

A guide to business growth and sustainability through better leadership

CEO & BOARD BRIEFING

A guide to business growth and sustainability through better leadership

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Executive Summary

In an era of unprecedented complexity and change, the strategic leadership of CEOs and Boards has never been more critical or more challenging. MDA Leadership's research reveals that talent is the ultimate business lever—with associated talent challenges proving to be formidable obstacles to achieving organizational priorities. CEOs and Boards align in recognizing that securing the right leaders for the future is paramount. Boards naturally focus on long-term talent strategy. CEOs focus on the long-term horizon as well, however, more urgent and immediate business performance needs often take precedence.

The evolving demands of the CEO role further compound the challenge. CEOs in the present era face mounting pressures from operational demands, stakeholder expectations, and the complexities of a rapidly shifting business landscape. Boards, meanwhile, grapple with their own governance, alignment, and strategic execution challenges. To thrive, both parties must elevate their collaboration and effectiveness. Boards can optimize their performance through robust evaluation and continuous improvement mechanisms, while CEOs require unique support to maximize their leadership impact and navigate the boardroom dynamic effectively.

This briefing provides a roadmap for success, urging organizations to take decisive action to fortify leadership and governance. By integrating strategic business and talent planning, driving dynamic succession management, and providing robust leadership development, companies can prepare for future challenges with agility and confidence. Moreover, cultivating an effective CEO-Board partnership will amplify strategic alignment, driving innovation and long-term growth. The stakes have never been higher and the opportunity to act is now—ensuring organizations are not just equipped to survive but positioned to thrive in a rapidly evolving business environment.

This briefing offers a valuable blueprint for empowering leadership at the highest levels and ensuring enduring success in the face of evolving business demands.



Introduction

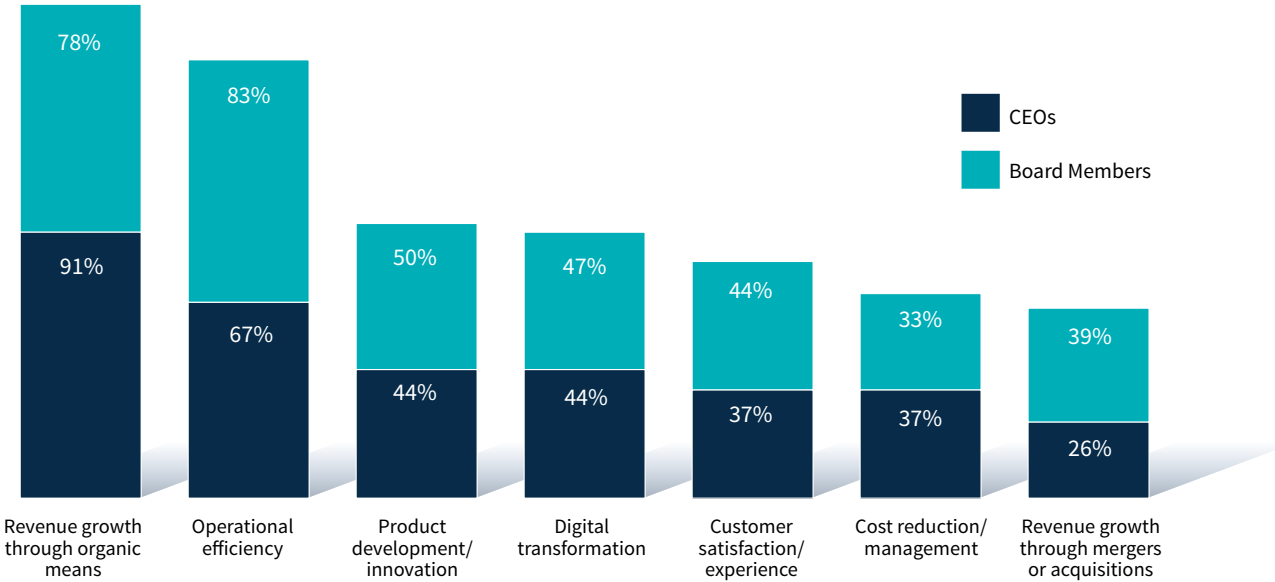
In today’s dynamic business environment, the strategic work of top executives has never been more complex. To gain insight into the chief executive’s office and boardroom, MDA Leadership conducted a research study surveying CEOs and Board members about their top business and talent priorities, the obstacles affecting their performance outlook, and the solutions they see as vital for future success. By understanding the perspectives of these influential leaders, this study aims to provide a greater understanding of the factors shaping organizational outcomes from the highest vantage point.

The insights uncovered in this research are designed to empower CEOs and Boards with the knowledge needed to tackle their most pressing challenges and seize opportunities

for success. From understanding talent solutions that drive organizational achievement to addressing barriers to leadership effectiveness, these findings offer a roadmap to operating at peak performance, fostering a culture of excellence, and achieving long-term business growth.

To conduct this research, MDA surveyed 81 CEOs and Board members across a range of companies and industries in the United States (43 CEOs and 38 Board members). These individuals represent public (some global and multi-national), private, and non-profit companies of all sizes from under 250 to 25,000+ employees. The CEOs and Board members were active in their current roles or recently retired within the past two years.

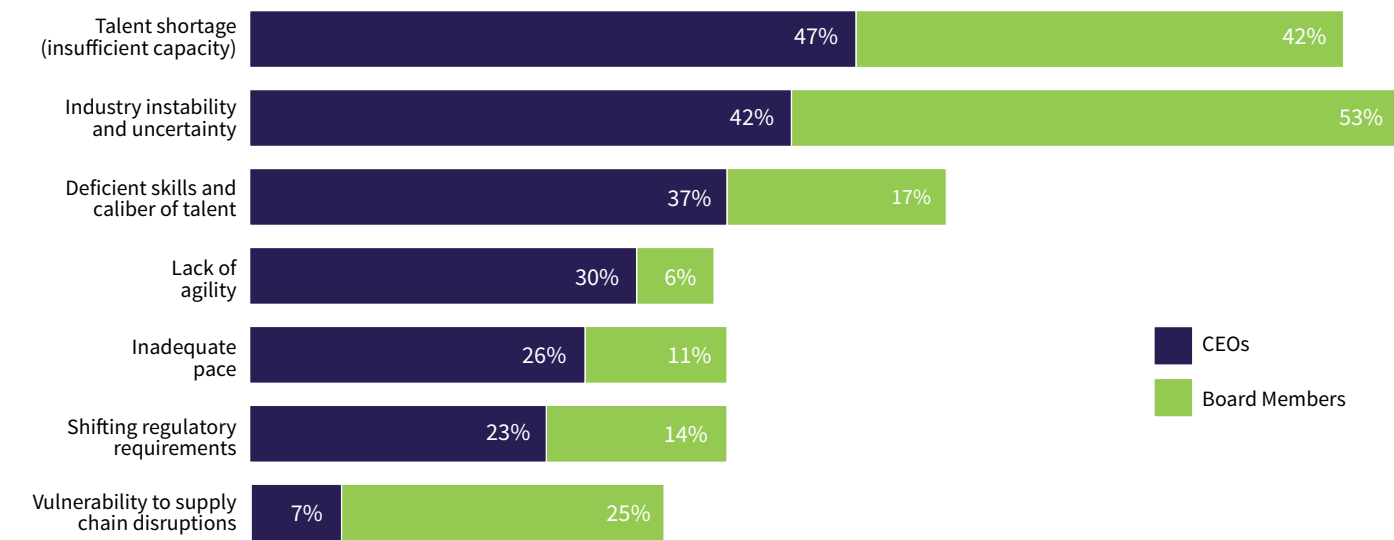
Top Business Priorities and Challenges



The survey revealed significant alignment between CEOs and Boards on their top business priorities and growth strategies, with shared focus areas underscoring the importance of efficiency, innovation, and digital transformation. Both groups identified revenue growth through organic means and operational efficiency as their top two priorities, though in reverse order. For CEOs, organic growth was the clear leader (91%) with operational efficiency cited second (67%). In contrast, and perhaps unexpectedly, a greater percentage of Board members emphasized operational efficiency (83%) over organic revenue growth (78%).

Other shared priorities included product development and innovation as well as digital transformation, though the emphasis on each varied slightly between the groups. Interestingly, while customer centricity was viewed as important, customer satisfaction/experience was seen as a lower priority than these other areas. Together these findings highlight a cohesive, yet nuanced perspective regarding growth and operational challenges, with each group bringing distinct but overlapping views to the organization’s strategic agenda.

Top challenges in achieving business priorities



“We have many opportunities. Focusing on the ones with the greatest return is our priority. However, some of our priorities require us to think differently, and some of our team either lack the technical skills to do so or the behavioral skills to adjust.”

The survey highlights both alignment and divergence between CEOs and Boards on the biggest challenges to achieving their strategic priorities. No single challenge received majority endorsement by CEOs, but talent shortage (insufficient capacity) emerged as the top concern (47%), followed by industry instability and uncertainty (42%). A similar proportion of Board members (42%) agreed with talent shortage (insufficient capacity), but industry instability and uncertainty emerged as the most frequently cited challenge (53%).

Beyond these top two concerns, key differences emerged. Several challenges were identified by at least a quarter of the CEOs—deficient skills and caliber of talent (37%), lack of agility (30%), and inadequate pace (26%)—emphasizing the need to enhance workforce quality, leadership capabilities, and speed amid capacity challenges. One CEO noted, “We have many opportunities. Focusing on the ones with the greatest return is our priority. However, some of our priorities require us to think differently, and some of our team either lack the technical skills to do so or the behavioral skills to adjust.”

These challenges, however, were less frequently identified by the Board members surveyed. Instead, 25% highlighted vulnerability to supply chain disruptions as a critical challenge, a concern not echoed as strongly by the CEOs. Other concerns Board members cited were growth capital, change management, ability to go to market promptly, strategic growth vs. fiscal realities, tariffs on imports, and cyber risk. These findings suggest that while talent-related issues dominate for both groups, Boards are more focused on external systemic risks, whereas CEOs emphasize internal workforce dynamics and leadership development as a pathway to overcoming growth barriers.



Talent and Culture Priorities and Concerns

The survey revealed both shared priorities and notable differences between CEOs and Boards in their top concerns related to talent and culture. Both groups emphasized the importance of having the right talent to navigate the future, with 70% of CEOs and 58% of Board members identifying talent capabilities as a key concern.

However, the perspectives diverged on executive succession and talent retention. Executive succession emerged as the most endorsed priority overall for Board members (69%), but was identified by less than half the CEOs (40%), marking a 29-point difference. Similarly, talent retention was a major concern for 50% of Board members, but tied with talent strategy and systems as the least-often mentioned concern for CEOs (28%), a 22-point gap. These differences highlight Boards’ relatively stronger focus on long-term leadership continuity and organizational stability.

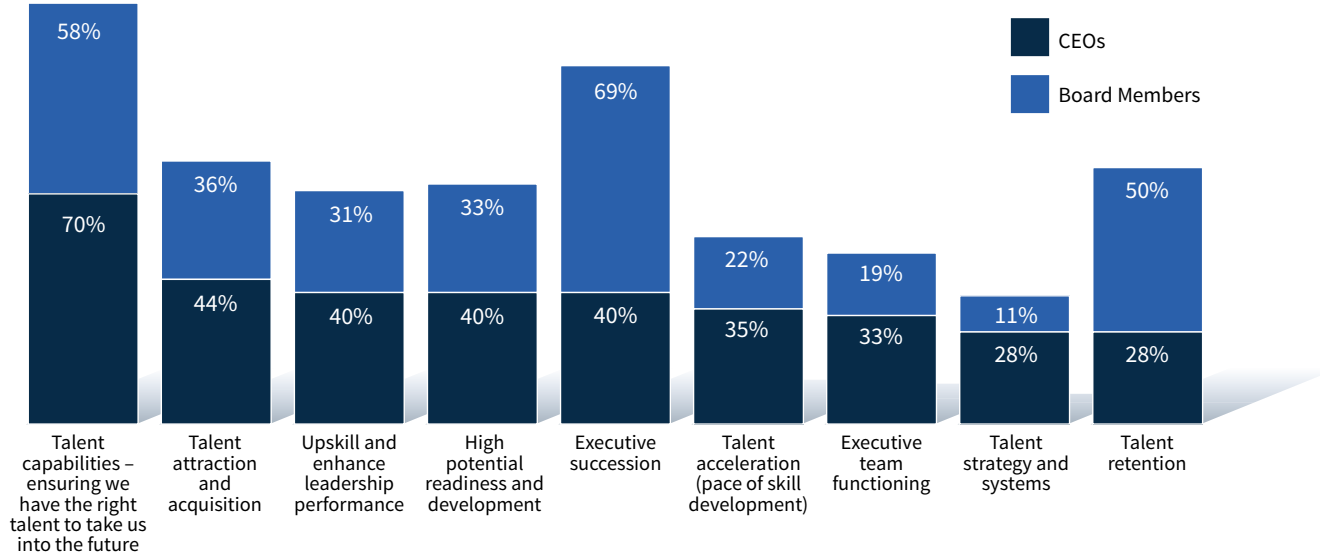
While the differences are less dramatic, CEOs more often identified other talent and culture issues as top concerns compared to Board members. Talent acquisition and attraction, upskilling and enhancing leadership performance, and high-potential readiness and development were mentioned by 40-44% of CEOs and 31-36% of Board members. A third or more of CEOs included accelerating skill development (35%) and executive team development (33%) among top concerns, compared to 22% and 19% of Board members, respectively.

One CEO noted, “Our focus on growth requires our leaders to encourage measured risk-taking, broad collaboration, and innovative thinking,” reflecting the need for leadership evolution to meet business demands. Another highlighted the urgency of adapting legacy talent to technological change: “Given the pace of change and acceleration of technology, the legacy talent is not prepared for this transformation.”

For Boards, concerns extended to maintaining organizational agility and mitigating external risks such as cybersecurity threats. A Board member stated, “Senior teams must anticipate new opportunities and be agile to changing environments,” emphasizing a forward-looking approach to leadership.



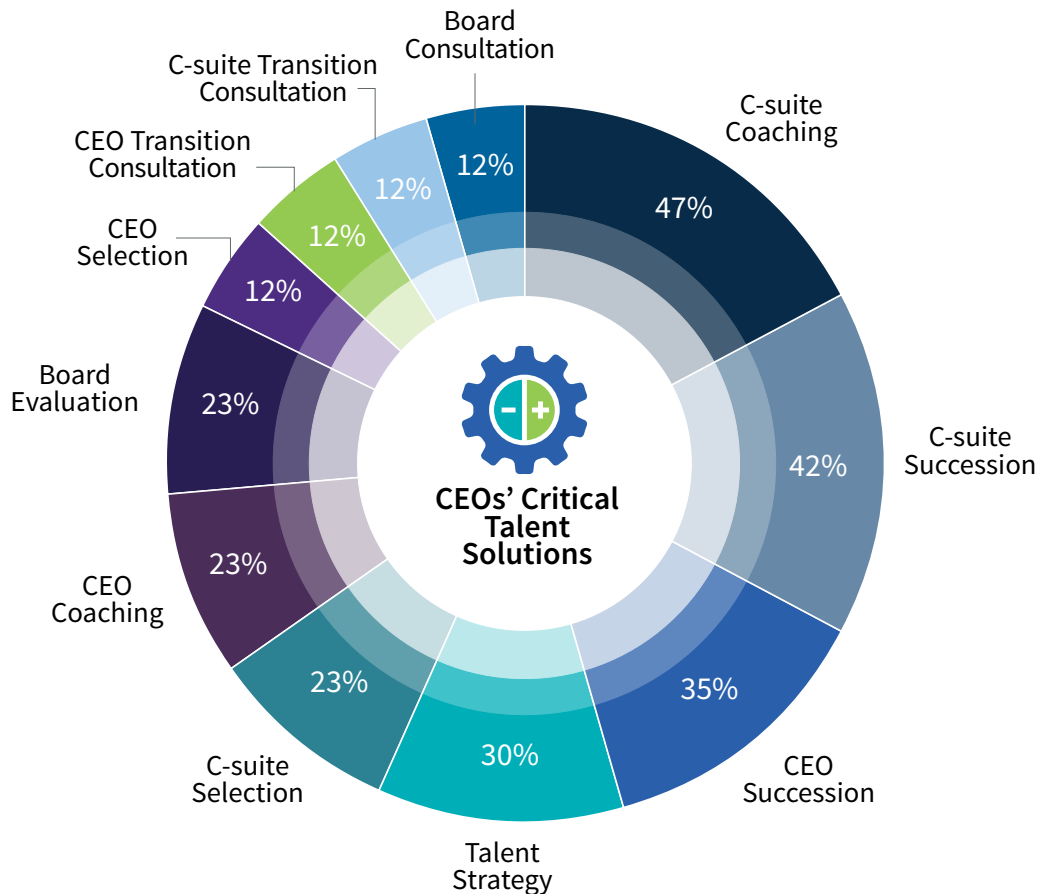
Top Talent and Culture Concerns



CEOs' critical talent solutions

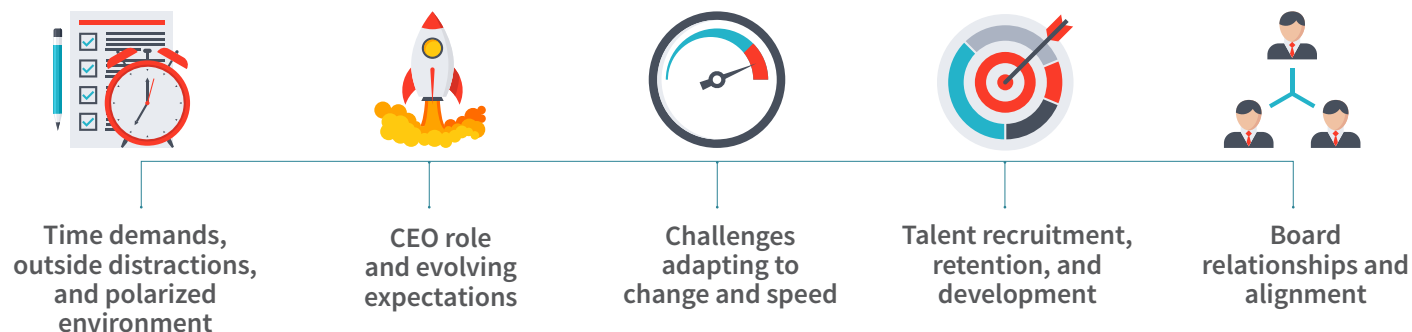
When asked about their view on critical talent solutions, CEOs endorsed a variety of priorities with leadership development and succession management being most commonly cited. The most-often identified solution, *C-suite coaching* (47%), reflects an emphasis on equipping senior leaders with the skills and perspective needed to navigate complex challenges. Similarly, *C-suite succession* (42%) and *CEO succession* (35%) underscore the importance of robust planning to ensure leadership continuity (and is consistent with the earlier finding that 40% of CEOs identify executive succession as a top talent concern). This focus on a strong leadership pipeline highlights a shared understanding of the risks associated with insufficient preparedness for critical roles.

Other priority talent solutions identified by CEO respondents include *Talent strategy* (30%), emphasizing the desire for comprehensive approaches to workforce planning; *C-suite selection and CEO coaching* (23%), which address identifying and developing top leaders; and *Board evaluation* (23%). More specialized services—including *CEO selection*, *CEO and C-Suite transition consultation*, and *Board consultation* (all 12%)—signal a growing interest in tailored strategies to support seamless leadership changes. These findings collectively highlight the pressing need for leadership solutions that align talent with the organization's evolving business priorities and challenges.



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Top CEO Challenges



In an open-ended question, we asked Boards if the CEO job is becoming more difficult than before and what challenges they see CEOs presently facing. They highlighted the increasing complexity and multifaceted nature of the CEO role, with Board members identifying several key challenges and potential support mechanisms to help CEOs succeed.

Time demands and external distractions, including navigating societal issues and a polarized environment, were cited as significant barriers. One Board member observed, “*Some CEOs are having their time and attention diverted to a degree that is not healthy, dealing with social issues swirling throughout society.*” Others noted the difficulty of balancing these distractions with core responsibilities.

Boards also emphasized the rapid evolution of the CEO role, requiring leaders to adapt to changing workforce expectations, manage the accelerating pace of change, and innovate while maintaining operational focus. As one respondent noted, “*The CEO must be equipped to reinvent themselves repeatedly to respond to multiple changes occurring simultaneously.*”

These insights underscore the importance of supporting CEOs in managing both external pressures and internal dynamics, and equipping them with tools, resources, and networks to lead effectively in an ever-changing environment.



Top Board Challenges

Responding to survey questions that leveraged our proprietary Board Effectiveness Model, Board members highlighted significant obstacles to performance, noting challenges in Board composition, dynamics, governance clarity, and strategic alignment. The most cited challenge was Board composition (66%), emphasizing the difficulty of recruiting and retaining members with the right mix of skills, diversity, and passion for the organization's mission.

One Board member explained, *"Finding the right talent that provides relevant skill sets, life experiences, appropriate diversity, and a passion for the mission is increasingly difficult in this post-COVID era."* Another stressed the need for *"more purposeful and selective recruitment of Board candidates."*

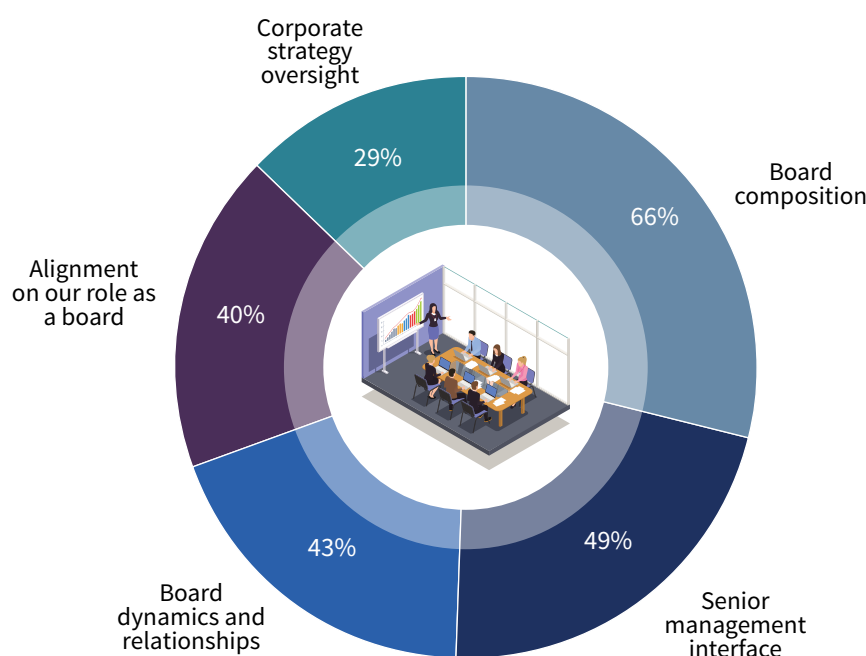
The second most frequently cited obstacle was the *interface with senior management* (49%), particularly the CEO. Participants underscored the importance of transparency, open communication, and leveraging the Board's expertise

to support strategic execution. As one Board member noted, *"Having the right chemistry among independent Board members and with management is critical to work through strategic alignment."*

Board dynamics and relationships (43%) and *alignment on the Board's governance role* (40%) also emerged as critical challenges. Several respondents highlighted the need for clear delineation between governance and management responsibilities. One participant stated, *"Ensuring proper separation of management's role in execution and the Board's role in governance and oversight is essential for effectiveness."*

In summary, effective Board function requires thoughtful composition, clarity regarding the Board governance role, strong management interface, and proactive educational efforts. Addressing these areas can help Boards overcome obstacles and provide greater strategic value.

Top Board Challenges



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Building a future-ready succession strategy is essential to addressing talent gaps, retaining top performers, and meeting Board expectations.



Key Insights

1 – Talent is your most critical business driver/lever.

CEOs and Boards agreed the top challenge to achieving their business priorities is talent shortage (insufficient capacity) in the context of industry instability and uncertainty. And their top talent concern is having the right talent to navigate the future, with Boards adding executive succession and top talent retention to the equation.

2 – CEOs and Boards bring different (yet complementary) lenses and focus areas to the table.

Comparatively speaking, the priorities and concerns mentioned by CEOs included more near-term, internal matters. Boards recognize some of these challenges, including operational inefficiencies and talent shortages, but generally emphasize long-term, external issues. These differing perspectives are complementary and enable a comprehensive view of the organization's challenges and opportunities. A healthy CEO-Board dynamic leverages and optimizes these distinctions, ensuring both immediate and long-term considerations are addressed.

3 – CEOs and Board members differ in their views of the criticality of executive succession (29-point delta) and retention (22-point delta).

CEOs and Board members unanimously agree that their primary objective in the talent space is to secure the right leaders for the future. However, many CEOs may be less prepared than their Boards to recognize succession planning

as the key to achieving this goal. This may reflect the CEOs' focus on current-state operational challenges, prioritization of initiatives intended to deliver more immediate impact, as well as personal attachment to their roles and reluctance to face the reality of their own eventual transition.

4 – Contemporary CEOs are challenged on multiple fronts and need support to optimize talent as a business/growth lever.

Our findings reinforce that the CEO job is more complex, difficult, and lonely than ever. With competing demands that include Board stakeholder management, CEOs could be better positioned to navigate this complexity and heightened expectations made possible through an enhanced ecosystem of Board partnership, investment in further honing their own leadership capabilities, and external trusted advisor support. Efforts to strengthen C-suite executive team capability would additionally help ensure that CEOs are well positioned to lead from the optimal altitude.

5 – Boards can seize the opportunity to operate at peak performance.

The study highlighted challenge areas such as governance practices, strategic alignment, and effective senior management interface. By proactively prioritizing and addressing these challenges, Boards can significantly enhance their effectiveness and positively impact organizational outcomes. This will require a willingness to take an evaluative look in the mirror at individual, committee, and Board levels.

Recommendations

Informed by insights gained from CEO and Board perspectives, companies may be well advised to consider the following recommendations:

Enhance the interface between CEOs and their respective Boards. Their complementary perspectives can be leveraged for the betterment of organizations only if this interface is optimized. To maximize the results of the CEO and Board partnership, each side of that equation needs to be fully developed. Addressing undermining forces and dynamics at the Board level can be resolved through formal evaluations and continuous improvement mechanisms. Additionally, providing CEOs with resources and executive coaching support can help them navigate the boardroom and maximize their potential and impact.

Hold senior teams accountable for adopting a proactive, forward-looking approach and anticipating new opportunities and challenges in the business landscape. This will help them maintain competitiveness and agility in a rapidly changing environment. Executive coaching and team development can accelerate their individual and collective growth. Establishing clear expectations for senior teams to foster a culture of continuous learning and innovation can enable their companies to stay ahead of industry trends and drive organizational success. Additionally, requiring senior executives to model desired leadership behaviors will accelerate adoption of the aspirational culture.

Infuse strategic business priorities into talent requirements in key segments, functions, and critical roles to optimize talent. First and foremost, dynamic strategic planning that incorporates regular review of market trends and potential disruptions is crucial as a context-grounding mechanism and a guiding force for aspirational business objectives. The resulting business strategy can then cascade into talent attraction, selection, development, and retention efforts that will drive business sustainability, leadership continuity, and enhanced long-term company performance. CEOs and their executive teams can spearhead these initiatives by creating a comprehensive, coherent talent strategy and infrastructure. Key elements will include defining critical future skills, conducting formal assessments to gauge readiness and advancement potential, and offering accelerated, targeted development and experiential learning to close skills gaps.

Establish future-focused, robust succession management strategies at the executive level, including the CEO role. The goal is not just suitable replacement, but accelerated evolution that reflects a progressive mindset, visionary capacity, and strategic agility to navigate the complex and dynamic business landscape. Boards and CEOs will benefit from making succession management a key component of the organization's strategic objectives. MDA's Dynamic Succession FrameworkSM approach includes thoughtful evaluation of organizational readiness (along with a focus on preparing the organization to fully embrace and leverage succession best practices), objective assessment of performance and potential, evidence-based development experiences, and measurement mechanisms to monitor progress and impact on key metrics. Succession plans and processes should be reviewed and updated to align with evolving business needs and shared with the Board annually.

Design and implement leadership development programs that strengthen leaders' capabilities to navigate internal and external challenges. The most impactful programs are multifaceted and focus on enhancing critical skills, fostering continuous learning, and promoting innovative thinking through individual coaching, cohort-based learning, mentorship, and collaborative growth experiences. Evaluating program content for strategic alignment and relevance ensures leaders will be equipped with the tools and insights needed to drive growth and effectively address challenges and opportunities as they arise.

Conclusion

This research demonstrates that CEOs and Board members view talent as a key driver of business success. Building a resilient and agile organization—equipped with leadership to meet current and future challenges—requires a systemic view, a thoughtfully considered enterprise business strategy, an integrated talent strategy, and robust talent tools and frameworks. An effective Board and a healthy Board-CEO partnership are also essential. Amidst a rapidly evolving business landscape, these recommendations provide Board members and CEOs with a solid roadmap to optimizing leadership impact and driving long-term organizational success.

Leadership Matters™

The need for great leadership is urgent. At the speed business moves, you can't afford to wait, and you can't afford to get it wrong.

We know how to build *your* next generation of leaders—and it starts by really getting to know *you*. Curiosity is in our nature. It's what drives us to dig deeper, tuning in to every nuance of your business until we truly understand what makes you unique. It's how we bring you the insight and clarity to make more confident talent decisions. And how we design the right development experiences that will transform your leaders in life-changing ways.

Leadership is complicated. So team with a strategic trusted advisor who can make it simpler. We've got superior expertise and proven methodologies to help you grow great talent faster. So you can stand ready for business with a leadership pipeline prepared to power your success.

Continuity Trust Partnership
Results Sustainability Achievement
Collaboration Alignment Impact



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