

INTRODUCTION

WHAT'S MOST IMPORTANT  
TO DIRECTORS

WHERE BOARDS THINK  
THEY ARE STRONGEST

WHERE THERE'S ROOM  
FOR IMPROVEMENT

WHERE BOARDS WANT MORE  
TIME AND RESOURCES

ACTIONS FOR BOARDS  
TO CONSIDER

LOOKING AHEAD/  
METHODOLOGY

EY Center for Board Matters

# Inside the effective board: a guide to drive board performance



The better the question. The better the answer. The better the world works.



Shape the future  
with confidence

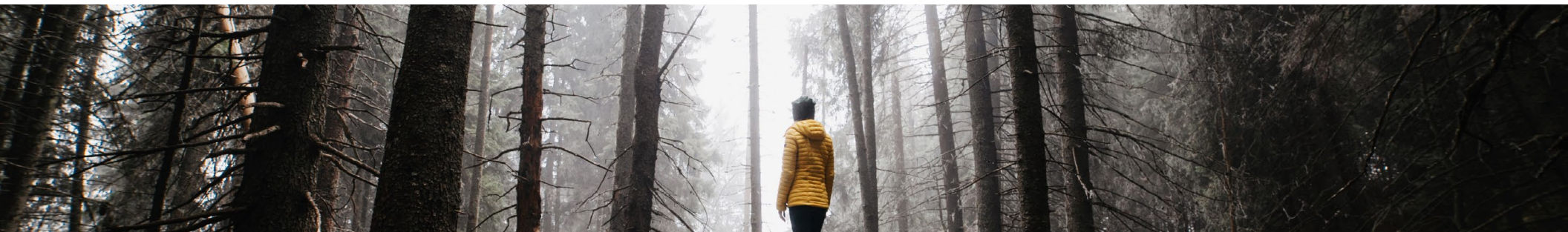
Introduction

# Inside the effective board: a guide to drive board performance

What does it take for a board to be truly effective today, what gets in the way, and how are leading boards overcoming those barriers?

Your board agenda is packed, your board book is longer than ever, and the topics that matter most are moving faster than the scheduled meeting cycle. Coupled with stakeholders' rising expectations of board members and activists on the hunt for targets, directors cannot afford missteps. The fundamentals of board effectiveness are urgently needed to navigate a world whose challenges are becoming daily more acute.

To understand what distinguishes the most effective boards in today's environment, we surveyed more than 100 directors and conducted in-depth interviews with veteran board leaders. Our research reveals strong agreement about what's most important and suggests areas where boards may need to prioritize improvement. Encouragingly, our findings also suggest that some of these shifts may already be underway. We outline practical actions boards can take to strengthen performance, address persistent challenges and create long-term value amid growing complexity.



# What's most important to directors

## Directors say information flows and culture drive effectiveness.

We were struck by the strength of consensus around the two levers board members view as most important to effectiveness. Nearly three quarters of directors (72%) cited the quality and flow of information from management to the board as one of the top three drivers of board effectiveness, while 62% pointed to board culture and dynamics. Given that all the elements we asked about are vital, it would have been reasonable to expect a more even distribution of responses.

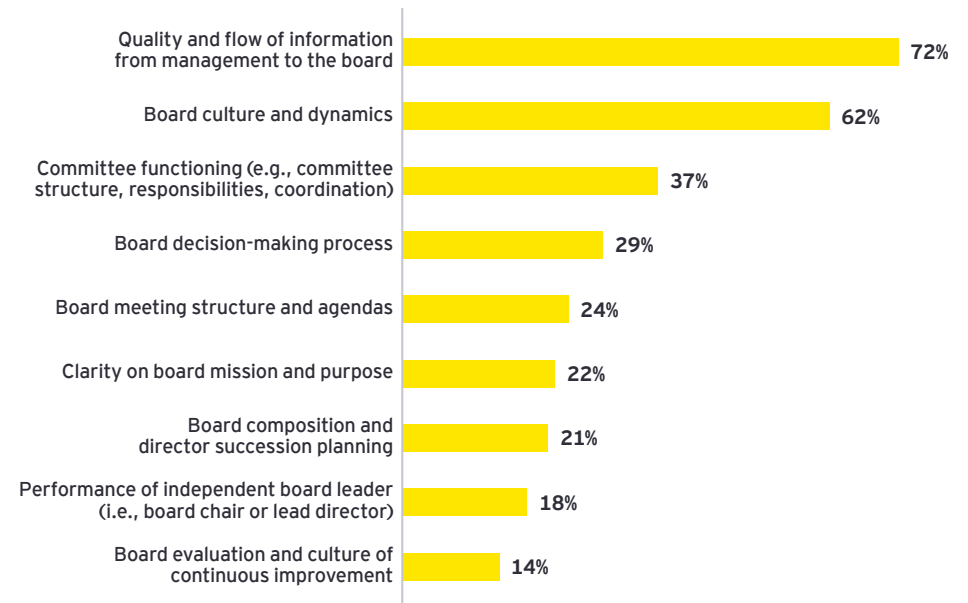
Ultimately, information flows and board culture are foundational levers that enhance other areas of board effectiveness. For example, better information can inform board agendas and director succession planning, while a healthy culture improves board decision-making and evaluation. The two factors also reinforce one another, which may explain why they appeared together at the top.

Effective information flows enable directors to make informed judgments and to engage meaningfully on strategy, risk and performance. And board culture determines whether directors are truly able to act on that information to ask difficult questions, surface dissenting views and engage in productive challenge.

“

Information flows and board culture are foundational levers that enhance other areas of board effectiveness. Better information can inform board agendas and director succession planning, while a healthy culture improves board decision-making and evaluation.

### What is most important to driving board effectiveness



Source: Analysis by EY Center for Board Matters.

# Where boards think they are strongest

Directors say committee functioning, culture and information are where they are most successful.

When we asked directors to choose three areas where their board performs best, the most frequently cited was committee functioning (54%). Nearly as many cited board culture and dynamics (53%), while quality and flow of information from management to the board was third (50%).

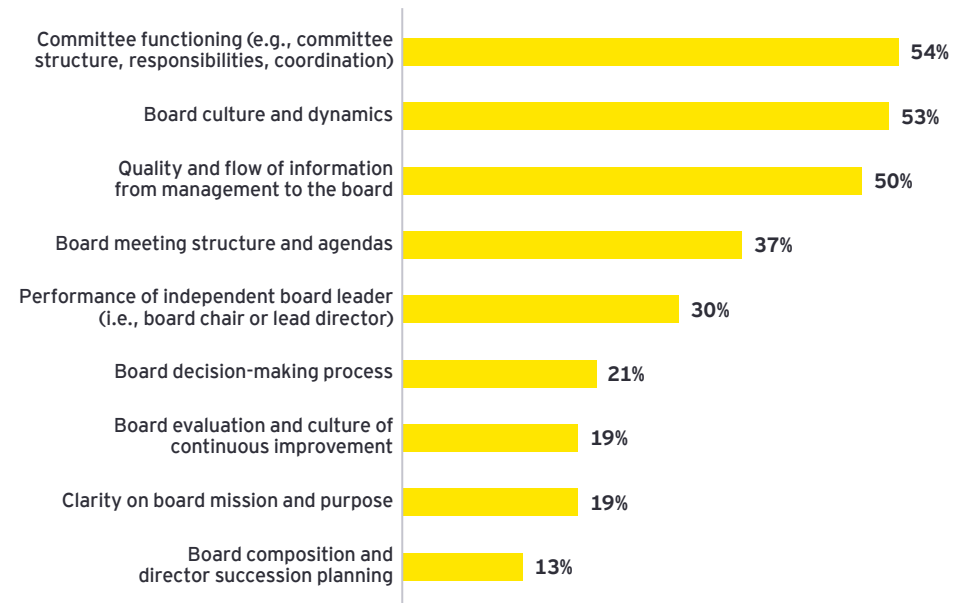
Committee functioning may owe its perceived high performance to the sustained attention boards have given to committee structures in recent years, especially with respect to technology oversight. Many have revisited committee structures, updated charters to clarify responsibilities, and even changed committee names to reflect expanded remits. Recent EY research shows that boards are carefully examining [where cybersecurity and AI responsibilities sit across committee structure](#) as well as [how to structure technology governance](#).

How committees engage with the rest of the board also drives effectiveness. In our interviews, some directors cautioned that boards should be very thoughtful about which issues committees should address versus which require the full board.

“

Committee functioning may owe its perceived high performance to the sustained attention boards have given to committee structures in recent years, especially with respect to technology oversight.

Where directors say boards perform best



Source: Analysis by EY Center for Board Matters.

INTRODUCTION

WHAT'S MOST IMPORTANT  
TO DIRECTORS

WHERE BOARDS THINK  
THEY ARE STRONGEST

WHERE THERE'S ROOM  
FOR IMPROVEMENT

WHERE BOARDS WANT MORE  
TIME AND RESOURCES

ACTIONS FOR BOARDS  
TO CONSIDER

LOOKING AHEAD/  
METHODOLOGY



They suggested that committee chairs play a central role in achieving this balance and should continually look across committee agendas and consider when topics should come to the full board as opposed to the board simply receiving a committee report-out. Further, chairs can establish that committee reports focus on where rigorous conversation occurred and how consensus was reached where opinions differed.

As for culture, directors' confidence in this area suggests that the most effective boards devote continued attention to intentionally shaping, monitoring and strengthening their culture over time. In line with this focus, the directors we spoke with described specific ways to build a healthy culture. For instance, some noted that structured facilitation practices such as deliberately inviting all directors to weigh in on a topic and setting aside time to explore contrary positions can help quieter voices be heard and normalize constructive challenge.

Directors also underscored the benefits of cultivating diversity of thought. Having directors with different backgrounds and experiences in the room whose perspectives are actively sought can mitigate the risk of drifting toward consensus too quickly and missing blind spots.

Many directors we interviewed also highlighted the board's relationship with the CEO as critical to a productive board culture. As one director put it, "A trust-based partnership between the CEO and the board is essential to enabling candid conversations and constructive challenge." Interviewees observed that CEOs can strengthen this trust by investing in one-on-one relationships with each director, particularly the independent board chair or lead director. They also said that boards should consider how candidates would engage with the board when evaluating and selecting a new CEO.

Finally, some highlighted that board members engaging directly with senior leaders beyond the CEO, with the CEO's knowledge, can further foster trust and partnership. Examples include performing deep dives with chairs or expert members before committee discussions or setting up structured mentoring relationships.

# Where there's room for improvement

Board composition, evaluation and information flows need to improve, say directors.

When asked to choose the three areas where their board needs the most improvement, board composition and director succession planning rose to the top, cited by 52% of directors. Close behind was board evaluation and culture of continuous improvement, identified by 44% of respondents. Surprisingly, the third most common improvement area was the quality and flow of information from management to the board, cited by 39% of directors even though 50% of directors also identified it as a strength.

## Overcoming barriers

Interestingly, boards often report stronger performance in areas they view as most important and lower performance in areas they less frequently cited as central. This raises a question for directors to reflect on: If our board has identified performance gaps in areas such as board composition, succession planning and evaluation, are we struggling because we believe those areas are inherently harder and more sensitive to tackle? Or are we less likely to prioritize improvement in these areas because we believe they are less important? Boards with either mindset may be missing an opportunity to identify barriers and improve performance in domains that deeply matter.

## Where directors say boards need the most improvement



Source: Analysis by EY Center for Board Matters.

### Board composition and succession: Filling knowledge gaps

Directors put board composition and succession at the top of their list for improvements, which reflects the importance of getting this right in an environment that can change faster than traditional refreshment cycles can accommodate. "The biggest challenge for boards over the next five years will be director obsolescence," said one director we interviewed. "The pace of technology is changing so fast, and the change in business models is accelerating."

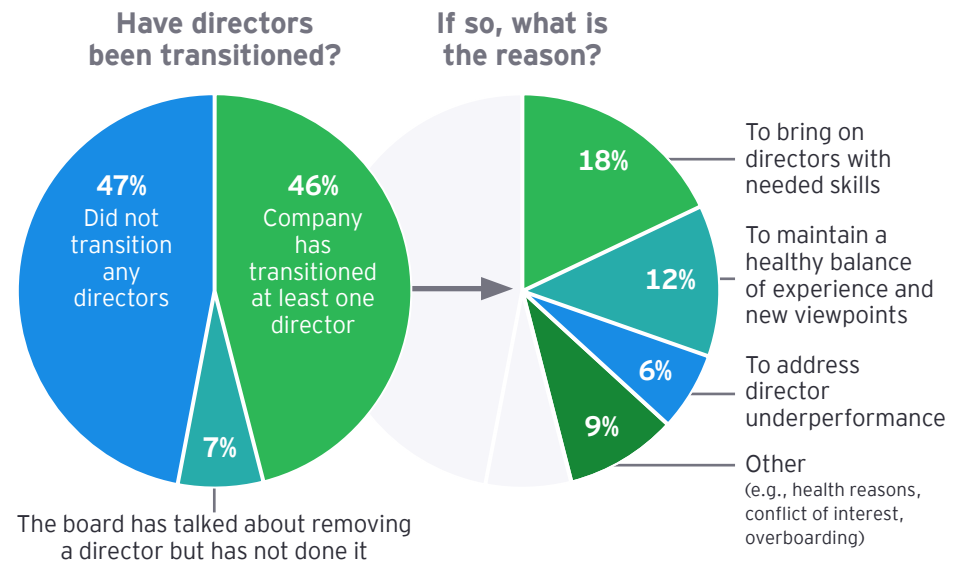
That risk makes it imperative for director tenure to include thoughtful consideration of skill relevance and performance and not be based solely on age-limit policies. One of our interviewees stressed that boards must "constantly think about succession and not hesitate to ask a director to step down before they've reached retirement." Board and committee leadership transitions should be part of the calculus, with clear processes around succession plans, performance feedback and timelines so these changes are as disciplined and expected as any other refreshment decision. Yet some directors may struggle to acknowledge when their skills or experiences no longer align with what the company most needs.

On that point, our survey results reveal a notable trend. Many boards are taking deliberate steps to proactively refresh their membership to align with evolving business needs. Nearly half of the directors surveyed (46%) reported that, within the past three years, their board has transitioned one or more directors off the



Our survey results reveal a notable trend. Many boards are taking deliberate steps to proactively refresh their membership to align with evolving business needs.

### A positive signal: boards are proactively refreshing to make room for needed skills



Source: Analysis by EY Center for Board Matters.  
 Note: Directors were asked whether their board had proactively transitioned any directors (before reaching formal age or term limits) in the past three years.



board before they reached a formal age or term limit. The most common reason? To make room for new directors with needed skills.

At the same time, evidence of proactive board refreshment has been uneven. Nearly half of boards have not proactively transitioned any directors in the past three years, and notably, 7% of directors report that while their board has discussed asking a director to step down prior to the official retirement age, they ultimately took no action.

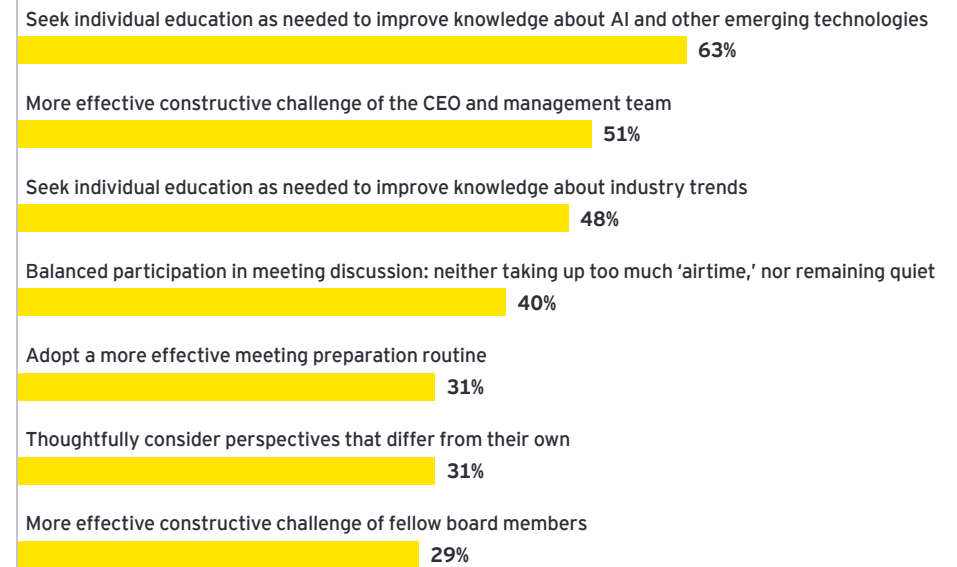
Directors we interviewed identified two keys to effective board refreshment: setting expectations around tenure with prospective directors during their candidacy and regularly discussing how the board's composition needs are evolving with the business. Some also emphasized the value of depersonalizing refreshment decisions through a formal or (more commonly) informal tenure-limiting mechanism, such as an average board tenure goal that the board manages against. A 10-year average across all board members was often cited as a goalpost.

**Evaluation and continuous improvement: Initiative matters**

The prominence of board evaluation and continuous improvement as the second key area for improvement further reinforces the need to keep boards current with constant change. Directors recognize that without a strong culture of feedback and improvement, boards risk stagnation.



**Practices that directors say would elevate their peers' contributions over the next year**



Source: Analysis by EY Center for Board Matters.





To learn what “improvement” means to directors, we asked respondents what would most elevate their peers’ contributions over the next year. Notably, individual education appeared in two of the top three areas. Our interviews confirmed a growing expectation that directors take personal initiative to deepen their fluency in topics, especially AI and other emerging technologies, that are changing “at a head-spinning pace.”

As one director noted, while full-board education creates a shared context and experience and offers the benefit of hearing other directors’ questions, individual learning allows directors to “do education at their own pace.” Both are valuable. Evaluations can serve as a catalyst, helping directors identify where opportunities for different types of ongoing skill-building can help support collective board effectiveness.

Around half (51%) of respondents also identified more effective constructive challenge of the CEO and management team as an area for peer improvement. Here, just as with conversations within the board itself, directors’ personal

style and board culture go hand in hand. An individual’s bent toward critical examination shines best when the board encourages constructive dissent and obtains the information they need to probe assumptions and trade-offs. Evaluations that uncover these dynamics can help boards strengthen both how and where challenge occurs.

#### **Information flows: High importance, uneven performance**

Information quality and flow was the only area where directors’ views on their boards’ effectiveness diverged significantly. While 50% of directors identified it as an area of strength, 39% cited it as an area that needed the most improvement.

High performance in this area depends on effective coordination and shared expectations between the board and management, which may make improvement more difficult than with practices that the board controls on its own. Boards that face issues may wish to examine whether the difficulty lies with shortfalls in management reporting or in the board members’ own discipline in communicating their expectations. What information the board asks for, where



it expects to weigh in, and what is and is not working should all be explicitly communicated. In fact, directors who viewed their board's information flows positively cited clarity on where board input or approval is needed as a key factor. On the other hand, if expectations are already clear, the board may need to drive better information-sharing practices or simply to reinforce their expectations to management more strongly.

The directors we spoke with also suggested several tactics for effective information flow. For instance, a ground rule that materials posted to the board portal are taken as read can minimize and even eliminate presentation time outright, enabling robust discussion in board meetings. Short videos from management sharing takeaways from their pre-read material can make the information more digestible.

In addition, consistently formatted monthly or quarterly memos from the CEO or CFO have helped directors track commitments and keep pace with fast-moving developments. These memos, said one director, "are excellent for extending the work between meetings – helping boards maintain continuity even when topics are not on the agenda every time."

“

Short videos from management sharing takeaways from their pre-read material can make the information more digestible.

### Prepare for growing investor scrutiny on board evaluations

When it comes to board evaluation, investors expect more than they currently see. Nearly three-quarters (74%) of the 19 stewardship leaders we spoke with at the end of 2025\* cited board evaluation as the area of board effectiveness that needed the most improvement, with several saying that they are taking another look at their expectations related to disclosures on board evaluations' structure and focus areas.

Investors also told us that they see value in regular third-party facilitation to cut through inertia that can result from collegiality on the board, particularly when it comes to addressing underperformance and, if needed, making composition changes. Many also highlighted the importance of board culture and wanted a clearer view into whether the board has a culture of open dialogue, effective challenge and continuous improvement.

With AI enabling investors to integrate data sets and distill research at scale, and with [investors exploring use cases to assess director quality](#), boards should consider opportunities to enhance disclosures highlighting the robustness of their evaluation process and how they are acting on results.

\* From institutional investors representing \$45 trillion in assets under management (AUM).

# Where boards want more time and resources

Directors want more time and information to deal with AI, talent and geopolitical risk.

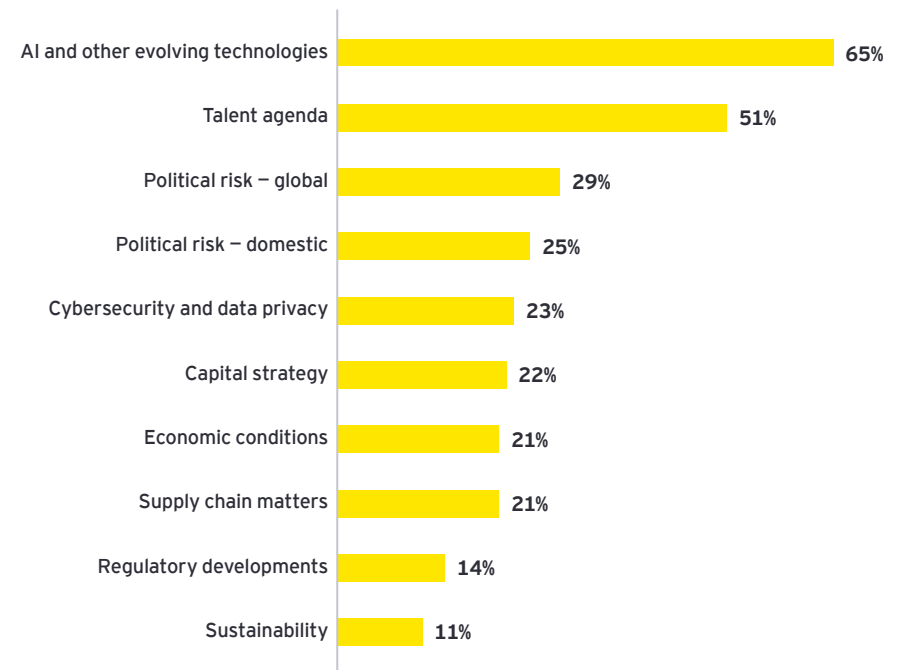
Unsurprisingly, AI and emerging technologies emerged as the top area where boards want to spend more time and have higher-quality information, with talent and global political risk second and third. Talent may have risen in priority given AI's [impact on the workforce](#) and [talent strategy](#). These priorities, which EY has identified as some of the most [powerful forces shaping the business landscape](#), represent a notable shift from just [a year earlier](#), when cybersecurity and data privacy ranked higher than talent and sustainability also featured more prominently.

We often hear from directors that they strive to help create more time for discussion through more effective information flows and efficient meeting practices instead of just adding more hours to the agenda or more meetings to the calendar. Many directors we interviewed found it valuable to bookend board meetings with executive sessions. As one described it, "Using executive sessions at the beginning to align on priorities and what the board needs from management, and at the end to capture follow-ups and provide immediate direct feedback on what worked and what didn't, can help protect time for what matters most."

“

We often hear from directors that they strive to help create more time for discussion through more effective information flows and efficient meeting practices instead of just adding more hours to the agenda or more meetings to the calendar.

Topics on which directors want their boards to spend more time (% directors)



Source: Analysis by EY Center for Board Matters.

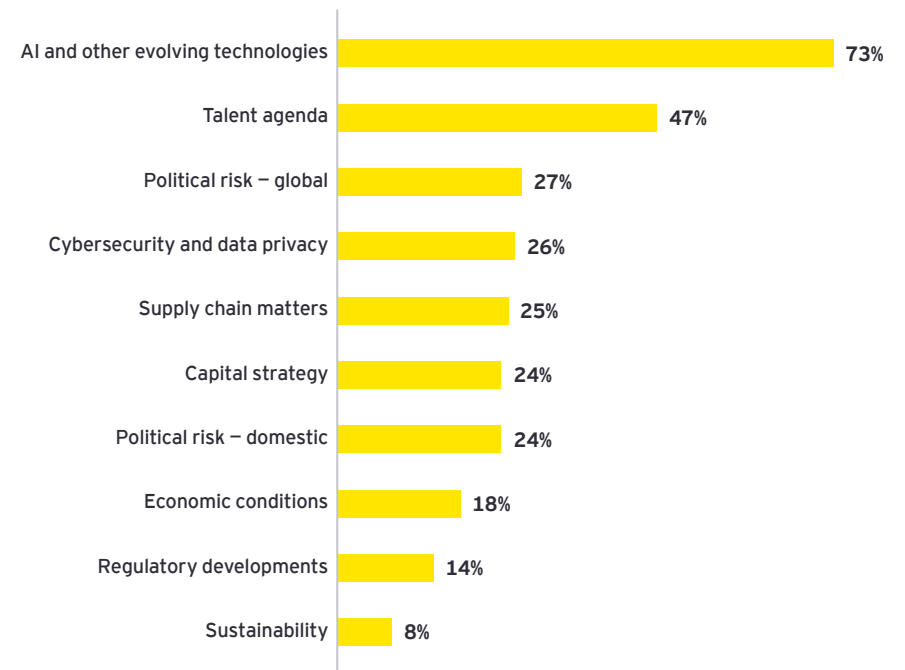


Also interestingly, only 5% or less of directors said they spent too much time or had too many resources on any of these topics. The one exception was sustainability: 16% said their board spends too much time on it and 15% said their board has too many related resources. (That said, because sustainability cuts across many other topics – for instance, AI's social and environmental risks – boards may be addressing material nonfinancial risks and opportunities in discussions of other priorities.)

This suggests that while directors often cite the voluminous amount of information they must review, information challenges may be less about the volume and more about the actionability of what directors receive and management's effectiveness in guiding them to focus on the signal and not the noise.



**Topics on which directors want their boards to have more information and resources (% directors)**



Source: Analysis by EY Center for Board Matters.

# Actions for boards to consider

These actions offer practical ways to enhance board effectiveness. Because no single approach fits every board, they are intended as prompts for reflection and adaptation. Many reflect leading practices shared by directors in our interviews.

## Composition and director succession planning

- Adopt an evergreen approach to choosing new directors by maintaining an ongoing pipeline of potential candidates aligned to different strategic scenarios and time horizons.
- Normalize refreshment:
  - Set clear expectations around average tenure length when interviewing candidates and onboarding new directors.
  - Emphasize that skill renewal (through internal and outside director-education programs) is central to long-term effectiveness.
  - Have the chair or lead director annually discuss with directors their future plans and how they will align their contributions to the business's evolving needs.
- Consider whether guidelines such as average director tenure (or lowering the board's average tenure goal) would help enable regular refreshment, and explicitly reinforce that additional board composition changes may be needed to meet evolving oversight needs.

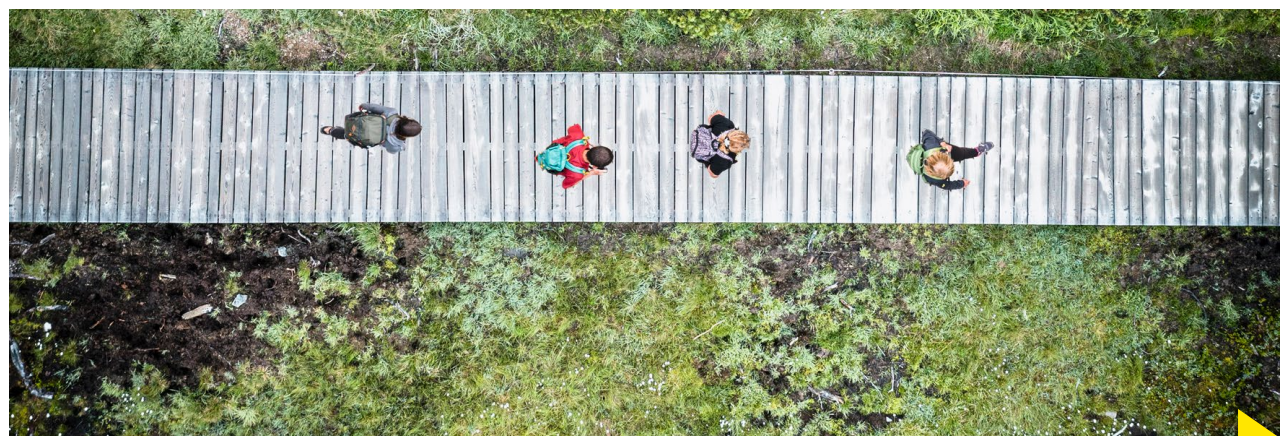
- Update the board's skills matrix at key inflection points (such as strategy shifts, major transactions and operating model changes) as well as in the annual governance review.

## Committee functioning

- Maintain and regularly update a responsibility matrix outside of the charters to clarify committee-level oversight where mandates intersect.
- Develop succession plans for committee chair roles, supported by transition activities and mentorship from current chairs.
- For committee chairs, cross review all committee agendas to decide which issues are appropriate for full-board discussion.

## Culture and dynamics

- Translate culture into a short set of observable operating norms (such as "Every voice is heard," "No informal inner circle," and so on); mandate that the independent chair or lead director reinforce those norms in practice; and assess culture via the board evaluation process.
- Encourage the CEO to meet one-on-one with directors on an appropriate basis and cadence to intentionally build and nurture relationships, as well as to spend additional time with the independent chair or lead director as often as needed to address shifting business needs.



- Assign a rotating contrarian role to a few individuals or the entire board so that the board considers multiple perspectives and enables challenge from those other than formal subject-matter leads.
- Adopt consistent decision-making criteria to reduce reliance on personal preferences around the process or legacy ways of operating.
- Create pathways for management and board members to raise concerns early (such as by conducting pre mortems on major proposals or reserving agenda time for emerging issues) so that the board can contribute early-stage input.

#### Evaluation and culture of continuous improvement

- For the chair or lead director, use executive sessions (and/or one-on-one feedback conversations with board members) after each meeting to discuss improvement opportunities (such as changing meeting materials or agendas) and to clarify expectations as needed.
- Ask, "What will effective oversight require from us next year and beyond – how can we look past what worked last year?"
- Use third-party facilitators periodically, both to deliberately address emerging issues (such as lack of candor, shifting board dynamics, or difficult composition conversations) and to help the board continually challenge itself in good times.
- Use post-decision reviews to assess the rigor of the board's decision-making.

#### Information flows

- Ask that executive summaries make explicit whether a board decision is required and where board input is needed.
- Consider ways to shift the balance of meeting time toward discussion and Q&A, for example by asking executives to pre record brief video walkthroughs of their slides and post them to the board portal.
- Request memo-style updates from the CEO and/or business and function leaders to help the board stay up to date on key management commitments, major initiatives and fast-moving issues.



# Looking ahead: sharpening fundamentals to sustain board effectiveness

Board effectiveness is built on a set of foundational capabilities and sustained through intentional, thoughtful examination of what is working and what needs to change. Committee functioning and culture are strengths to build on as boards evolve their approaches to board composition, evaluation and information flows. Partnering with management on providing focused, actionable information is crucial, as is examining how that information can be efficiently prioritized and processed. As expectations on boards continue to expand, effectiveness ultimately depends on staying anchored to the fundamentals that serve as a reliable compass amid increasing complexity.



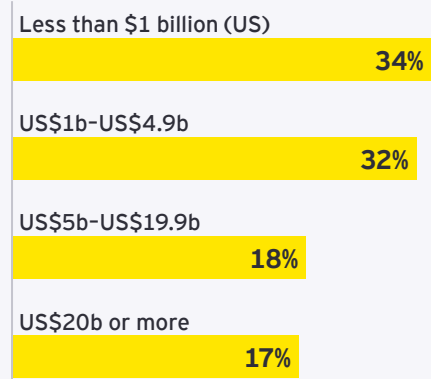
## QUESTIONS FOR THE BOARD TO CONSIDER

- How have we set, and how is management meeting, clear expectations for what information we need, when we need it and in what format, and what decisions it should enable?
- How does our board culture consistently surface dissent, or are we relying on a few directors to steer debate and outcomes?
- Where are our biggest time leaks in board meetings, and what specific changes would free up more capacity for strategic discussion and debate?
- What is our approach to refreshing board and committee leadership – and board composition overall – at the pace our strategy and risk profile now requires?
- How do we ensure that our evaluation and feedback loops produce visible changes (e.g., individual learning plans, changes in meeting practices and information quality), and how will we track improvement over the next 12 months?

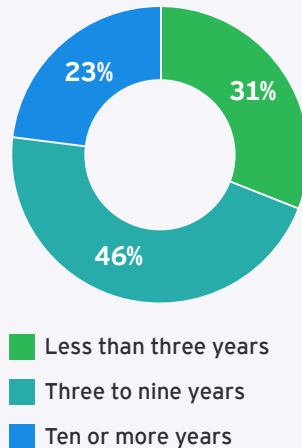
METHODOLOGY

The EY Board Effectiveness Survey included survey responses from 107 directors serving companies across a range of industries and company sizes. We also conducted in-depth interviews with directors currently serving on 19 boards. Nearly all of those directors are sitting nominating and governance committee chairs. Additionally, we drew on interviews with 19 stewardship leaders from institutional investors representing \$45 trillion in AUM conducted at the end of 2025.

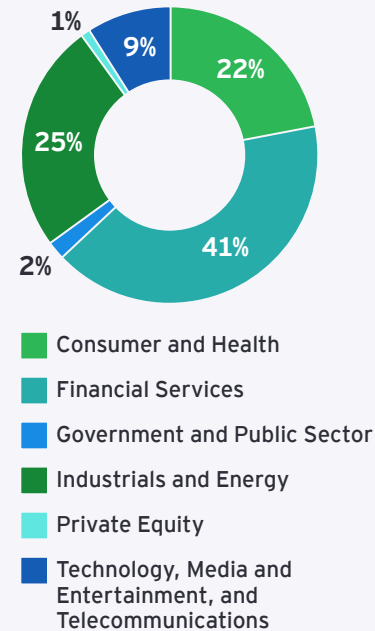
Revenue of the companies represented in the most recent fiscal year



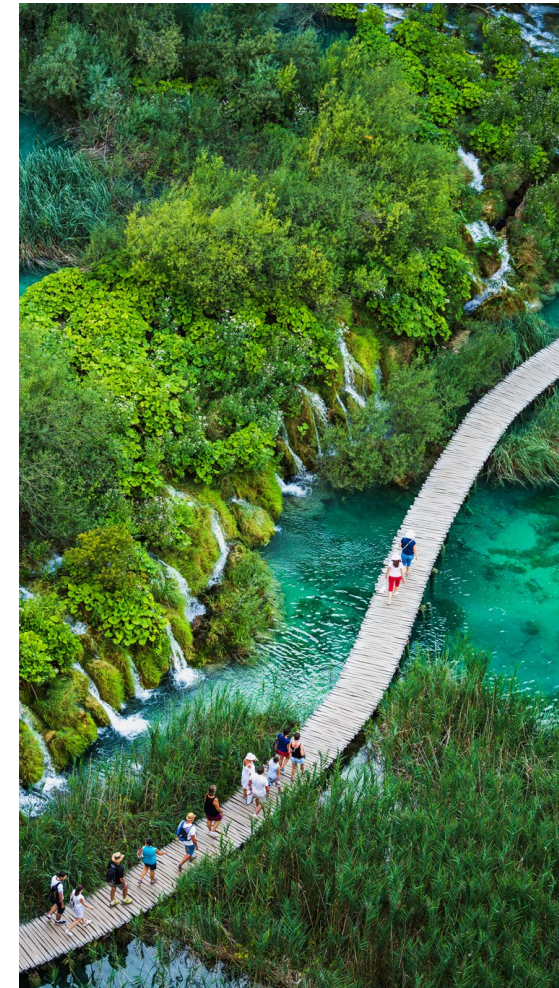
Years of service as a board member



Sectors of the companies represented



Source: Analysis by EY Center for Board Matters.



## EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

### **About the EY Center for Board Matters**

Effective corporate governance is an important element in building a better working world. The EY Center for Board Matters supports boards, committees and directors in their oversight role by providing content, insights and education to help them address complex boardroom issues. Using our professional competencies, relationships and proprietary corporate governance database, we are able to identify trends and emerging governance issues. This allows us to deliver timely and balanced insights, data-rich content, and practical tools and analysis for directors, institutional investors and other governance stakeholders.

© 2026 Ernst & Young LLP.  
All Rights Reserved.

US SCORE no. 31091-261US  
CS no. 2602-10588-CS

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

[ey.com/us/boardmatters](https://ey.com/us/boardmatters)

### **Looking for more?**

Access additional information and thought leadership from the EY Center for Board Matters at [ey.com/us/boardmatters](https://ey.com/us/boardmatters).