

ARTICLE

CEO and board confidence monitor: A worried start to 2024

A recent survey of CEOs and board members at companies around the world highlights that external factors, such as economic and geopolitical instability, are leading to low leadership confidence in the organization’s ability to meet 2024 goals, as well as low confidence in their longer-term succession and leadership planning.

Little confidence that organizations can manage what matters most

CEOs and board members are mostly aligned on which issues will be most significant in 2024. But both groups have little confidence their organizations can manage most of those issues.

- Among CEOs, there is only one issue in their top 5 that more than half are confident the organization can manage: **culture**.

CEOs’ most significant issues (%)

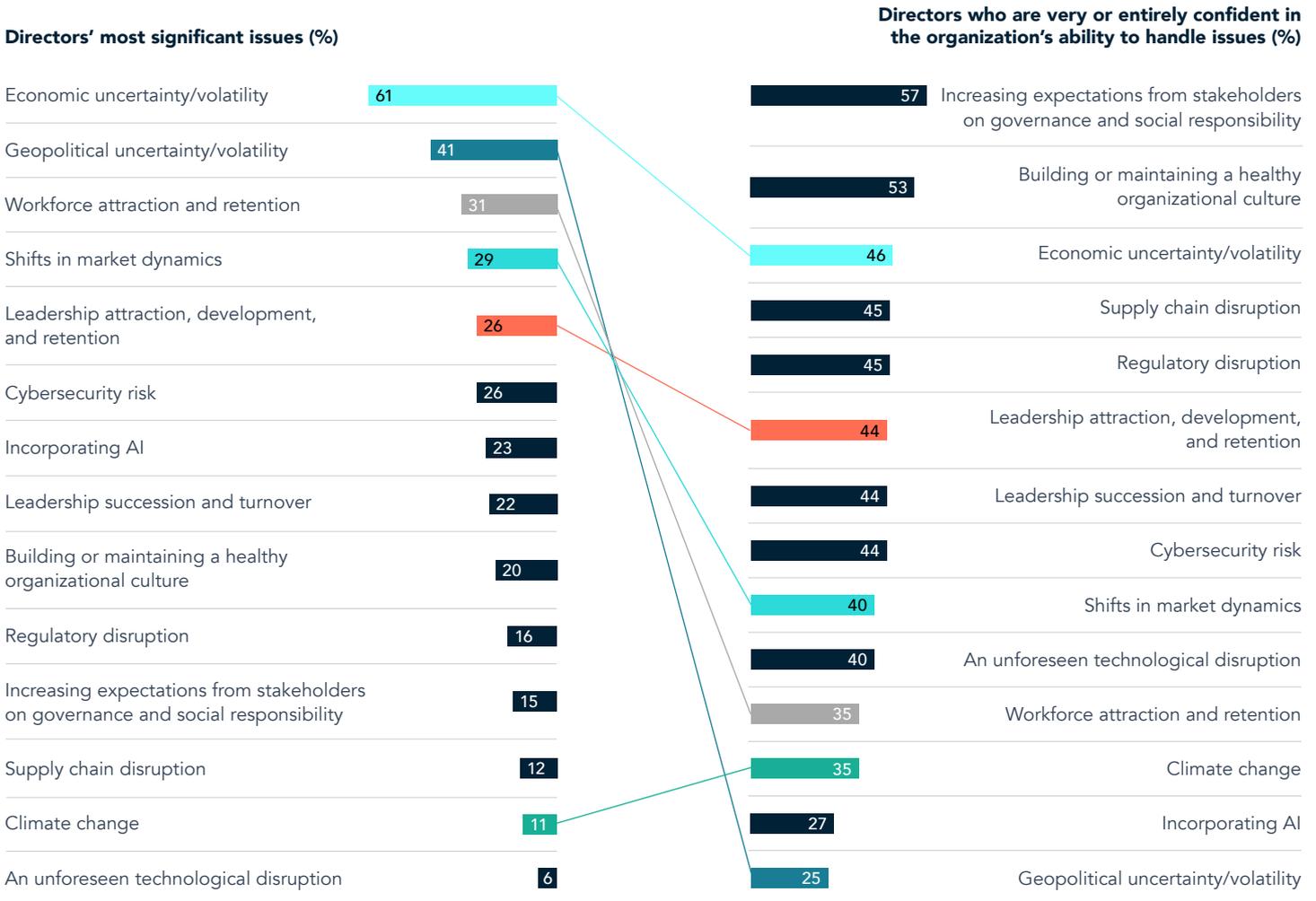


CEOs who are very or entirely confident in the organization’s ability to handle issues (%)



Note: Respondents could choose multiple issues.

- Among board members, there are no issues in their top 5 that more than half are confident the organization can manage.



Note: Respondents could choose multiple issues.

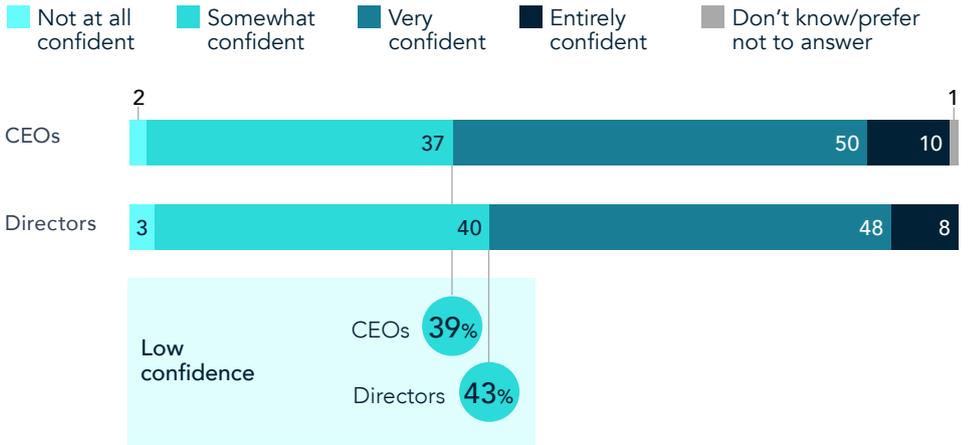
- Given the events of the past year, it's hardly surprising that **geopolitical volatility** sits near the top of concerns and at the bottom of manageability. Our inability, as leaders and as people, to work across geopolitical divides, and the growth of divisiveness overall, stand in the way of progress on most important issues.
- CEOs' relatively high confidence in their organizations' ability to manage **culture** may be because 83% of companies are currently working on their culture.¹
- It's notable that **climate change**, an issue that many people see as pressing for the world and crucial for companies to address, is seen by relatively few CEOs and board members as significant for 2024—and when it is, it's one that CEOs, in particular, are less concerned about addressing than most other issues. This may be because most companies have taken concrete steps to address aspects of this, such as their carbon footprints.

¹ To learn more about CEOs' views on culture, including how it is linked to improved financial performance and retention, see "Aligning culture with the bottom line: Putting people first," Heidrick & Struggles, heidrick.com.

More confidence in the leadership team than in the organization's ability to meet 2024 strategic goals

- Given leaders' general lack of confidence in managing the most significant issues, the fact that large shares of both CEOs and board members aren't particularly confident in the organization's ability to deliver on its 2024 strategic plan seems realistic, as even the best teams will be challenged amid such a highly uncertain environment.

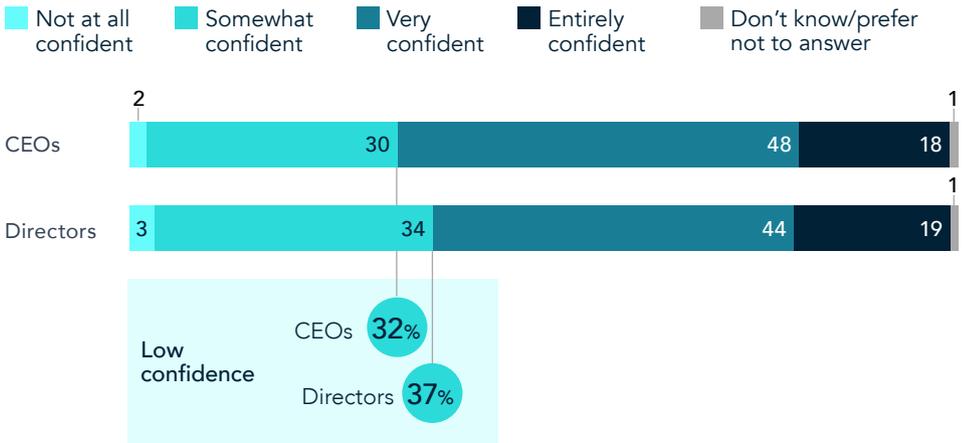
Confidence in the ability of the organization as a whole to deliver on the 2024 strategic plan (%)



Note: Numbers may not sum to 100%, due to rounding.

- That being said, regarding the leadership teams, there is somewhat better news: slightly higher shares of both CEOs and board members have confidence in the current leadership team.

Confidence in the organization's leadership team for 2024 (%)

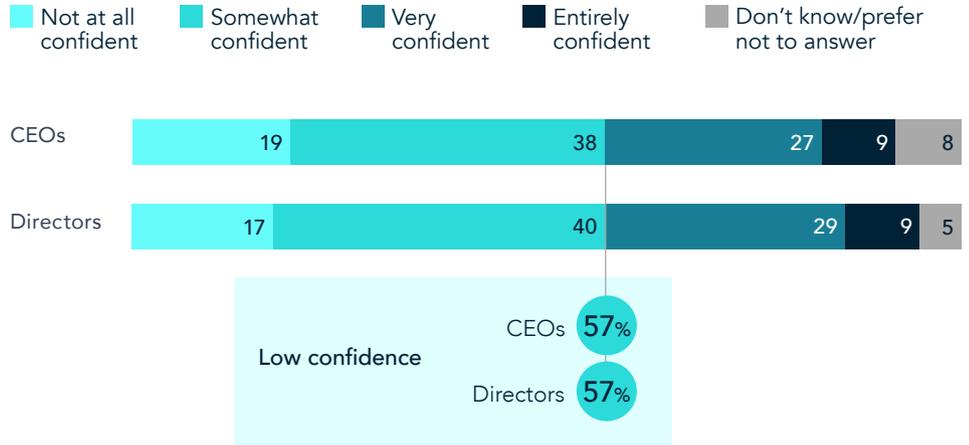


Note: Numbers may not sum to 100%, due to rounding.

More than half are concerned about next-generation executive leadership

- Looking ahead, more than half of CEOs and of board members—57% in each group—are not at all confident, or only somewhat confident, that their CEO succession planning process is positioning the organization well for the future.²

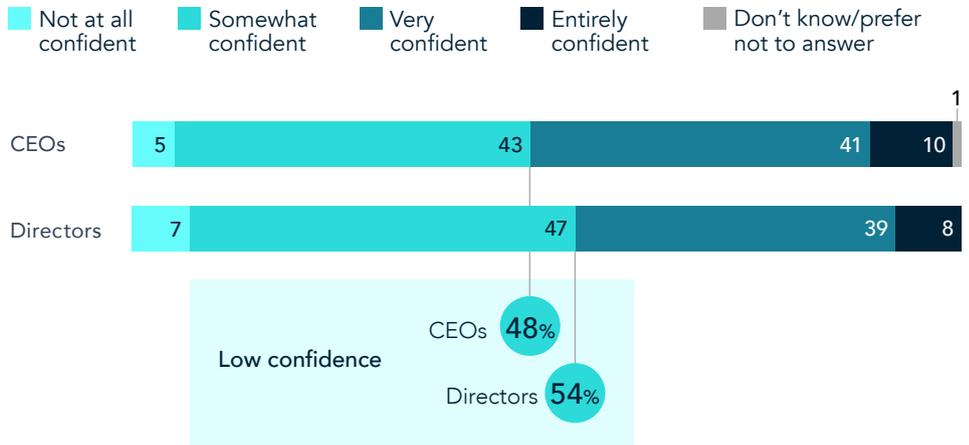
Confidence in the organization's CEO succession planning process in positioning the organization well for the future (%)



Note: Numbers may not sum to 100%, due to rounding.

- Roughly half of CEOs and of board members are confident in their organization's overall executive attraction, development, and retention strategy.

Confidence in the organization's executive attraction, development, and retention strategy in positioning the organization well for the future (%)

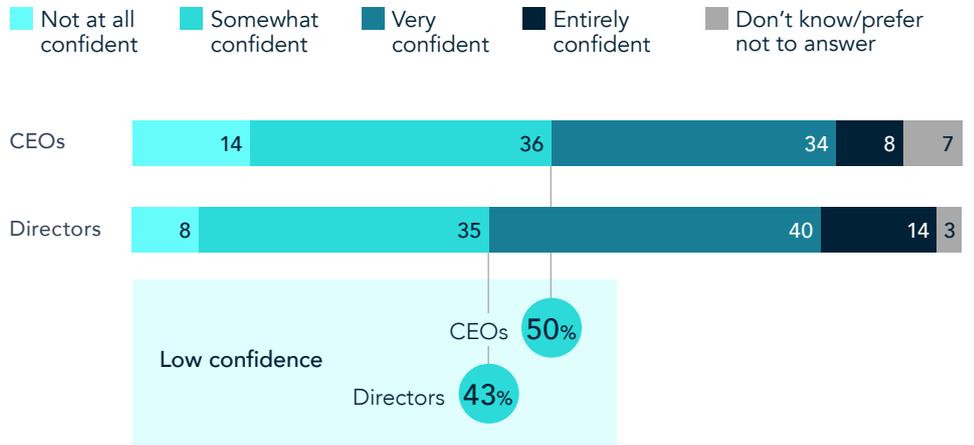


Note: Numbers may not sum to 100%, due to rounding.

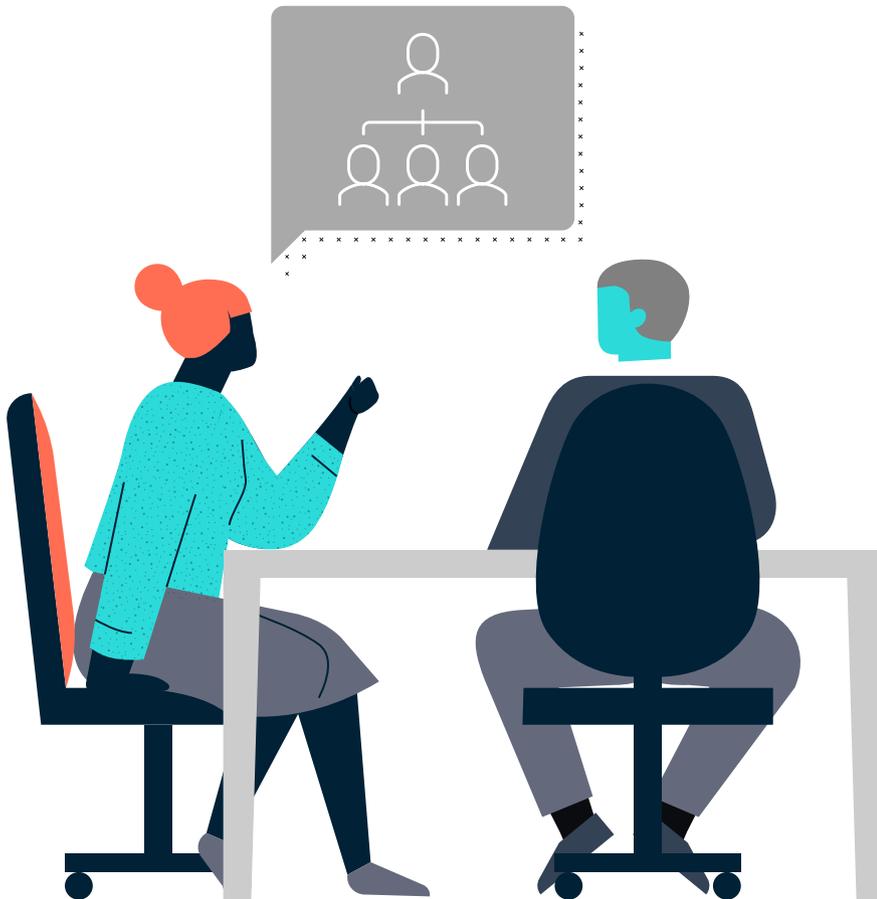
² This is an even lower level of confidence than we found when we surveyed US board members only early in 2023.

- Both board members and CEOs are more confident in the board succession process than in the CEO succession process, though to varying degrees.

Confidence in the board evaluation and refreshment practices in positioning the organization’s board well for the future (%)



Note: Numbers may not sum to 100%, due to rounding.



Considerations for 2024



Developing new leadership muscle: Going into 2024, directors and CEOs are wrestling to understand the boundaries of their own purpose and role, and the responsibility of business itself in the world. So, it is not surprising that the leaders who responded to this survey are *most* concerned about economic and geopolitical uncertainty, and *least* confident in their ability to address both. Shareholders, employees, customers—even governments—are demanding more access to and influence over corporate governance and decision making. Divisiveness and polarization within these groups complicate the picture. *Leading and governing across the boundaries that divide us*—both within organizations and in the communities they serve—is proving to be the most important skill directors and CEOs are building right now.

- Progress on issues such as climate change, wealth inequality, and business strategy itself will require this skill more than ever before.
- The issues that matter most will certainly change over time, but we expect the ability to lead and govern across boundaries to lie at the core of effective leadership for the foreseeable future.

Increasing investment in succession planning: Uncertainty and higher expectations are driving a growing trend toward continuous, longer-term succession planning at both the board and CEO level. We expect that trend to continue, and, we hope, will over time address the confidence gap our survey results show in how effective that planning is today.



About the research

In November 2023, Heidrick & Struggles fielded an online survey that garnered 3,156 respondents. Of those, 2,320 respondents were CEOs and 836 were directors. Forty-one percent were in Europe; 38% in North America; 10% in Asia Pacific; 4% in each of Latin America and the Middle East; and 2% in Africa. Respondents represented companies of all sizes; 23% reported annual revenue of \$1 billion or more. Companies ranged across all industries.

CEO & Board of Directors Practice

Heidrick & Struggles' CEO & Board of Directors Practice has been built on our ability to execute top-level assignments and counsel CEOs and board members on the complex issues directly affecting their businesses.

We pride ourselves on being our clients' most trusted advisor and offer an integrated suite of services to help manage these challenges and their leadership assets. This ranges from the acquisition of talent through executive search to providing counsel in areas that include succession planning, executive and board assessment, and board effectiveness reviews.

Our CEO & Board Practice leverages our most accomplished search and leadership consulting professionals globally who understand the ever-transforming nature of leadership. This expertise, combined with in-depth industry, sector, and regional knowledge; differentiated research capabilities; and intellectual capital, enables us to provide sound global coverage for our clients.

Leaders of Heidrick & Struggles' CEO & Board Practice

Global

Bonnie Gwin
New York
bgwin@heidrick.com

Jeffrey Sanders
New York
jsanders@heidrick.com

Americas

Lyndon A. Taylor
Chicago
ltaylor@heidrick.com

Roberto Hall
Bogotá
rhall@heidrick.com

Nancie Lataille
Montreal
nlataille@heidrick.com

Paulo Mendes
Miami & São Paulo
pmendes@heidrick.com

Laryssa Topolnytsky, PhD
Toronto
ltopolnytsky@heidrick.com

Carlos Vazquez
Mexico City
cvazquez@heidrick.com

Europe and Africa

Alice Breeden
London
abreeden@heidrick.com

Kit Bingham
London
kbingham@heidrick.com

Marion Fengler-Veith
Zurich
mfenglerveith@heidrick.com

Tatiana Furtseva
Kiev
tfurtseva@heidrick.com

Imke Lampe
Amsterdam
ilampe@heidrick.com

Cheli Nachman
Tel Aviv
cnachman@heidrick.com

Nicolas von Rosty
Munich
nvonrosty@heidrick.com

Sylvain Dhenin
Paris
sdhenin@heidrick.com

Marie-Hélène De Coster
Benelux
mhdecoster@heidrick.com

Patrik Hammar
Stockholm
phammar@heidrick.com

Veronique Parkin
Johannesburg
vparkin@heidrick.com

Luis Urbano
Madrid
lurbano@heidrick.com

Stafford Bagot
Dublin
sbagot@heidrick.com

Merja Eskola
Helsinki
meskola@heidrick.com

Lukasz Kiniewicz
Warsaw
lkiniewicz@heidrick.com

Tobias Petri
Copenhagen
tpetri@heidrick.com

Flavio Zollo
Milan
fzollo@heidrick.com

Asia Pacific and Middle East

Guy Farrow
Sydney
gfarrow@heidrick.com

Aya Iinuma
Tokyo
aiinuma@heidrick.com

Mark Sungrae Kim
Seoul
mkim@heidrick.com

Markus Wiesner
Dubai
mwiesner@heidrick.com

Richard Guest
Dubai
rguest@heidrick.com

Maliha Jilani
Dubai
mjilani@heidrick.com

Linda Zhang
Shanghai
lzhang@heidrick.com

Hnn-Hui Hii
Singapore
hhii@heidrick.com

Fergus Kiel
Sydney
fkiel@heidrick.com

David Hui
Hong Kong
dhui@heidrick.com

Suresh Raina
Mumbai
sraina@heidrick.com

WE HELP OUR CLIENTS CHANGE THE WORLD,
ONE LEADERSHIP TEAM AT A TIME®

Copyright © 2023 Heidrick & Struggles International, Inc. All rights reserved. Reproduction without permission is prohibited. Trademarks and logos are copyrights of their respective owners.