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Board effectiveness focus: Four shifts boards can't afford to miss

The most effective boards are becoming more forward-looking, capability-driven, and agile—rebalancing their time, composition, AI oversight, and approach to succession.

Boards are operating in a permanently unstable environment—what we deemed as "normal" is not coming back. Economic volatility, geopolitical shocks, AI disruption, and stakeholder scrutiny are all rising at once, forcing directors to rethink what effective oversight really requires. Yet many boards still spend most of their time looking in the rearview mirror, reviewing performance after the fact instead of testing whether the organization is ready for what comes next.

The strongest boards are moving beyond review-and-approve governance toward a model that is more forward-looking, more capability-driven, and more agile. This article highlights four ways to implement this model and shifts that can help boards strengthen their effectiveness and create real advantage in the next phase of the governance landscape.

While the evidence here comes mainly from large US public companies—including many Fortune 500 boards—the shifts are increasingly relevant for other boards that want to turn governance into a real source of advantage rather than just compliance.

1. Move from strategy approval to execution oversight

For many boards, the key challenge is no longer whether strategy has been approved, but whether the board is truly equipped to oversee delivery in a more volatile environment.[1] Recent Heidrick & Struggles research suggests that boards are spending more time on emerging strategic issues, yet many still struggle to build the foresight and renewal capabilities needed to turn board discussion into effective action.[2]

Rather than relying mainly on retrospective operating reviews, boards are spending more time pressure-testing assumptions, reviewing a narrower set of leading indicators, and engaging more directly with executives below the CEO who are responsible for execution.[3]

Boards that do not rebalance time in this way may still approve a good strategy but are more likely to miss early indicators of whether that strategy is actually working.

Questions for boards to ask themselves:

1. Where are we still spending too much time reviewing performance after the fact, rather than testing whether the strategy is on track?

2. Which leading indicators would give us the clearest early signal that strategic bets are working—or not working?

3. Do we have enough direct exposure to the executives leading critical transformation, AI, growth, or capital allocation priorities?

1 "Board Monitor US 2026: Future-focused boards: Linking renewal, alignment, and performance," Heidrick & Struggles, May 12, 2026, heidrick.com.

2 "Board Monitor US 2026 | Future-focused boards: Linking renewal, alignment, and performance," Heidrick & Struggles, May 12, 2026, heidrick.com; "Board Monitor US 2024 | Navigating shifting sands: Six ways boards are reshaping their processes to thrive now," Heidrick & Struggles, May 20, 2024, heidrick.com; and "Board Monitor India 2024: Six ways boards are reshaping their processes to thrive now," Heidrick & Struggles, February 27, 2025, heidrick.com.

3 "Board Monitor US 2024: Navigating shifting sands: Six ways boards are reshaping their processes to thrive now," Heidrick & Struggles, May 20, 2024, heidrick.com.

2. Treat refreshment and succession as part of the same process

Board refreshment patterns still often favor familiar credentials, especially prior public board and C-suite experience. Today, the governance agenda is moving past these credentials. Technology, AI, cyber, human capital, and geopolitical judgment are all moving up the board agenda, while volatility is making the timing and sequencing of leadership transitions harder to predict.

This combination creates a set of real risks for board succession planning: boards may build themselves into a composition that is highly credible on paper but under-equipped for the next wave of strategic and risk demands. Boards that treat refreshment and succession as separate exercises risk replacing like with like, losing critical capabilities in clusters, and weakening committee or board leadership at exactly the wrong moment.

The boards pulling ahead are managing refreshment and succession as one continuous capability system. They are mapping future-critical skills to strategy, identifying which capabilities are most at risk of walking out together, and using director searches, chair succession, and committee planning to preserve continuity while upgrading the board's relevance. In this model, the goal is not simply continuity, or even refreshment for its own sake. It is continuity with the right capabilities.

Questions for boards to ask themselves:

1. What capabilities will we need most over the next three to five years, given the company's strategy and risk profile?

2. Are refreshment decisions based on future value creation needs, or are we still replacing like with like?

3. Where do we need greater diversity of experience, judgment, geography, technology fluency, or stakeholder perspective?

4. When did a board or committee assessment last lead to a meaningful change in composition, leadership roles, or succession sequencing?

3. Treat AI governance as a full-board capability issue

AI oversight has moved decisively onto the board agenda, but board fluency still lags behind the speed of adoption. Our research shows that boards are paying more attention to AI and increasingly folding it into regular strategy-and-risk oversight, yet many directors still question whether their boards have the expertise to ask the right questions about value creation, governance, and accountability.[4]

The boards furthest ahead are treating AI as both a risk and a strategic capability issue. They are clarifying where oversight sits, updating guardrails around data, ethics, cyber, and use cases, and embedding AI education into the annual board calendar rather than treating it as a one-time briefing. Over time, the differentiator will not be whether AI appears on the board agenda, but whether directors can engage with it confidently enough to guide management on the decisions that matter most—where to deploy AI, what risks are acceptable, and which guardrails are nonnegotiable.

Questions for boards to ask themselves:

1. Is AI oversight clearly allocated across the full board and relevant committees, with no gaps or duplication?

2. Do we have enough fluency to challenge management on AI strategy, risk, ethics, cyber, data, and value creation?

3. What metrics or milestones can help us understand whether AI is creating value responsibly?

4 Ryan Bulkoski, "AI focus: How boards are finding expertise to chart the unknown," Heidrick & Struggles, November 13, 2025, heidrick.com; David Burd, Lee Hanson, Victoria S. Reese, and Elizabeth Zessman, "How chief legal officers are supporting boards on today's challenging issues," Heidrick & Struggles, August 21, 2024, heidrick.com.

4. Use agility as the through line in governance

If resilience is the outcome boards want, agility is increasingly the capability that gets them there.[5] In a more unstable environment, the risk is not only that boards fail to respond well to disruption, but that they move too slowly, stay too fixed in their cadence, or let governance bureaucracy dull decision quality at exactly the wrong moment. The boards pulling ahead are operating with greater speed, adaptability, and situational awareness: agendas evolve as priorities shift, critical decisions are surfaced earlier, and board composition is refreshed more actively to match the company's changing needs.

Public-company boards are also being pressed to respond to geopolitical shocks, economic uncertainty, activism, workforce pressure, and stakeholder scrutiny, often all at once. The practical implication is that boards should think less about resilience as a standalone governance topic and more about whether their operating model is agile enough to absorb surprises, reprioritize quickly, and support better decisions under pressure.

Questions for boards to ask themselves:

1. How quickly are we able to reprioritize our agenda when the business context shifts?
2. Where does our process or cadence slow down decision quality or decision speed?
3. Is our composition, committee structure, and stakeholder engagement dynamic enough to match emerging priorities?

The governance bar is rising faster than many boards realize. The edge will belong to boards that rebalance time toward execution, refresh their capabilities with intent, build real fluency on AI, treat succession as a standing discipline, and operate with greater agility when conditions change. In 2026, the most effective boards will not be the ones doing more of the same, but the ones adapting their model of oversight to a fundamentally changed landscape. Boards that delay these shifts may still meet formal requirements—but they will struggle to see risks and opportunities early enough to shape outcomes.

5 To learn more, see Anne Lim O'Brien, "Future-Proofing Your Board," Heidrick & Struggles, heidrick.com; and "Board Monitor US 2024 | Navigating shifting sands: Six ways boards are reshaping their processes to thrive now," Heidrick & Struggles, May 20, 2024, heidrick.com.

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