

**EgonZehnder**

# Board Stewardship for a Resilient Business

in partnership with







Our inaugural report, “**Boards: Stepping Up as Stewards of Sustainability**” [Oct 2022], revealed a paradox: while board members recognized the imperative for sustainability, many felt ill-equipped to act on it. Often feeling as though they are the lone voice on the board, directors may also lack the courage—or their boardrooms may lack the psychological safety—to challenge how long-term risks and opportunities are monitored and addressed through board governance.

Our most recent global survey of board members shows little progress has been made since then. Only about 25% of directors who responded say that they and their peers have adequate knowledge of the risks and opportunities sustainability presents, including those specific to their industries.

In addition, there is still confusion and debate about the term “sustainability” and what it encompasses. At Egon Zehnder, we use the definition of the Sustainability Accounting Standards Board (**SASB**), which includes environment, human capital, social capital, business model and innovation, and leadership and governance when considering the topic.

This lack of understanding combined with a traditional mindset can often lead to resistance in evolving the board agenda, which can put organizations

at a disadvantage. Among the many topics competing for board attention, sustainability is often deprioritized to make room for more “of the moment” agenda items. Business decisions with real-world implications can be overlooked, underestimated and undervalued because they slip through the gaps in siloed and traditional governance and culture.

Boards face ever-increasing complexity, and we know that directors are keenly feeling this. The current context requires a different type of leadership, where the board encourages a recognition of the business’ place within a broader system, seeing the interconnectedness of people, planet and profit. Addressing this challenge requires a holistic view of the growing number of stakeholder groups and the competing demands that they place on business leaders.

Directors are often operating with good intent and little precedent to guide their behaviors around governance in uncharted territory. Throughout this report, we invite board members to reflect on the barriers that may be holding them back from being the directors that this challenging and ever-changing context demands. **There are no “quick wins;” this is a journey that must start from *within* to build resilience as a director and as a board.**

## STEWARDSHIP INSIGHT

The change that is needed does not take a revolution. It doesn't involve fundamentally overturning the way in which the capitalist system works. But it does need some significant alterations, in particular the notion that companies are there to make money and to create value for those who work in them and invest in them but to do so in a way that comes from creating benefits for others. [...] The underlying drive of that profit then is to solve problems, not to create problems for others.



**Colin Mayer**

Author and Emeritus Professor  
of the Saïd Business School,  
University of Oxford

# Embracing Complexity and Navigating the Unknown



## What is stewardship?

Stewardship describes purposeful and responsible leadership that creates long-term value for a business through interconnected, inclusive, and resilient behaviors.

- This differs from “leadership as usual,” as stewards adopt a systems-wide view, encourage collaboration across a broad organizational ecosystem, and bring purpose to the heart of business performance.



## What does this look like in a board member?

A learning mindset, understanding the link between risk, resilience and opportunity. Elevating the level of discussion beyond the short term horizon and enabling

- leaders to embed purpose and performance throughout the organization.



## Why does it matter?

Adopting a stewardship mindset equips the board with the tools to navigate the challenges of increased complexity.

- By engaging in horizon scanning for risks and opportunities around societal, regulatory and commercial demands, the board can futureproof the business. By moving away from marketing jargon and buzzwords around culture and purpose, businesses can get back to their *raison d'être*: To solve problems profitably.



# Accepting ‘What You Don’t Want To Know’

In our conversation with Tony Fish, author of “Decision Making In Uncertain Times: How can we become more aware of the consequences of our actions on tomorrow?,” Board Trustee at the Institute of Neurodiversity (ION), and Visiting Fellow at Henley Business School for Entrepreneurship and Innovation, he introduced the idea that there are different types of knowledge: the **Known**, the **Unknown**, the **Things We Don’t Want to Know**, and the **Unimagined**.

Boards are typically good at dealing with the Known, which comes naturally, and the Unknown, where risk mitigation strategies can be put in place. There is often not much thought given to the Things We Don’t Want to Know and the Unimagined, and these are the areas that have the potential to cause directors to feel anxious, uncomfortable and fearful. Complexity—and the challenges presented by the changing business landscapes that directors find themselves in—is the biggest hurdle to the adoption of board stewardship.

While the term “complexity” is used often, it is not usually defined well. Egon Zehnder defines complexity as the combination of multiple parts that are interconnected in such a way that they cannot be easily separated or understood in isolation. It often involves a high degree of uncertainty, resulting in a system that is difficult to predict, control, or fully understand. These things inhabit the Unimagined space.

To be effective stewards of a business, boards need to embrace the complexity that characterizes the current business environment. What makes dealing with complexity such an immense challenge for boards is that they have formulated their agenda, governance and expectations over time, making the freedom (or the perception of freedom) to deal with new or unprecedented situations feel limited. In part this is also due to the increased number of stakeholder perspectives they must incorporate.

“Until we lift them out of the three-year strategy, directors are sucked in and kept down by the ‘orderly’ space. They see the role of the Chair as facilitation, holding to account, discipline, order, and risk & opportunity, but when we start bringing in the idea of complexity, their role becomes ‘meaning maker,’” says Jill Ader, senior advisor and former chairwoman of Egon Zehnder.

For directors, it feels like wave after wave of new information, and the expectation is that they should have all the answers. They need to ensure that their company’s strategy is not only robust but also resonates with the values and expectations of key stakeholders, both internal and external.

**STEWARDSHIP INSIGHT**

As boards begin to understand complexity, their idea of what a board is shifts. Boards were originally formed to respond to the demands of an orderly, predictable world. Directors waste so many resources on this basis, and they encourage their senior executives to do the same. Boards struggle to grapple with complex issues, and therefore can't hold their executives to account.



**Jennifer Garvey Berger**  
Author and CEO of  
Cultivating Leadership





# The Rising Demands of a Growing Group of Stakeholders

A global **Egon Zehnder study** in partnership with Kearney examined different generations' expectations in the workplace, revealing a surprising consensus: Contrary to the common narrative of generational conflict, the study confirms that employees across age groups largely want the same things, such as purposeful work, ethical leadership, and sustainable practices—all of which are characteristics of stewardship. This alignment presents an opportunity for boards to craft a unified approach to sustainability that appeals to a multi-generational workforce.

Interestingly, this year's **Edelman Trust Barometer** takes a close look at innovation and society, laying bare that global audiences are concerned about exacerbated social inequality and the rise of political polarization. For board members, the challenge lies in steering their companies through these shifting priorities, ensuring that innovation is pursued for its economic benefits in a responsible and inclusive manner that considers the broader implications for all stakeholders.

In our previous report, we recommended that developing board members through experience and exposure would be one method of handling the complexity of sustainability, but knowledge is not all that is holding directors back.

Other obstacles include:

The rigidity of the board agenda

Perceived polarities (e.g., purpose vs. polarities)

Perceived competition between topics (e.g., geopolitics, economic cycles, DEI & sustainability)

Board dynamics and culture

Directors will feel it is part of their remit to respond to the persistent question on where the business stands on a variety of political and societal issues. As part of their board service, they will need to engage with broader stakeholder groups to find the answer.

## STEWARDSHIP INSIGHT

Geopolitics shape both the long-term trends and immediate realities. This long-term arc is toward sustainability, and the transitions will be bumpy. The board's job is to create systems that enable a company to identify and take advantage of the long-term trajectories while being able to navigate any immediate choppy waters.



**Shari Friedman**

Managing Director of Climate & Sustainability at Eurasia Group







# What the Research Tells Us

It is evident that board members are more conscious of sustainability concerns than before, yet there is still a noticeable gap in taking action. Our pulse check of ~70 global board members revealed telling results: board members are not elevating their understanding of sustainability issues as rapidly as necessary. Additionally, there is a reluctance to deviate from the standard board agenda. Such hesitancy hampers the critical challenge and innovation needed to address sustainability risks and opportunities as part of a holistic board governance agenda.

A smaller share of board members sees a positive trend spreading among their peers. “Knowledge of sustainability is growing fast and has prompted boards in this industry to recruit expertise. There is recognition of ‘we don’t know what we don’t know,’ and the risks to the business and shareholders if there are blind spots on the board,” says one board member while adding a note of caution: “The risks of sustainability topics including reporting and disclosure is recognized although not sufficiently discussed and has to compete with short term pressures.”

Board members are discouraged by the level of sustainability awareness of their peers. A few statements that illustrate this sentiment include:

**What percentage of board members that you have seen or witnessed have adequate knowledge of the risks and opportunities that sustainability presents, including those that are specific to their industries?**

0% of board members



25% of board members



50% of board members



75% of board members



100% of board members



“I seem to be the voice of one on the boards I have been appointed to.”

“Too many still view it as a long-term topic and don’t understand the immediate risk impact.”

According to survey respondents, only one in four board members are considered true stewards of sustainability. Although this low proportion hinders significant progress on sustainability-related matters, it also presents an opportunity. Board members can embrace curiosity and actively seek the knowledge they need to advance their understanding and impact on sustainability.

**What percentage of board members that you have seen or witnessed act as true stewards of sustainability?**

0% of board members



25% of board members



50% of board members



75% of board members



100% of board members



“Age is a factor, as older and more established board members are not making heavy investments of their time and energy to become more educated on sustainability matters.”

“Motivation to imbibe new knowledge is limited.”

What factors contribute to such a low percentage? As one board member shared, “This is mostly due to lack of tools and practical know-how to bring the topic into the room at most meetings. The interconnectedness of sustainability with most topics (i.e., risks, financials, mergers and acquisitions, etc..) is not sufficiently discussed.” For another, making significant strides in personal sustainability knowledge is closely tied to CEO sponsorship: “It really depends on how supportive the CEO is. If the CEO is not very supportive, it is less likely that NEDs will be active promoters of sustainability, beyond what is requested by investors during engagement or by regulation.”

In our previous report, we encouraged board members to move sustainability to the heart of their decision-making. When asked whether boards are actually doing this, the majority of directors say it is “to a small extent”—or “not at all.”

What we see is that many board members may not act as stewards simply because they lack sufficient knowledge to fully appreciate the importance of sustainability. This presents a valuable opportunity for them to become more knowledgeable, help spark this curiosity in others and inspire a broader movement in the boardroom. Despite the rise of regulations, stakeholder pressure and the urgent need for sustainable practices, board members have the potential to lead by example and make a significant impact on the entire ecosystem. “Being accountable to stakeholders (versus shareholders) still needs to be embedded, especially if policymakers and regulators haven’t pivoted effectively yet,” as one board member put it.

### To what extent do boards put sustainability at the heart of their decision-making?

Not at all



To a small extent



To a medium extent



To a great extent



Fully



“I think that there is not a whole and adequate capability to take into consideration all the responsibilities. If you do not completely know or consider as relevant some themes/aspects, you can’t have a global vision of your responsibilities.”

“The structure of the board is an impediment to this but can be overcome with sufficient understanding of interconnectedness.”



**To what extent do boards adopt a systems perspective in relation to their oversight responsibilities?**

Not at all



To a small extent



To a medium extent



To a great extent



Fully



Board members also noted that several industries may be ahead when it comes to putting sustainability at the core, highlighting banking and energy as two such sectors. Another shared that doing so would require “deep communication and mindset change.”

Another crucial aspect of stewardship is developing a systems mindset. Systems thinking involves understanding the bigger picture and recognizing how decisions ripple throughout the entire system. It is a way of making sense of complex issues by looking at them in terms of “wholes” and “relationships” rather than isolated parts.

Our findings indicate that boards currently apply systems thinking to a small or medium extent. By adopting a systems thinking approach, they can enhance their decision-making not only in sustainability but across all areas, fostering a more holistic and interconnected perspective. Several barriers prevent board members from governing with a systems perspective. Survey respondents highlighted a few key obstacles:

“Siloed thinking by committees still dominates board discussions.”

“Oversight responsibilities are embedded in an established system, but those systems are difficult to change to embed sustainability. Change is hard. I have requested several times to simply add ‘Stakeholder Relations’ as a standing agenda item on our Audit Committee agenda, but it has fallen on deaf ears.”

# Challenging Mindsets and Doing the Work

It is evident that change is necessary, and board governance will only become more complex. This challenge cannot be solved simply with a single workshop or through a boardroom consultant; it requires both individual and collective efforts over time. Directors and boards alike must put in the work and evolve how they see their role in

the business, as well as how they operate as a group. Board culture and dynamics impact how directors show up in the room. Reflecting on how the board is set up and how the directors interact can start the journey of discovery to break the traditional cycle of behaviours that inhibit director growth and governance innovation.

## From Board Diversity to Inclusion

While it is impossible to create a step-by-step plan to tackle complexity, the best path forward for boards is to focus on having the right people, dynamics and culture. Underlying board dynamics is board composition: Who is on the board, and how they show up, has become more important than ever before. Our 2022-2023 **Global Board Diversity Tracker** shows that while gender diversity on boards has improved, Chair and Committee Chair positions are still predominantly held by male directors—only 8.4% of non-executive chair positions and 3.7% of executive chair positions are held by women; and they hold only 25% of committee chair positions.

Yet there is more to be said about the diversity landscape. The corporate perspective on diversity needs to be expanded to include broader types of diversity to tackle the nuances that a more connected and evolving world requires. A

group of people who think the same way may not naturally invite that breadth of perspective. Bringing in new voices, which may include diversity in gender, ethnicity, age, neurodiversity, background, and more, can enhance the perspectives in the room.

Bringing diverse voices onto the board—regardless of the type of diversity they represent—is only part of the journey. Are these individuals being given the space to contribute, and are others truly hearing what they have to say? How can board directors adjust to these vital viewpoints and adapt the mindsets they have developed over the years—the belief that they are complete experts with all the knowledge and solutions? This introduces the question of board members' sense of identity. This will impact not only the directors' perceptions of themselves but equally how they impact, challenge and support their peers.

## STEWARDSHIP INSIGHT

Where the value of next-generation boards is already being recognized, it is by companies and organizations who understand the value is both shared and multiple.

**Rebecca Robins**

Founder and CEO, author,  
advisor and Board Trustee

One often overlooked dimension of diversity at the board level is age - specifically the inclusion of younger individuals, who can help to create more collaborative and competitive organizations. Rebecca Robins, Founder and CEO and experienced Board Trustee, explores this within her book, "Five Generations at Work: How We Win Together, For Good." In the chapter "Next-generation boards," she discusses their value and shares the frameworks to create them. As she writes: "Where the value of next-generation boards is already being recognized, it is by companies and

organizations who understand the value is both shared and multiple." A next-generation board creates a more inclusive space where different generations learn from and with each other. As a board and leadership commitment, it is also a powerful signal to the entire business of how an organization thinks about stewardship. As Robins discusses in the book, the benefits are three-dimensional: individually, they nurture future leaders, collectively, they foster lifelong connections and networking, and at a board level, they create and sustain systemic change.



# Board Culture and Dynamics: The Catalysts for Transformation

By displaying curiosity, stimulating debate and encouraging collaboration among all directors, the Chair can foster a dynamic that enables a set of individuals to contribute to the discussion. In equal measure, board members need to be prepared to be vulnerable. Accepting this new reality and giving themselves the space and time to evolve is important, and the boardroom should be a psychologically safe space for them to do this. Relearning how to lead through complexity and set expectations for the executive committee will enable them to be stewards for the future, not just the present.

For Jill Ader, “Too many Chairs think of the board as a team, but this is not what they are—boards are constellations. Directors need to keep a degree of independence, yet they still yearn for a sense of belonging. We want directors to understand the patterns of the board using purpose, order, inclusion and exchange.”

A useful lens for thinking about the type of transformation necessary—of the individual and of the environment in which they

operate—is constellations. The constellation includes the mix of independent and non-independent board members; the interface with the CEO, CFO and executive team; the board committees; and the interests of all stakeholders. Looking through a constellation lens, the patterns of a board are identified to see what is “in flow” versus “out of sync”. And, by raising the levels of consciousness, boards can become collectively more self-aware and add more value overall. Using this framing, boards can perceive and unlock vast possibilities previously imperceptible. When boards use this constellation approach to do the necessary “journey work” they begin to inspire, rather than limit, organizational potential.

To do this journey justice, board leaders must be equally as **patient** as they are **impatient**: Patient with the business to enable them to keep thinking long-term in their horizons; and impatient with the pace at which behaviors on the board need to change and adapt to make that a reality.

## STEWARDSHIP INSIGHT

Boards can add value not through knowing all the right answers; no one has ever faced these challenges before, so it is not possible for them to do so. We look to them to be a circle of elders that brings wisdom. This is informed by knowledge, but it is not trapped by it.



**Jennifer Garvey Berger**

Author and CEO of  
Cultivating Leadership

## STEWARDSHIP INSIGHT

I come across boards that take their job very seriously from a responsibility viewpoint, an accountability viewpoint, and of course, they have that mandate, but at the same time, they can be creative and generative as well. They can redefine a little bit like the leader that needs to reframe his identity. Boards can also reframe their identity as custodians for the common good, for society and sustainability, and be a little bit more creative and generative rather than overlooking and seeing where all the risks are and all the liabilities. **It's a shift from accountability to creativity. They have a journey to go on.**



**Sander Tideman**

Author, social entrepreneur and executive coach in sustainable change leadership



## Exploring the Board-Exco Dynamic: A Conversation with Jill Ader and Jennifer Garvey Berger



**Jill Ader**  
Senior advisor and former  
chairwoman at Egon Zehnder



**Jennifer Garvey Berger**  
Author and CEO of  
Cultivating Leadership

### What pressures are CEOs feeling from the board?

**Garvey Berger:** One of the biggest restraints on CEO development is the board itself. The board expects thousands of briefing pages. How many people spent how many hours producing papers when those hours could have been spent driving the company purpose? It is the responsibility of the board to elevate their senior executives up to the systems view. Yet when they get caught up in the knowledge, risk mitigation, and management space, they narrow the scope of their impact. It takes the whole board to understanding this trap, and to ask themselves what value they can add in a complex world.

**Ader:** Individual committees are guilty of the same behaviors. Siloed by nature, they become so focused on their own responsibilities that they lose sight of the broader system. We hear from senior executives that they often have to provide the same information to each committee. It is clear that the committee structure and board agenda just isn't working anymore.

### What behaviors make the difference?

**Garvey Berger:** The ability to ask different questions is a game-lifter. Board directors must resist the desire to ask very technical questions and instead lift the conversation to a systemic level. I hear of lots of gamesmanship on boards; directors ask “gotcha” questions that they already know the answers to in order to make a point, be that to prove their worth or to highlight their superior knowledge. But this is an abuse of the question mark. Greater impact is had through the naïve questions, the open questions, the systemic questions. These are the questions that lift everyone else in the room, and that will eventually raise the level of capability. The challenge is escaping the “ego” mindtrap.

**Ader:** In the board constellation, it is important that the chair takes on this role. They may often provide an answer or react to a question in a complicated way, but this only closes down the conversation instead of lifting it up to uncover systems-level implications.

## How can directors develop their stewardship mindset?

**Garvey Berger:** A senior leader once said to me: “I learned long ago my emotions have no place in the workplace – I only bring my rationality.” The first thing that struck me is that this isn’t possible. And then, if leaders are spending so much energy trying to make it true, then how much do they lose in their attempt? It would be more powerful for us to get in touch with our emotions, understand our relationship with them and use them as a positive driver in our work. Until you do this, you can’t truly have your heart in the game. And to have your soul in the game, you must consider the large perspective of multiple generations beyond you and your mortal life. There’s a polarity that exists here: “What I do is really important” and “I am not the most important thing.” You have to believe in both of these things simultaneously in order to really think generations ahead and take the view of “it’s not all about me, and yet I really matter.”

**Ader:** And this is so pertinent in the boardroom. Directors often walk in with strong heads, leaving the space for their imagination and relationships vacant as they see no place for them in their role. Everyone is in “thinking” mode, wondering if they should be in “action” mode. This is the pattern that we consistently see in the room—and it is beyond time to raise the level of consciousness around its impact. Once directors are aware, then this pattern can be noticed and addressed. This takes retraining to put their minds toward custodianship, where the impact of the imagination and relationships can be felt.

**Garvey Berger:** This is nothing new: traditionally, that is what elders have brought to collectives and communities. True wisdom lies in recognizing that while your time here may be drawing to a close, your impact is only just beginning. Directors can be a force for greatness for generations beyond themselves if they adopt these behaviors.

True wisdom lies in recognizing that while your time here may be drawing to a close, your impact is only just beginning.



**Jennifer Garvey Berger**

Author and CEO of  
Cultivating Leadership

## Individuals' span of influence on boards



### Tealight: Head in the game

Intellectual  
Understanding

- May demonstrate intellectual acceptance of complex issues
- Holds personal views on certain topics (e.g. DEI, AI, Sustainability etc.) but is unlikely to share with others as part of their leadership role
- May feel a personal responsibility but does not see it as an organizational responsibility
- May underestimate their role as a leader in the organization in driving systems change



### Firestarter: Heart in the game

Organizational Change  
Advocate and Agent

- May act as a source of motivation and a role model on these topics
- May act as the instigator of cross-functional conversations on complex business challenges in the organization
- Sees responsible business as a collective action and seeks to raise the general level of awareness across the business, perhaps by inviting third party experts to educate the organization on relevant topics
- Challenges the status quo to ignite systems and cultural change throughout the organization
- May demonstrate a strong personal passion that is infectious to others in the business



### Beacon: Skin in the game

Local/Topic  
Change Agent

- May act as a focal point for a single topic (e.g. DEI, AI, Sustainability etc.)
- Encourages the organization to consider these topics on an ad hoc basis and request education from external experts on the topic
- May underestimate the need for behavioral and corporate change vs procedural/technological fixes
- May seek to optimize the existing status-quo and systems vs rethinking the business model
- May recognize their stewardship responsibility but not see the interconnectedness of all challenges



### Luminary: Soul in the game

System Change Agent

- May connect responsible business with their own purpose and identity
- Recognized as a global luminary who seeks to connect across geographies and industries
- Seeks to address systemic injustices and regulations that protect the status quo
- Likely to be energized by making connections and forging partnerships with an element of creativity
- Will navigate ecosystems and build bridges across civil society, industry and governments to drive change
- Encourages an evolution towards a new leadership paradigm, valuing interconnectedness, resilience and inclusivity



# Elevating Ambition and Moving to Action

At times, the complexity of the world and the strictness of the board agenda might feel overwhelming. This pressure on directors may cause them to lose sight of what initially motivated them to join a board.

Moreover, time often seems scarce, particularly for directors who serve on multiple boards and are constantly being asked to give more to their organizations. They deal with challenges such as changing regulation, competing stakeholder demands, geopolitical tensions and more. The seemingly never-ending cycle compounds the level of pressure that directors may be feeling, and it may seem impossible to pause to scan the horizon. This, in turn, may lead to increased short-termism and a sense of being overwhelmed by immediate demands, leaving little time for deeper self-reflection on purpose-driven matters.

Reconnecting with their *raison d'être* and elevating collective ambition may unlock a new level of clarity for directors, particularly as they seek fulfillment in the latter half of their careers. However, there may remain a certain level of insecurity, especially when it comes to aligning their actions with a deeper sense of purpose. Board leaders are expected—and on some level, may expect themselves—to have all the answers. Given the complexity that surrounds their board careers, this expectation may be both unrealistic and unnecessary. Consequently, insecurity and uncertainty may continue to hold directors back from embracing the inner work necessary to be more effective directors and change agents for the business.



# The Energy Advantage: The Key to Building Personal Resilience

Over the past 15 years, Egon Zehnder transformational coach Ricardo Sunderland has observed a common thread among his clients: most were hindered by self-limiting beliefs and fears. Despite a successful career, something held them back. To address this, Sunderland authored “**The Energy Advantage: How to Go from Managing Your Time to Mastering Your Energy,**” emphasizing that regardless of how bright or driven an executive or board member may be, it is crucial to shift their mindset to integrate professional and personal realizations. This is particularly relevant for board members who may be overwhelmed by their daily demands, yet unsure how to embrace their purpose to be better stewards. Sunderland argues that it is essential to create an environment where executive teams feel comfortable with the idea of failure as a pathway to progress. Ultimately, the Chair and Nominating Committee should seek to create a culture that enables leaders to fail and learn from these experiences. This approach cultivates psychological safety and nurtures resilient, adaptable leaders who can weather the storms that complex times often bring.

Garvey Berger echoes this sentiment, noting a positive trend in fostering such environments. “I find that boards are changing their relationship with

their executive teams because they are beginning to understand the pressure that they are putting on individuals. The order, control, and knowledge that they seek from senior executives works against innovation, creativity and reinvention; boards end up working against the very thing that will make their businesses successful in the long-term.”

While creating a board culture that embraces these traits is challenging, it is a task that all directors will benefit from. There is no blueprint for a resilient, responsible business, and the path will vary by region, industry, organizational maturity and commitment levels. However, it is possible to explore what this transformation means for both individuals and the board as a whole, and to identify concrete actions that can guide directors through this transition.

Directors know they must be proactive in shaping the board agenda to incorporate a stewardship mindset into their fiduciary duties. The challenge remains: they must evolve traditional board dynamics, CEO succession planning, governance structures, and committee responsibilities to integrate their elevated ambition and move toward action.

## STEWARDSHIP INSIGHT

You can use mental and physical energy and be resilient around how you think and what you do. When you allow yourself to explore emotional energy, for example, moving from a compartmentalized belief that, 'if I were to show my emotions at work, then I'm weak,' **you can start to embrace vulnerability as a strength, your resilience amplifies. When I ask leaders, 'what are you afraid of?' they are afraid of *failure* and use fear as an engine.** So, I tell them that we will not eliminate the fear of failure. Instead, we will learn how to begin a relationship without fear of failure. So, then it becomes a choice. Being able to bring this kind of energy into your resiliency doesn't make you 'soft'.



**Ricardo Sunderland**

Transformational Coach  
with Egon Zehnder

# Establishing a Clean Break for New Possibilities to Emerge

The key to getting out of the traditional and pressured cycle, acting with a stewardship mindset for a sustainable business is making a “clean break.” What this looks like will be highly individual, be it reassessing their purpose, tactically shifting how and when they work, thinking about managing their energy, removing some of their perceived power to relieve the pressure, or even considering whether they are sitting on too many boards to give their best service to each business. There is no easy way, so discovering a director’s personal next step will provide further energy to manage overwhelm and enjoy their role.

Egon Zehnder colleagues Charles Gray and Lisa Blais **in discussion** with Yves Doz and Keeley Wilson, authors of “Escaping the Growth Curse: The Path to Stronger Corporate Strategy,” explored their approaches to these pressures. Doz and Wilson argue that day-to-day operations may overshadow

the bigger picture for leaders—who, they say, must resist. “Short-term demands; they cannot dictate our every move. We envision a constructive dialogue on strategic matters, fostering mutual respect and understanding between chairs, board members, CEOs and management. By prioritizing strategic discussions alongside financial ones, we can unlock numerous benefits and steer toward a more sustainable future.”

The result is often a sense of peace, clarity and direction. Board directors will be able to step back from the day-to-day pressures and consider their own purpose; what do they want to leave behind as a board leader? This realization can create room for reinvention. As board members contemplate this, Egon Zehnder consultant Elena Rodighiero **suggests** that directors ask themselves the following questions:

How ready are you to let go of pieces of yourself to facilitate self-transformation?

What do you feel is your relationship with ‘being in control’?

What are you ready to let go of?

How can coaching help you develop and see beyond your own horizon?

How easy or hard is it for you to let go of your narrative? Of your current truth?



# Emphasizing the ‘Service’ in Board Service

Often, the status and power gained from a successful executive career can be hard to relinquish once a director fills a non-executive seat. Embodying a “servant-leader” mindset can be an important shift for directors to make. Once the executive ego and competitive drive are placed to one side, directors have an immense opportunity to share information, best practice and ways of managing board dynamics to change their industries for the better. There is a natural cross-pollination opportunity across regions, industries, dynamics and cultures stemming from directors holding roles on multiple boards. With a curious and open chair comes the opportunity for cross-organizational learning, enabling boards to better serve their organizations and society.

Understanding their purpose and motivation as a board leader may enable directors to also consider the work that can be done outside of the boardroom to drive progress at the system level. Connection across industries, geographies and cultures may allow for unexpected innovation, collaboration, and creativity in dealing with global challenges.

“More partnering needs to happen with competitors. CEOs need to do it and boards need to empower them, to stop telling them it’s too risky to have these conversations and form these connections,” Jill Ader contends.

Forging partnerships across organizations and industries could lead to change on a far greater scale than one board might manage alone. Boards can encourage adopting and lobbying for “best practices” and “races to the top” with long-term shareholder and stakeholder value in mind. The way corporates are traditionally set up often breeds siloed thinking; be that in committees, businesses, industries or sectors. This is often to the detriment of innovation. Boards and directors are only able to facilitate disruptive and novel collaborations that have the potential to break the traditional paradigms if they are willing to ask new questions in service of a wide set of stakeholders.

**STEWARDSHIP INSIGHT**

Corporate leaders and their boards should hear what critics have to say. They should then explain which sustainability issues aren't important to value creation, acknowledging that some issues may become relevant in the future only if the law changes. Companies should explain what they can and cannot do about their negative externalities and identify areas where regulation is needed.

**Robert Eccles**

Visiting professor of management practice at Saïd Business School, Oxford University, and the founding chairman of the Sustainability Accounting Standards Boards, from 'Moving Beyond ESG' (Harvard Business Review September-October 2024 issue)

# The Journey Starts Now

Stewardship is about unlocking the potential within every board member to break traditional cycles, overcome barriers, and embrace personal growth. It is not a quick fix—it requires time, commitment, and a willingness to shift mindsets. We believe the reward is profound. By adopting a stewardship mindset, boards can equip themselves with the tools to navigate increasing complexity, balancing innovation with integrity, and ensuring that problems are solved both profitably and sustainably. This is not just about the success of the business today—it is about creating lasting value for the company, the planet, and all its stakeholders.

A lone voice advocating for change is not enough—it is unsustainable and rarely effective. Directors are happy to be the solution to the problem, but fear

comes from being unable to do it alone. The evolution of board governance needs to be a shared “journey” that calls for collective commitment from every director. This may look less “leaderly,” compared to traditional leadership, but this is the cooperative, joint leadership work that the future requires. Nominating committees have the opportunity to challenge the preconceived ideas of leadership on the board and the executive committee.

We invite board directors to take the next step in their stewardship journey; to take responsibility for the individual changes they need to make; and to be proactive in their support of board-wide transformation through changes in culture, behavior and governance.

## STEWARDSHIP INSIGHT

People don't want to follow a machine. They want to follow someone who sees; someone who feels; someone who quests; someone who dreams; someone who loves: They want to follow a human.



**Jennifer Garvey Berger**

Author and CEO of  
Cultivating Leadership



**The journey may be  
challenging, but the  
impact will resonate far  
beyond the boardroom,  
driving meaningful  
change that endures  
for generations.**

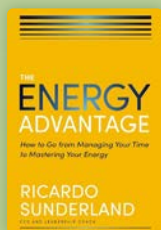


# Resources

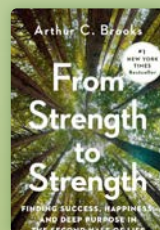
To help board members on their journey toward building stewardship mindset and behaviors on their boards, we have curated a list of resources that may be of interest:

## Personal

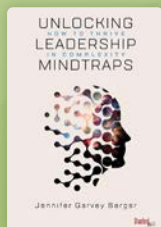
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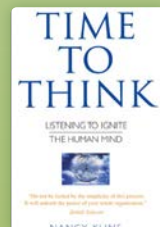
Ricardo Sunderland  
**The Energy Advantage:  
How to Go from Managing  
Your Time to Mastering  
Your Energy**



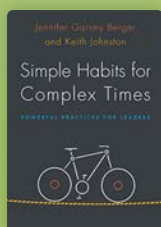
Arthur C. Brooks  
**From Strength to Strength:  
Finding Success, Happiness  
and Deep Purpose in the  
Second Half of Life**



Jennifer Garvey Berger  
**Unlocking Leadership  
Mindtraps**



Nancy Kline  
**Time to Think: Listening to  
Ignite the Human Mind**

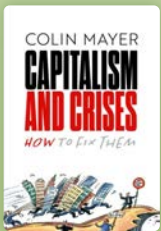


Jennifer Garvey Berger  
**Simple Habits for  
Complex Times**



Amy C. Edmondson  
**The Fearless Organization:  
Creating Psychological  
Safety in the Workplace  
for Learning, Innovation,  
and Growth**

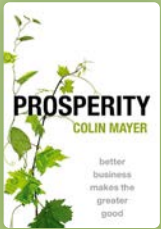
System



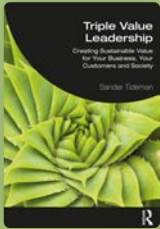
Colin Mayer  
**Capitalism and Crises:  
How to Fix Them**



Rebecca Robins  
& Patrick Dunne  
**Five Generations at Work**



Colin Mayer  
**Prosperity: Better  
Business Makes the  
Greater Good**



Sander Tideman  
**Triple Value Leadership**



Tony Fish  
**Decision Making in  
Uncertain Times**



Yves Doz and Keeley Wilson  
**Escaping the Growth  
Curse: The Path to Stronger  
Corporate Strategy**

ORGANIZATIONAL TRANSFORMATION  
**Stewardship  
Conversations**



**Stewardship Conversations**

Explore Egon Zehnder’s **Stewardship Conversations**, an interviews series with global leaders at the forefront of the sustainability revolution, highlighting that purpose and performance are intertwined.



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We partner closely with public and private corporations, family-owned enterprises, and non-profit and government agencies to provide executive search, leadership solutions, CEO search and succession, board advisory, and diversity, equity & inclusion.

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