leaders</td>
<td>48%</td>
<td>23%</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>Mentoring/coaching senior leaders</td>
<td>48%</td>
<td>23%</td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>Providing feedback on management presentations</td>
<td>45%</td>
<td>15%</td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Advising management on strategy execution</td>
<td>53%</td>
<td>9%</td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td>Overseeing management conduct</td>
<td>51%</td>
<td>12%</td>
<td></td>
<td>7%</td>
</tr>
</tbody>
</table>

14. To what extent do you agree with the following statements?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Very much</th>
<th>Somewhat</th>
<th>Not very much</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our board does enough to support gender/racial diversity in the workplace</td>
<td>17%</td>
<td>44%</td>
<td>30%</td>
<td>9%</td>
</tr>
<tr>
<td>Our board does enough to support gender/racial diversity at the executive level</td>
<td>17%</td>
<td>48%</td>
<td>29%</td>
<td>9%</td>
</tr>
<tr>
<td>Our board does enough to support company efforts to integrate social purpose with profitability</td>
<td>20%</td>
<td>48%</td>
<td>28%</td>
<td>5%</td>
</tr>
<tr>
<td>Our board does enough to prioritize a broader group of stakeholders in making company decisions (rather than just shareholders)</td>
<td>17%</td>
<td>47%</td>
<td>26%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Base: 518-521

Base: 488-489
Demographics

Sample Distribution, by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset and Wealth Management</td>
<td>7%</td>
</tr>
<tr>
<td>Banking and Capital Markets</td>
<td>5%</td>
</tr>
<tr>
<td>Business and Professional Services</td>
<td>5%</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>14%</td>
</tr>
<tr>
<td>Energy (Oil and Gas)</td>
<td>4%</td>
</tr>
<tr>
<td>Energy (Power and Utilities)</td>
<td>11%</td>
</tr>
<tr>
<td>Health Services</td>
<td>5%</td>
</tr>
<tr>
<td>Industrial Products</td>
<td>9%</td>
</tr>
<tr>
<td>Insurance</td>
<td>3%</td>
</tr>
<tr>
<td>Media/Entertainment/Telecom</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
<tr>
<td>Pharma and Life Sciences</td>
<td>6%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>7%</td>
</tr>
<tr>
<td>Retail</td>
<td>3%</td>
</tr>
<tr>
<td>Technology</td>
<td>12%</td>
</tr>
</tbody>
</table>

Base: 543

Sample Distribution, by Company Size (Annual Revenue)

<table>
<thead>
<tr>
<th>Company Size (Annual Revenue)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $500 million</td>
<td>31%</td>
</tr>
<tr>
<td>$500 million to less than $1 billion</td>
<td>14%</td>
</tr>
<tr>
<td>$1 billion to less than $5 billion</td>
<td>24%</td>
</tr>
<tr>
<td>$5 billion to less than $10 billion</td>
<td>13%</td>
</tr>
<tr>
<td>$10 billion or more</td>
<td>18%</td>
</tr>
</tbody>
</table>

Base: 543

Sample Distribution, by Executive Role

<table>
<thead>
<tr>
<th>Executive Role</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief executive officer</td>
<td>4%</td>
</tr>
<tr>
<td>Chief financial officer</td>
<td>16%</td>
</tr>
<tr>
<td>Chief operational officer</td>
<td>19%</td>
</tr>
<tr>
<td>General counsel/chief legal officer</td>
<td>20%</td>
</tr>
<tr>
<td>Chief human resources officer</td>
<td>27%</td>
</tr>
<tr>
<td>Chief information/technology officer</td>
<td>9%</td>
</tr>
<tr>
<td>Chief marketing officer</td>
<td>6%</td>
</tr>
</tbody>
</table>

Base: 542