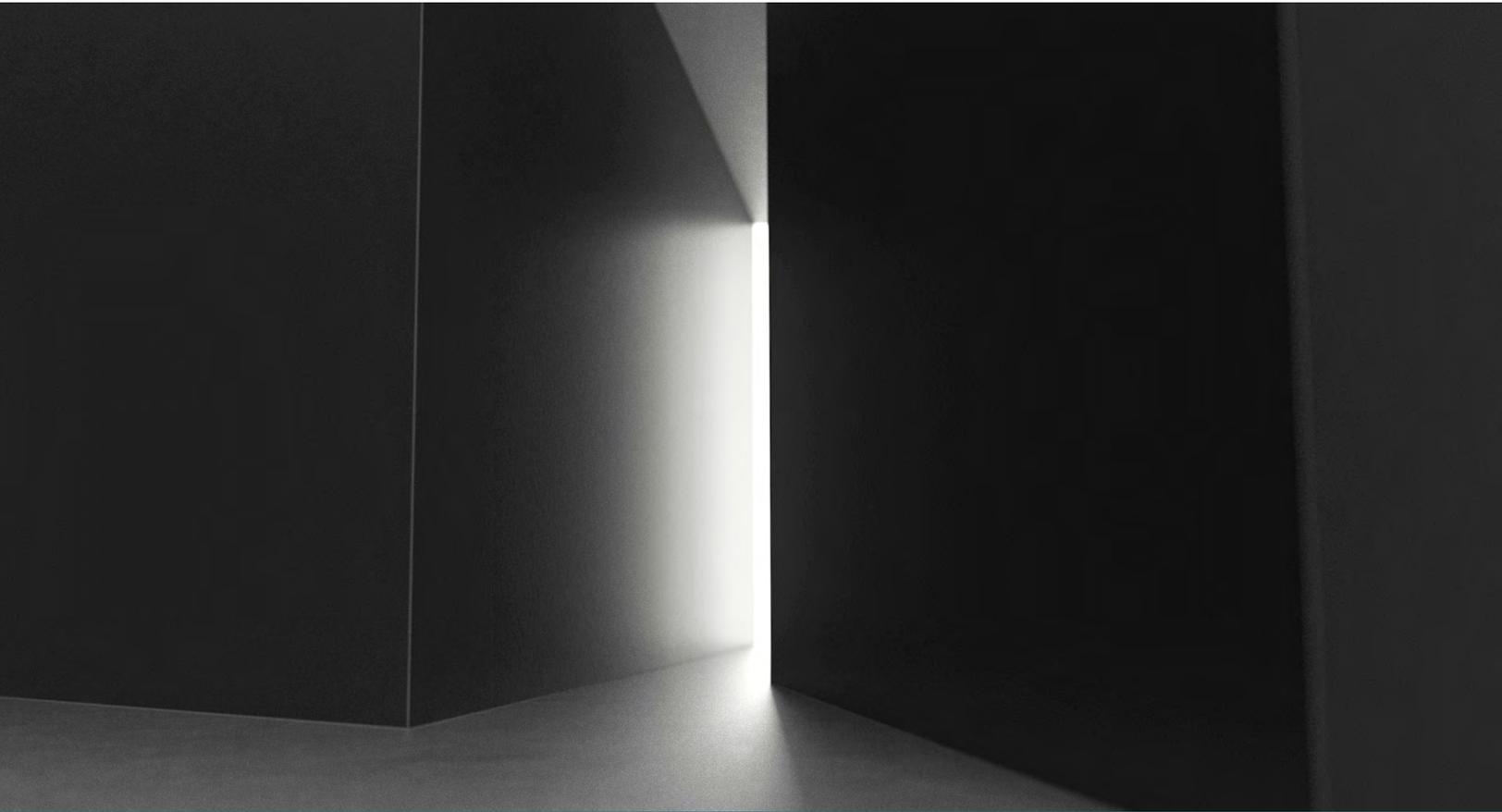


# Focusing on the Future: How Gold Medal Boards Prioritize Their Time

2022 Global Board Culture and Director Behaviors Study



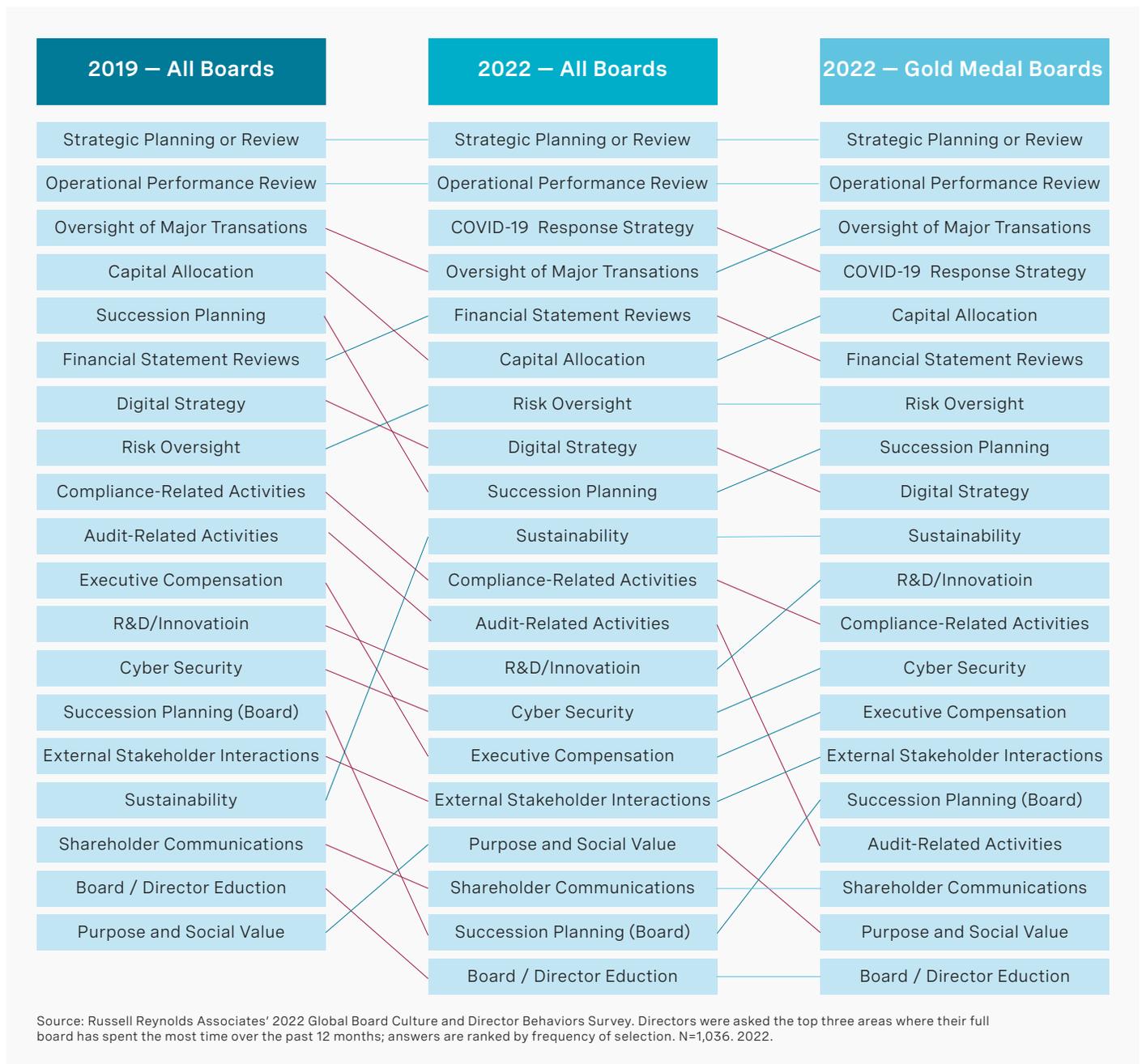
**Every three years, Russell Reynolds Associates surveys a global group of board directors, asking them about their board, their fellow directors, how they spend their time, and what topics they focus on the most. This year, over 1,100 directors participated. Russell Reynolds Associates uses the information they provide us in our work assessing directors, recruiting and evaluating board leaders, and as part of our board effectiveness and advisory work.**

The 2022 survey data was particularly rich, and Russell Reynolds Associates will be publishing a series of reports throughout this year looking at high performing director and board leader behaviors, the attributes of high performing boards, sustainability, DE&I, and other topics. This series will help directors around the world understand the latest trends and insights in each of these areas, and learn what they can do to enhance their own board performance and effectiveness.

Consciously or unconsciously, every board independently decides where it is going to focus its attention and efforts.

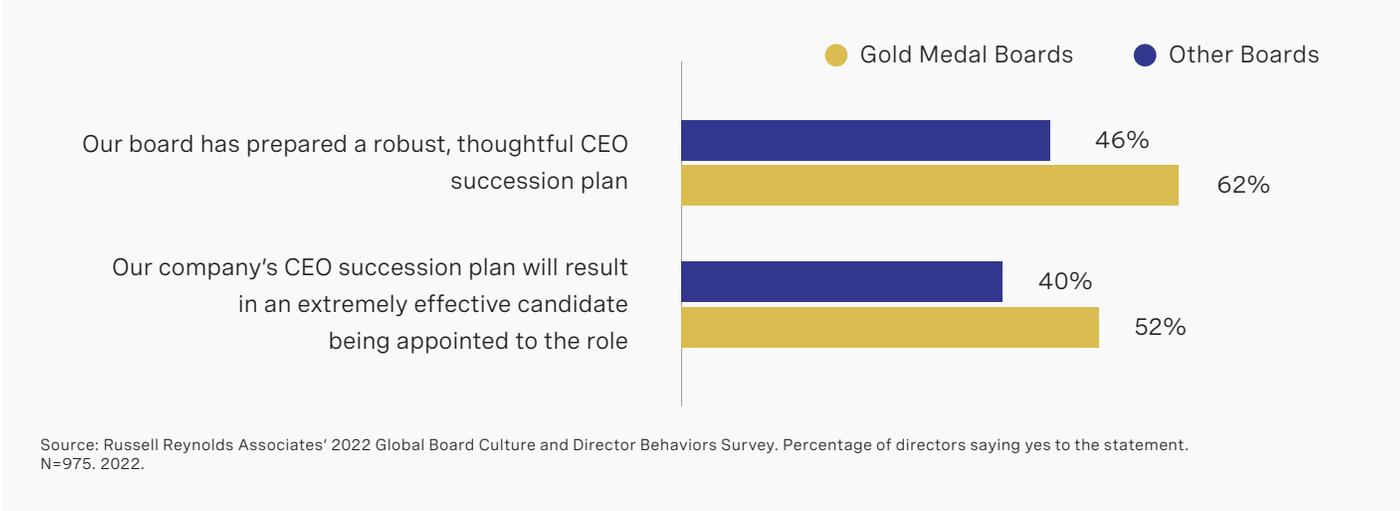
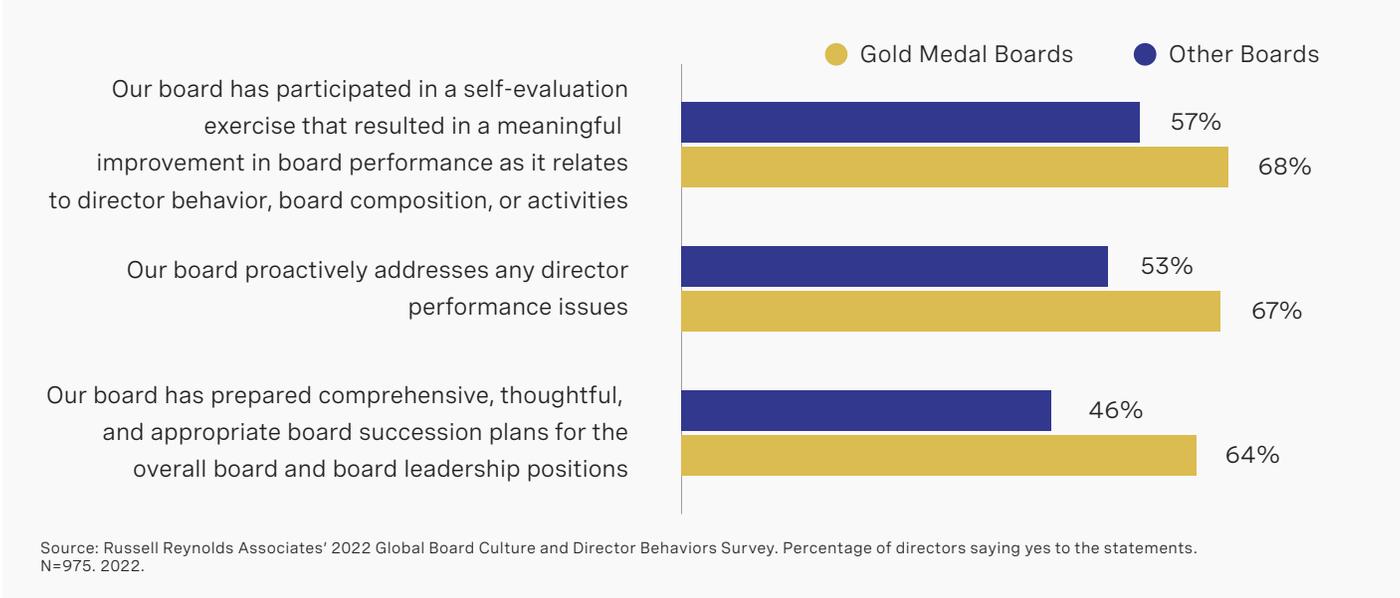
We asked directors to reflect on their board agenda over the past 12 months and identify the top three areas where their full board has spent the most time, and we then ranked those items based on how frequently they end up in a top-three list. There was substantial movement between 2019 and 2022 - no surprise, given the significant upheaval and challenges companies faced in 2020 and 2021. But there were also differences between how typical boards spend their time and how Gold Medal Boards (boards whose directors rate their board effectiveness as a 9 or 10 on a 1-10 point scale, and report the company as having outperformed relevant TSR benchmarks for two or more consecutive years) spend their time, as shown in the visual below.

As we wrote in Harvard Business Review in 2020, "Reviewing financial statements, audit activities, and compliance activities are the responsibility of the board, not the mission of the board. The most successful boards not only know this, but they craft their work and interactions to reflect it."<sup>1</sup> How boards prioritize topics and structure their agendas to focus on future focused, strategic topics is critical. We saw that when we looked at how Gold Medal Boards focus their time in 2019, and we see it again in 2022.



In the midst of a global pandemic, economic turbulence, and societal upheaval, Gold Medal Boards continued to stay focused on value-creating work: strategic planning, operational performance, M&A, and capital allocation. COVID-19 response was on the agenda, too - no surprise - but ranked below M&A. Why? Gold Medal Boards know that challenging times create opportunities to acquire weaker competitors, complimentary firms, or key partners who have run into trouble and are looking for an exit.

Gold Medal Boards also were more likely than typical boards to focus on succession planning for both CEOs and board members in 2021. It looks like those efforts paid off:





# From Insight to Action

Board leaders and board members collectively need to ensure that their board stays focused on what matters most:

**Forward-focused and value-creating agendas:** Too many boards focus on backwards-looking compliance and review activities at the expense of forward-focused, value-creating efforts. Reviewing financial statements and audit activities are important and must be done well, but setting strategy, overseeing operational excellence, making sure M&A is strategic and successful, and similar activities all help create the future and create value. Boards need to step back, readjust their agenda, and reallocate their time.

**Driven to perform:** It is almost impossible for board leaders to improve the quality of their board if they do not have the data necessary to measure and assess performance. The best boards know this - that is why they are more likely to do full board as well as individual director review activities and give performance feedback to directors. Clear, concise, evidence-based performance data is the foundation for improving individual director - and ultimately, the full board's - performance.

**Successful succession events:** CEO succession is one of the most important activities a board will ever undertake. Too many CEO searches are done at the last minute and fail to create lasting value for the business or shareholders. Boards need to make sure long term CEO succession planning is a constant undertaking, high on the boardroom agenda, that the board always has ideas regarding potential succession candidates and that, if a succession had to take place tomorrow, they are confident that an extremely effective candidate would be appointed to the role.



## Methodology

Over 1,100 supervisory board-level directors from more than 41 countries participated in the Russell Reynolds Associates' 2022 Global Board Culture and Director Behaviors Survey, with 55 percent of respondents based in Europe, 27 percent in the Americas, 12 percent in Oceania, 3 percent in Asia, 2 percent in Africa, and 1 percent in the Middle East. Industries represented included financial services (26 percent of respondents), industrial and natural resources (22 percent), consumer (11 percent), technology (11 percent), healthcare (10 percent), and professional and business services (6 percent). Forty-four percent of respondents' companies had annual revenue over \$1 billion

# Authors

**Rusty O’Kelley** co-leads Russell Reynolds Associates’ Board and CEO Advisory Partners in the Americas. He is based in Stamford.

**Rich Fields** leads Russell Reynolds Associates’ Board Effectiveness practice. He is based in Boston.

**Laura Sanderson** co-leads Russell Reynolds Associates’ Board and CEO Advisory Partners in Europe. She is based in London.

**Jens-Thomas Pietralla** leads Russell Reynolds Associates’ Industrial and Natural Resources practice, and co-leads the firm’s Board and CEO Advisory Partners in Europe. He is based in Munich.

**Marc Sangle-Ferriere** co-leads Russell Reynolds Associates’ Board and CEO Advisory Partners in Europe. He is based in Paris.

**Alvin Chiang** is a member of Russell Reynolds Associates’ Board and CEO Advisory Partners. He is based in Singapore.

**PJ Neal** is the global head of knowledge and operations for Russell Reynolds Associates’ Board and CEO Advisory Partners. He is based in Boston.

**Elena Loridas** is a member of Russell Reynolds Associates’ Board and CEO Advisory Partners Knowledge Management team. She is based in Chicago.

---

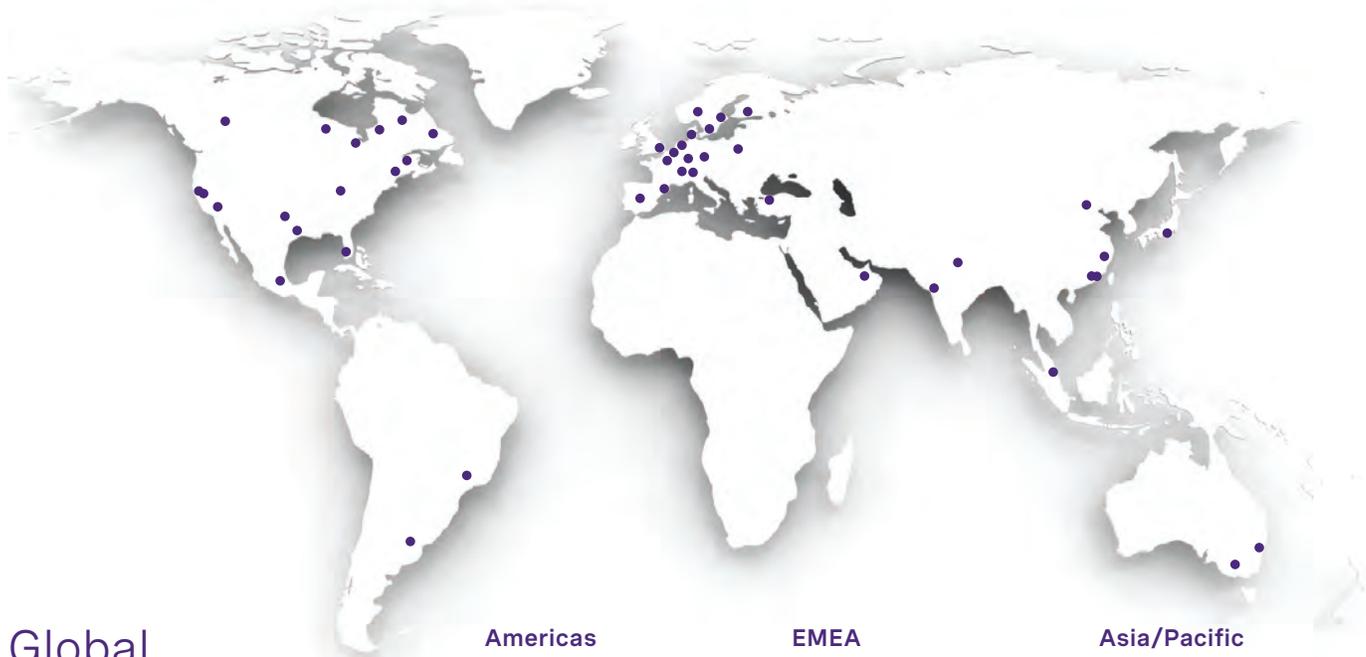
## References

1. <https://hbr.org/2020/02/top-boards-do-these-4-things-differently>

# About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory and search firm. Our 470+ consultants in 47 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

[www.russellreynolds.com](http://www.russellreynolds.com)



## Global offices

### Americas

- Atlanta
- Boston
- Buenos Aires
- Calgary
- Chicago
- Dallas
- Houston
- Los Angeles
- Mexico City
- Miami
- Minneapolis/St.Paul
- Montreal
- New York
- Palo Alto
- San Francisco
- São Paulo
- Stamford
- Toronto
- Washington, D.C.

### EMEA

- Amsterdam
- Barcelona
- Brussels
- Copenhagen
- Dubai
- Frankfurt
- Hamburg
- Helsinki
- Istanbul
- London
- Madrid
- Milan
- Munich
- Oslo
- Paris
- Stockholm
- Warsaw
- Zürich

### Asia/Pacific

- Beijing
- Hong Kong
- Melbourne
- Mumbai
- New Delhi
- Shanghai
- Shenzhen
- Singapore
- Sydney
- Tokyo