



Stanford | Leading-Edge Stewardship

Effective board leadership

The art of doing it well and the risks of getting it wrong

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Exceptional boards don't happen by accident. They're driven by leaders — board chairs, lead directors and committee chairs — who combine strategic foresight, emotional intelligence and an unrelenting commitment to the organization's long-term health. These leaders unite directors into a high-impact team, work towards a shared vision, challenge and coach the CEO in equal measure, refresh talent relentlessly and stay unflappable when crises hit. When leadership falters — signaled by groupthink, a poor relationship with the CEO or underperforming directors — they act fast: commissioning frank evaluations, rotating roles, clarifying responsibilities and, if needed, making a change. Outstanding board leaders treat governance as a living system, adapting structures and processes to match strategy and turning oversight into an engine for value creation. By embracing these principles, board leaders can move from “good enough” to game-changing, steering their companies into the future with confidence and purpose.

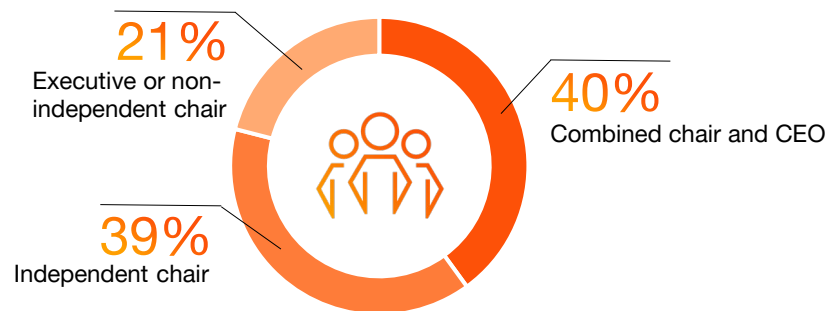
A company's health and success rely on the effectiveness of the CEO as a leader and manager as well as the effectiveness and independence of board leadership. Given the average tenure of CEOs is relatively short, it is in fact the board of directors as the governing body that is ultimately responsible for the long-term health of the organization. Considering the many disruptive challenges companies face, the board's role is more demanding than ever. Charged with setting direction, overseeing risk, aligning incentives and holding management accountable, boards must balance short-term performance with long-term goals — adapting to evolving market conditions and stakeholder expectations along the way.



In this context, effective leaders cultivate a board and board culture with distinct attributes, practices and responsibilities.

There are several different leadership models that boards may choose to employ. Whether authority is combined in a single chair/CEO role, separated through a non-executive or independent chair, or balanced via a lead director, the board leader must prioritize governance and the board's fiduciary responsibilities, even when managing executive responsibilities.

Comparing board leadership models across the S&P 500



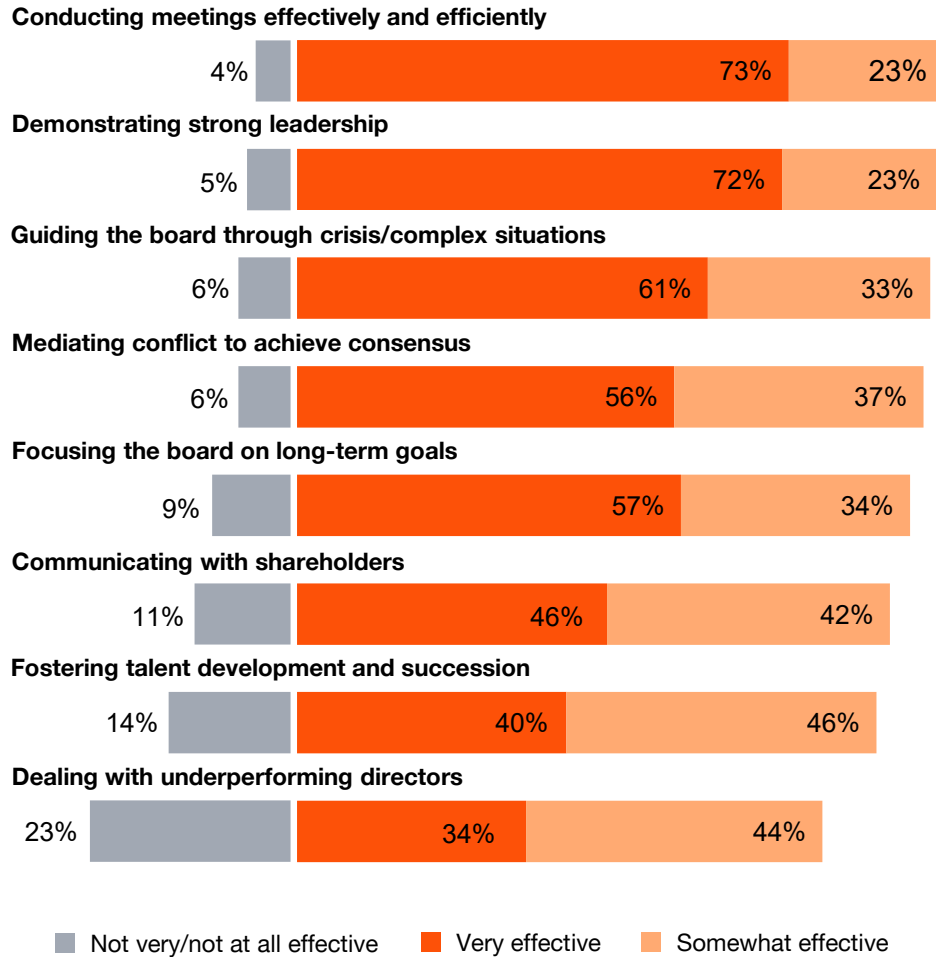
Source: Spencer Stuart, 2024 U.S. Spencer Stuart Board Index, September 2024.

Unlike a C-suite executive, a board chair or lead director guides a team of peers without traditional hierarchical structure, steering the board toward shared goals through influence and collaboration. Elected by fellow directors and accountable to both shareholders and stakeholders, he or she must inspire trust, foster engagement and navigate complex group dynamics in the boardroom and with the management team. Success requires sound judgment, emotional intelligence and the ability to lead candid, constructive dialogue while supporting management and safeguarding the board's independence and effectiveness. It also requires dedicating significantly more time compared to other directors. He or she must maintain flexibility in scheduling and personal responsibilities to proactively keep in touch with the board and to effectively respond to unpredictable events or crises.

Combining the roles of chair and CEO places significant demands on the individual, who must stay conscious of wearing two distinct hats — sometimes simultaneously — and be clear about which role is being exercised at any given moment. In this context, the lead director must remain vigilant and unambiguous, ready to step in and fulfill many of the leadership functions described here.

Directors say board leadership is more effective in some areas than others

Percentage of directors rating the effectiveness of their board leadership



Q: How effective is your board leadership (chair/lead director) in the following areas?

Base: 553-581

Source: PwC, 2025 Annual Corporate Directors Survey, Forthcoming.

We offer insights into how to foster outstanding board leadership by providing:

- A framework for what exceptional leadership looks like in practice, with examples of good and least effective behaviors
- How to move the needle from good to great
- What to do if things aren't working, including guidance on how to catalyze change

What makes an effective board leader?

In our experience, eight attributes define outstanding board leadership:



Leader of leaders – Demonstrates strong personal leadership and the ability to cultivate collective leadership



Strategic vision and focus – Prioritizes strategic clarity and future orientation



Proactive engagement and alignment with the CEO – Communicates openly with the CEO, balancing support and challenge to enhance impact and foster the CEO's development as a leader



Culture of trust and collaboration – Builds a learning mindset characterized by openness and mutual respect



Pragmatic and responsive – Establishes situationally relevant agendas, enables constructive dialogue and mediates conflict



Fosters a high-performing team – Shapes the board's talent, structure, practices and succession planning to amplify performance



Stakeholder awareness – Champions strong stakeholder engagement as a shared responsibility of both board and management



Cool in a crisis – Guides the board confidently through uncertainty

Whether serving as board chair, lead director or even committee chair, these attributes are essential to fulfilling the responsibilities of the role with distinction. We describe each of these qualities in greater detail, along with a framework for assessing effective practices and potential red flags.



Leader of leaders

Demonstrates strong personal leadership and the ability to cultivate collective leadership. Board leadership acts as the captain of a team of peers who clearly delineates his or herself from management while fostering a shared sense of accountability for the long-term health of the organization.

What does this look like in practice?



Key reflection: Am I demonstrating the leadership qualities needed to guide a high-performing team, inspire trust and confidence, and uphold the organization's purpose while modeling the behaviors expected of board members?

This involves leading by example — coming prepared, acting with integrity and decisiveness, and focusing on long-term impact — while cultivating a culture of shared responsibility. Board leadership builds trust with management while maintaining independence, engages all board members to encourage diverse perspectives and promotes accountability and continuous development. By aligning the board with the organization's purpose and future goals, they transform a group of individuals into a cohesive, high-performing team.

What does good look like?

- Is grounded in a commitment to service and the purpose of the organization
- Models strong personal leadership by showing integrity, confidence and consistency in actions and decision-making
- Fosters a culture of collaboration by modeling constructive behaviors that inspire trust, confidence and mutual respect
- Creates a high-performing peer dynamic by promoting a shared sense of purpose, individual ownership and mutual accountability among board members

Potential red flags

- Holds material relationships or affiliations that may compromise objectivity or influence decision-making
- Dominates discussions or steers decisions through a small group of close allies, limiting open debate and broader board engagement
- Tolerates mediocrity, failing to set or reinforce high standards for board performance
- Avoids healthy debate or discourages dissenting views, creating a culture of deference rather than dialogue
- Micromanages committee chairs or bypasses them altogether, undermining their authority and effectiveness



Strategic vision and focus

Prioritizes strategic clarity and future orientation. Board leadership focuses discussions on long-term goals and progress, using key metrics and moving beyond operational updates to keep the board forward-looking.

What does this look like in practice?



Key reflection: Am I prioritizing strategic clarity and future orientation by focusing the board on long-term goals and alignment with the organization's purpose?

This involves prioritizing strategic discussions on meeting agendas, cultivating a collaborative dynamic between the board and management throughout the strategy development process, aligning directors around a well-defined strategic vision and using key performance indicators to track the organization's progress against long-term goals. Board leadership facilitates regular reviews of strategic execution, integrates strategy into CEO evaluation and succession planning, and fosters a culture of open, future-focused dialogue. By encouraging ongoing education on emerging trends and dedicating time to strategic deep dives, they position the board to add meaningful value beyond compliance — guiding the organization's sustainable growth and resilience over time.

What does good look like?

- Focuses the board's work plans on strategic priorities and risks over multiple time horizons
- Keeps strategy front and center by dedicating sufficient time on board agendas to long-term planning, alongside risk and operational updates
- Treats committee work as dynamic, evolving with the strategy
- Uses meaningful metrics and KPIs to track progress, encouraging the board to ask, "How do we know we're succeeding?"
- Promotes scenario thinking and risk awareness, helping the board consider future trends, challenges and opportunities

Potential red flags

- Focuses board meetings on operational or backward-looking reports, with little time for strategic discussion
- Displays a lack of clarity on the organization's long-term goals, leading to fragmented or reactive decision-making
- Treats strategy as a one-time exercise, not revisited regularly or updated in light of changing conditions
- Approaches discussions with preconceived notions of outcomes
- Limits discussion of risks, industry trends or future scenarios, resulting in missed opportunities or surprises
- Focuses too heavily on short-term issues without connecting them to the bigger picture



Proactive engagement and alignment with the CEO

Communicates openly with the CEO, balancing support and challenge to enhance impact and foster the CEO's development as a leader. Board leadership not only partners with the CEO on strategic priorities but also serves as a trusted coach, providing feedback and guidance that strengthens the CEO's leadership — all while appropriately demarcating board and management roles.



Key reflection: Am I maintaining a productive and balanced relationship with the CEO and executive team, characterized by clear communication, alignment on strategic priorities and proper delineation of board and management roles?

What does this look like in practice?

This involves maintaining clear boundaries between oversight and execution while cultivating a high-functioning relationship with the CEO. Board leadership coordinates regularly with the CEO on emerging issues and long-term priorities, offering thought partnership and development coaching as needed. They support open dialogue between the board and executive team, build trusted relationships and facilitate the right level of board involvement. Through thoughtful agendas, clear expectations and a focus on strategic outcomes, board leadership helps the board stay engaged and effective without overstepping. When tensions arise, they address it early to preserve healthy board-management dynamics.

What does good look like?

- Maintains a dynamic, trust-based relationship with the CEO and executive team, serving as an engaged thought partner and coach who regularly collaborates on evolving priorities, strategic direction and board expectations
- Uses dedicated executive sessions to foster transparent dialogue and healthy discourse between the CEO and board
- Challenges the CEO and other executives while supporting management, as appropriate
- Clearly reinforces the boundary between the board and management, helping board members focus on their responsibilities, not operations
- Is unafraid to suggest and implement a change in the CEO if needed

Potential red flags

- Fails to discuss critical topics with the CEO like strategic opportunities and management of talent and other stakeholders
- Micromanages or isolates the CEO, leading to breakdowns in transparency and collaboration
- Does not address tensions between the board and executive team, eroding trust and impacting decision-making
- Subordinates their position to the CEO or is impeded from doing the job due to their friendship with the CEO
- Allows the CEO to restrict the board's relationships with the broader management team



Culture of trust and collaboration

Builds a learning mindset characterized by openness and mutual respect.

Board leadership encourages open discussions among board members and with management, cultivates a learning mindset and understands the value of collective insight.



Key reflection: Am I creating an atmosphere of trust and collaboration that encourages open dialogue, values diverse perspectives and strengthens relationships within the board and with management?

What does this look like in practice?

This involves modeling openness and respect. Board leadership promotes inclusive participation and creates a psychologically safe environment for both board members and management. Additionally, board leadership asks questions, admits when they don't have all the answers and encourages the board to consider what's working and what's not. By fostering curiosity, reflection and shared learning, they help the board evolve and harness its collective insight to improve decision-making and long-term impact.

What does good look like?

- Builds trusted relationships with each individual board member and key management counterparts
- Creates space for every board member to contribute, especially those who may be less vocal
- Actively listens to and encourages candid, respectful dialogue, where differing views are welcomed and explored constructively
- Nurtures collegiality among board members
- Celebrates team collaboration, reinforcing a “we” over “me” mentality

Potential red flags

- Sees their own opinions as having primacy and doesn't listen to other views
- Allocates more airtime to certain members and selectively seeks input from a favored group privately, without informing others
- Fosters a fear of speaking up or being wrong, making board members hesitant to ask questions or challenge assumptions
- Is overly candid in the wrong place, at the wrong time
- Fails to effectively challenge groupthink



Pragmatic and responsive

Establishes situationally relevant agendas, enables constructive dialogue and mediates conflict. Board leadership effectively facilitates board meetings by managing board dynamics with intention.

What does this look like in practice?



Key reflection: Am I fostering open, productive communication by clearly articulating ideas, facilitating discussions that hear all voices and addressing conflicts with tact to drive board alignment and effectiveness?

This involves dynamic ownership and management of agenda-setting to promote relevant and constructive dialogue between the board and the management team. Board leadership manages discussions with clarity and composure, and fosters open, respectful dialogue while keeping conversations purposeful and on track. They guide the board through differences of opinion and mediate conflicts with neutrality and empathy. By setting a tone of constructive engagement, board leadership helps the board work through challenges productively and maintains trust — even when tensions arise. Their presence helps the board remain focused, united and effective in its deliberations.

What does good look like?

- Designs situationally relevant agendas that prioritize discussion and allocate time for strategic decision-making
- Keeps discussions on track, gently redirecting tangents and clarifying confusion
- Handles disagreements constructively, acknowledging different perspectives while reinforcing shared purpose
- Follows up with board members as needed, resolving lingering tension and promoting ongoing trust and respect
- Is receptive and open to feedback on their performance

Potential red flags

- Is disorganized, leading to a lack of focus on agendas and time allocation
- Approaches problems from a theoretical perspective and is not grounded in business realities
- Is closed to suggestions on agenda items from other board members
- Appears passive or reactive, failing to manage group dynamics or de-escalate conflict when needed
- Avoids hard conversations, leading to unresolved issues



Fosters a high-performing team

Shapes the board’s talent, structure, practices and succession planning to amplify performance. Board leadership works with the CEO to maximize the skills and contributions of each individual board member and promote board succession planning and refreshment.

What does this look like in practice?



This involves taking ownership for sustained board performance by aligning the right people with appropriate roles and fostering the desired culture. Board leadership works closely with the CEO to assess board composition, identify strategic gaps and guide recruitment aligned with the organization’s goals. They coach underperforming members or encourage transitions when needed, while actively developing successors for all leadership roles, including their own. By setting clear expectations and fostering continuous development, board leadership cultivates a dynamic, diverse board that evolves with the needs of the organization.

Key reflection: Am I cultivating a high-performing team by maximizing the skills of board members, supporting their development and working toward effective succession planning, particularly for board leadership roles?

What does good look like?	Potential red flags
<ul style="list-style-type: none"> • Prioritizes the identification, recruitment and development of board talent based on the organization’s future needs • Champions regular board and committee evaluations to assess performance • Provides clear feedback to fellow directors, both positive and corrective • Promotes continuous learning and development • Fosters committee leadership refreshment, as well as the development of future chair candidates for succession 	<ul style="list-style-type: none"> • Shows favoritism or relies on a narrow network for recruitment • Fails to leverage individual board members’ strengths or expertise • Treats the board assessment process as a “check-the-box” exercise • Avoids or delays difficult conversations about overall board performance • Is unable or uninclined to address poor individual performance: doesn’t coach individuals (or arrange for others to do so) and is afraid to suggest a change if improvement is unattainable • Is reluctant to focus on their own succession



Stakeholder awareness

Champions strong stakeholder engagement as a shared responsibility of both board and management. Board leadership builds trusted, strategic relationships with key stakeholders when appropriate, serving as a credible representative of the board and reinforcing alignment between governance priorities and stakeholder expectations.



Key reflection: Am I making sure that the board and management are adept at engaging stakeholders effectively, fostering trust and representing the organization's interests with integrity?

What does this look like in practice?

This involves shaping how the board and management engage with stakeholders. Board leadership helps identify who matters most, coordinates messaging and strategy, and models thoughtful, coordinated engagement. While respecting management's lead role, they represent the board when appropriate and encourage the board to consider stakeholder perspectives in decision-making. By fostering transparent, credible communication and proactively monitoring stakeholder sentiment, board leadership helps the organization build trust externally, manage reputational risk and strengthen relationships critical to long-term success.

What does good look like?

- Aligns with the CEO on key stakeholders, engagement strategies and respective roles in communication
- Encourages proactive listening and integrates stakeholder perspectives into strategic board discussions and decisions, as appropriate
- Acts as a poised, confident, camera-ready representative of the board
- Promotes transparency and credibility regarding board decisions and their organizational impact
- Monitors reputational risk, helping the board respond constructively to stakeholder concerns

Potential red flags

- Lacks gravitas necessary to represent the organization with stakeholders at the highest levels
- Is indifferent to key stakeholders and their perspectives
- Is not inclined to meet with shareholders or regulators
- Pays little attention to reputation or public perception
- Avoids or minimizes difficult stakeholder feedback to the board



Cool in a crisis

Guides the board confidently through uncertainty. Board leadership steers the board in making informed and timely decisions in crisis or complex situations.

What does this look like in practice?



This involves guiding the board with steadiness and clarity during uncertain or high-stakes situations. Board leadership stays composed under pressure, equips directors with the right information and leads timely, focused discussions that prioritize informed decision-making. They work closely with the CEO, adapt board processes as needed and use scenario planning to explore risks and options. By fostering open dialogue and a shared purpose, board leadership helps the board navigate uncertainty with confidence, cohesion and resilience.

Key reflection: Am I prepared to guide the board through crises and complex situations by remaining calm, making informed decisions and working toward strategic clarity?

What does good look like?

- Maintains composure and focus, setting a steady tone for the board during crisis or uncertainty
- Keeps the board well informed, coordinating with management to share timely, relevant updates
- Enables rapid yet effective decision-making under pressure, adjusting meeting cadence or format as needed
- Encourages scenario planning and structured dialogue, helping the board weigh risks and explore alternatives
- Seeks help from experts or outside assistance when needed

Potential red flags

- Lacks visibility or confidence, resulting in uncertainty and a lack of clear direction
- Appears reactive, disorganized, bogged down in detail or slow to respond
- Fails to coordinate with management to prepare for known or “unknown” possibilities
- Seeks people to blame and deflects individual and board responsibility
- Is reluctant to seek expert help or outside assistance



How can board leadership move the needle from good to great?

Because an organization's circumstances are constantly evolving, leadership that proves outstanding in one year may fall short in the next. Great boards adapt. This framework provides a starting point for board leaders to continuously refine their effectiveness and sustain excellence over time. However, those who aspire to elevate their impact must go beyond the basics of meeting facilitation and governance mechanics. Transitioning from good to great leadership requires a commitment to continuous learning, intentional reflection and proactive engagement with both the board and the broader organization.

One of the most effective ways to begin this journey is by leveraging structured performance assessments and independent reviews to gain insight into how the board is functioning and how leadership is perceived. Though 59% of directors believe their board leadership manages the board assessment process effectively, only 34% feel that leadership is very effective at dealing with underperforming directors.¹ This highlights the importance of using the assessment process not only as a compliance tool, but as a springboard for growth.

In addition to formal assessments, self-reflection is a powerful yet underutilized tool. A great board leader regularly examines his or her own behaviors, leadership style and blind spots. This might include seeking informal feedback from peers, reflecting on challenging board moments or working with an executive coach to strengthen emotional intelligence and interpersonal effectiveness.

¹ PwC, 2025 Annual Corporate Directors Survey, Forthcoming.

If it’s not working: how can boards address leadership issues or gaps?

When a board identifies a potential leadership gap or concern, taking timely action is essential, well before unanticipated events reveal the weakness. Below are several strategies for addressing challenges and closing any leadership gaps.

An ounce of prevention is worth a pound of cure: establish strong governance foundations

- **Promote leadership succession and refreshment.** Establishing a process that encourages leadership transitions through mechanisms such as mandatory retirement and board and committee chair rotation may help boards address potential leadership red flags, bring in fresher perspectives and maintain an independent mindset. Currently, it is uncommon for boards to set formal refreshment policies for those serving in a leadership position.

Refreshment mechanisms are rarely used

Percentage of companies with refreshment mechanisms for board leadership roles

Board chair/lead director



Committee chairs



- Yes, in writing
- Yes, it is not in writing, but it is understood
- No
- Other

Source: Survey conducted by the Society for Corporate Governance of its members on behalf of PwC, June 2025; base of 108

We think board leaders need a minimum of three to five years to peak. It takes time to fully understand the leadership position on any board, to adopt its rhythms and to achieve excellence. It’s a demanding position, and one that requires attention to new ideas. But it may be time to consider board leadership succession changes after eight to ten years.

Few boards use third parties for assessments

22%

of directors say their boards use an external facilitator for their assessment process

Source: PwC, 2025 Annual Corporate Directors Survey, Forthcoming.

- **Clarify roles and responsibilities.** Revisit the board's governance framework (e.g., corporate governance guidelines, committee charters, bylaws, role descriptions, etc.) to make sure there are clearly defined leadership expectations and accountability mechanisms. That way, you can build explicit, recurring feedback loops that tie those roles to real-world performance. If performance assessment criteria flow directly from written role descriptions, the board has an objective basis to develop a plan which addresses the gaps.
- **Use external feedback and evaluations.** Consider bringing external perspectives or parties into the assessment process to help create a more holistic picture of board leadership's strengths and weaknesses. One way is requesting 360° feedback from board members, management, investors and other stakeholders. Another is hiring an independent third party to facilitate the assessment process, something that only 22% of directors say their boards currently do.² External advisors or counsel, as neutral intermediaries, can help create a more comfortable atmosphere that fosters openness and honesty from directors.

Take decisive action when concerns arise

- **Tread carefully and build consensus.** Arriving at a consensus that board leadership needs feedback or that a change is required is not easy to do since there is often no established process for raising the issue or pursuing it. At the same time, it is unusual that a single board member can successfully raise the topic without support from others. Quiet conversations by those who have trusted relationships with board leadership are likely to be most effective.
- **Use the nominating/governance committee as a venue.** A robust nominating/governance committee is instrumental in building and maintaining an effective board leadership structure. This can be a forum to coalesce observations. Given the committee's focus on recruitment, development and evaluation, it should work in tandem with board leadership to consider role criteria, evaluate the current incumbent(s) and begin to recommend alternatives. This committee can serve as a place to bring together director observations, evaluate performance and propose changes. If, for some reason the nominating/governance committee is not the appropriate forum, consider using another committee to raise the topic and begin to get clarity across a broader group.
- **Use assessments to justify leadership change when needed.** When performance issues persist, formal evaluations and peer, investor or other stakeholder feedback can provide the basis for change, while minimizing personal conflict or disruption.

² PwC, 2025 Annual Corporate Directors Survey, Forthcoming.

Conclusion

Outstanding board leadership is not accidental — it is intentional, exacting and indispensable. At a time when stakeholder scrutiny is high, strategic complexity is rising and the consequences of failure are profound, boards cannot afford to be complacent. The best board leaders are more than facilitators. They challenge norms, cultivate trust, enable strategy and enhance the entire boardroom dynamic. Greatness in this role requires more than skill. It requires purpose, accountability and humility to evolve.

Ultimately, elevating board leadership is not just a matter of good governance; it is a strategic imperative. Whether you're a current board leader or fellow director, the responsibility to foster better leadership belongs to you. By applying the principles outlined in this paper, you can support boards in being better positioned to adapt, perform and lead their organizations into the future.



About us

PwC's Governance Insights Center is a group within PwC whose mission is to provide insights to directors, executives and investors to help them better understand governance topics and trends.

www.pwc.com/us/governanceinsightscenter

Stanford Leading-Edge Stewardship is an initiative whose mission is to support boards in achieving excellence through the development of tools (e.g., *A roadmap to board excellence*; *The personal roadmap: attributes of outstanding board members*; *Leading-edge stewardship for nonprofit organizations*) to help individual board members reach their full potential.

<https://stanfordwomenonboards.stanford.edu/learn/leading-edge-stewardship>

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