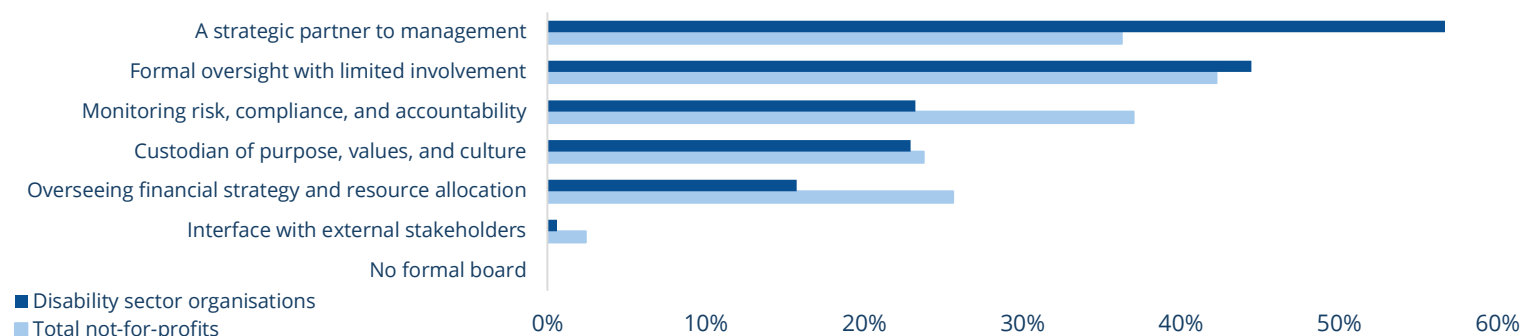


Section 1: Purpose-led Governance and Board Leadership

Primary Purpose of Board



CEOs most frequently identify their board's primary purpose as a strategic partner to management (57%), followed by formal oversight with limited involvement (44%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%). Disability sector organisations were 20 percentage points more likely than total not-for-profits to report 'a strategic partner to management' as their board's primary purpose.

Board and management alignment



Alignment between boards and management understanding and respecting their roles is generally strong, with 54% of CEOs stating that the roles are completely aligned. However, some organisations may still face risks associated with role ambiguity or boundary overlap. It highlights an opportunity to enhance role clarity and optimise governance effectiveness. Disability sector organisations are 22 percentage points more likely to report that board and management roles are completely aligned.

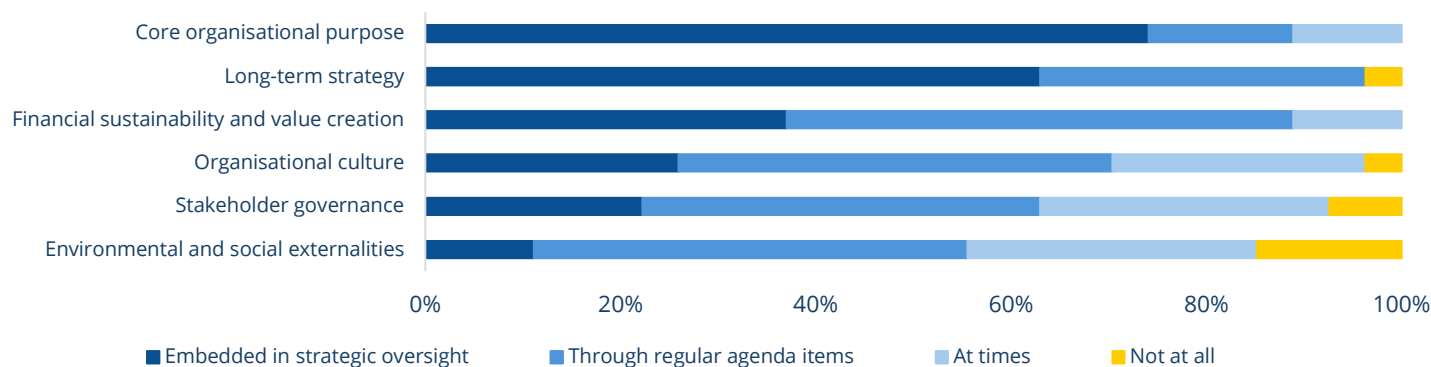
Board structure and composition for effective governance



Boards most commonly report that their structure aligns composition to reflect skills and expertise for long-term strategy oversight (52%) and aligns composition to reflect stakeholder experience and perspectives (48%). In contrast, fewer report that their board structure aligns composition to reflect the gender and ethnic diversity of stakeholders (30%) and oversees performance metrics on culture (30%), highlighting an opportunity to strengthen how board structures support broader organisational priorities. Disability sector organisations are 13 percentage points more likely to report that their board fully aligns composition to reflect skills and expertise for long-term strategy oversight.

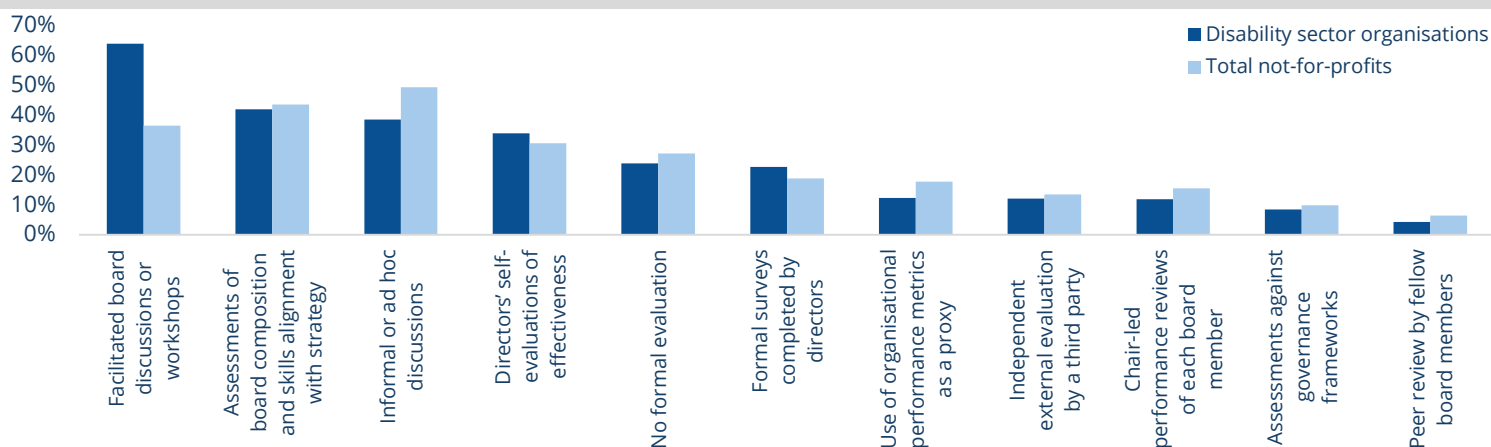
Disability sector: 27 CEOs

Extent of formal board oversight across key areas



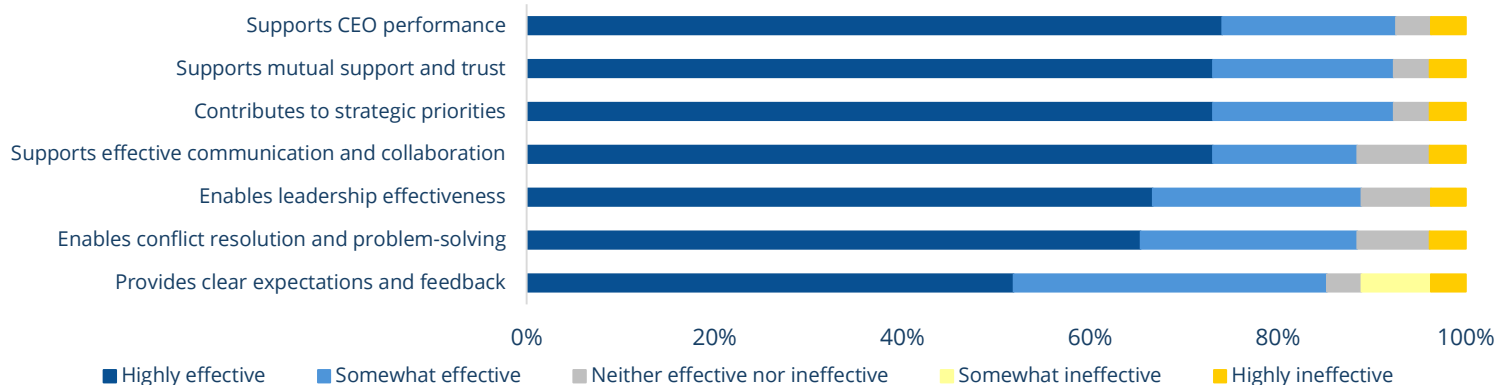
Many boards embed oversight of core organisational purpose (74%), long-term strategy (63%), and financial sustainability and value creation (37%) within strategic oversight. However, fewer boards embed organisational culture (26%), stakeholder governance (22%), and environmental and social externalities (11%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value. Disability sector organisations are more likely to report that their board embeds core organisational purpose into strategic oversight.

Board methods of evaluating own governance and oversight effectiveness



While organisations routinely evaluate management and organisational performance, board governance itself is often assessed more informally. With 64% relying on facilitated board discussions or workshops and 42% using assessments of board composition and skills alignment with strategy, many boards have an opportunity to strengthen oversight and better enable organisational performance by adopting more formal, objective evaluation methods. Disability sector organisations are more likely to rely on 'facilitated board discussions or workshops'.

Effectiveness of CEO–chair relationship



The CEO–Chair relationship is central to governance, sitting at the interface between board and management and shaping oversight, communication, and strategic alignment. CEO–Chair relationships are generally strong: 74% of CEOs rated the chair 'highly effectively' 'supports CEO performance', followed by 'supports mutual support and trust' (73%), and 'contributes to strategic priorities' (73%). The lower ratings for 'enables conflict resolution and problem-solving' and 'provides clear expectations and feedback' indicate opportunities to strengthen these relationships to enhance the CEO's ability to lead optimally.

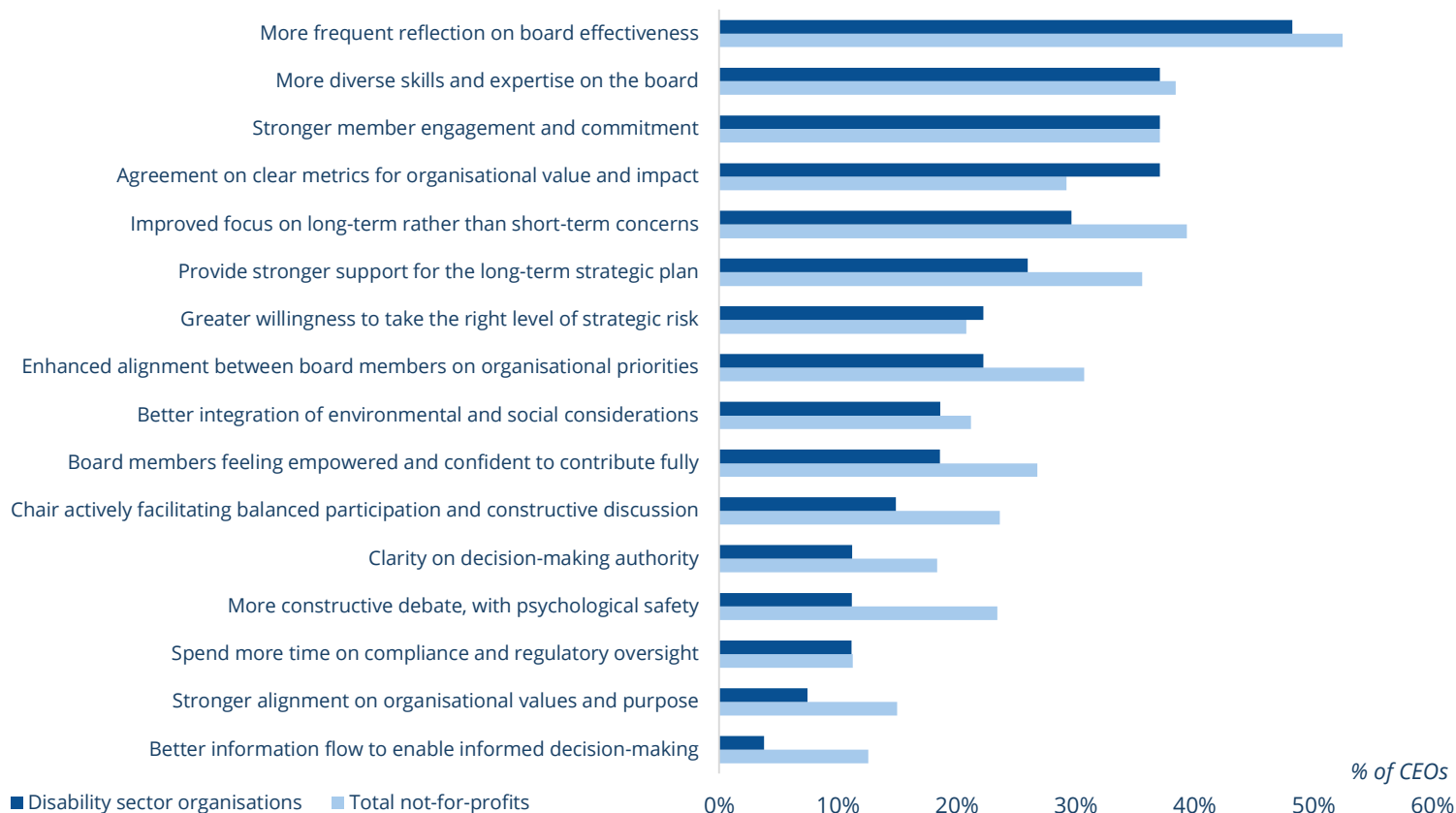
Disability sector: 27 CEOs

Board effectiveness in enabling organisational purpose



Even some of the strongest boards have room for improvement: 59% of CEOs rate their board as 'highly effective' in supporting long-term orientation, followed by 56% in supporting constructive board culture and dynamics, and 52% in supporting the right level of strategic risk taking. More than 41% of boards are not highly effective in enabling organisational purpose in these factors; if these are not addressed, they risk leaving value on the table. Disability sector organisations are more likely than total not-for-profits to rate highly on 'supporting long-term orientation' in enabling organisational purpose.

Areas the board could more effectively support and enable leadership

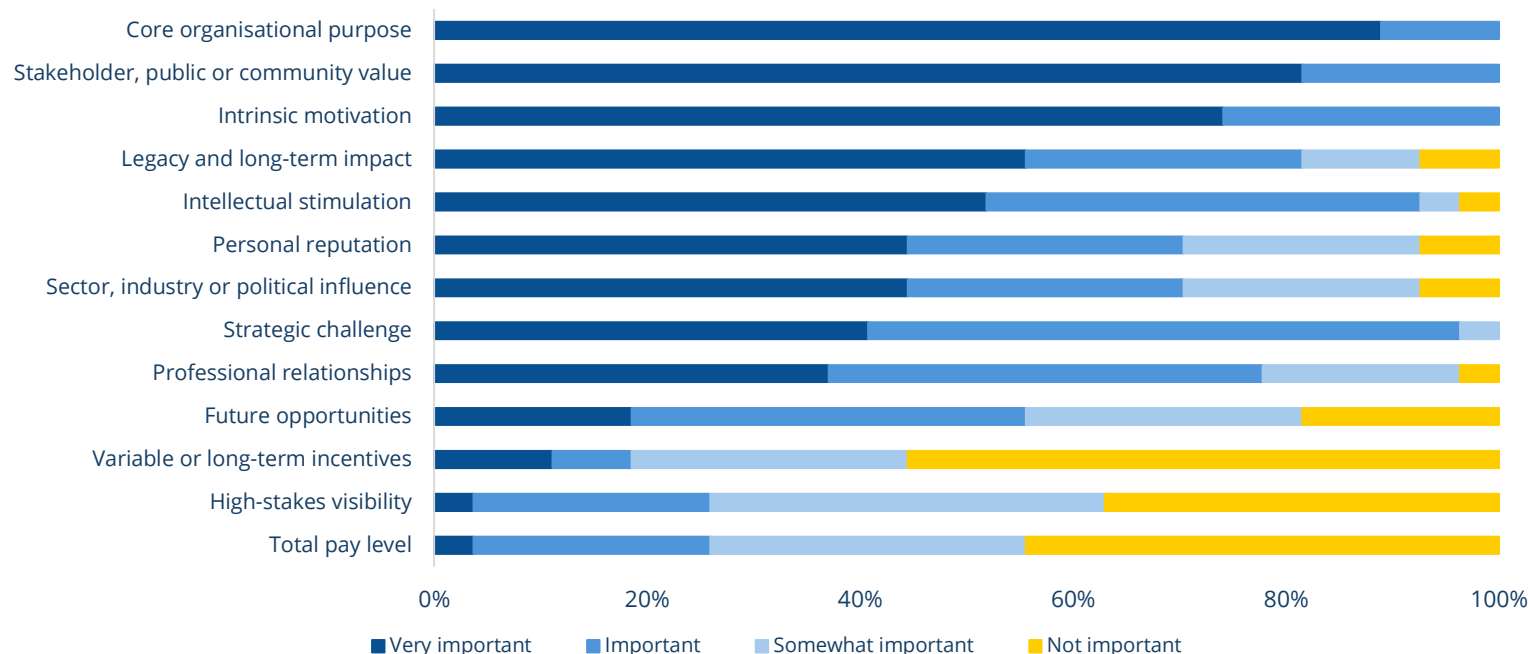


CEOs view board effectiveness as an important contributor to organisational performance. CEOs identify that boards could more effectively support and enable leadership, with 48% highlighting more frequent reflection on board effectiveness, 37% more diverse skills and expertise on the board, and 37% stronger member engagement and commitment. Disability sector organisations are 12 percentage points less likely than total not-for-profits to identify more constructive debate, with psychological safety to enable organisational purpose as an area for improvement.

Disability sector: 27 CEOs

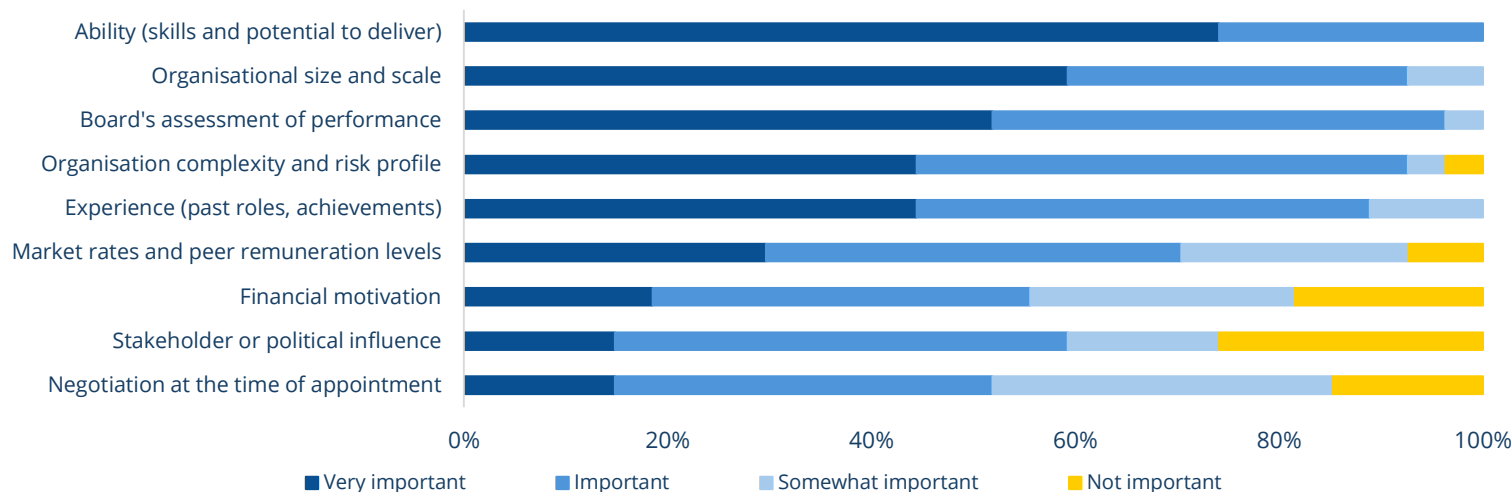
Section 2: CEO Personal Motivation, Values, and Alignment

Personal CEO motivations



CEO motivation is an important issue that has not been studied directly by asking CEOs. Attracting and retaining the right CEO is an important governance issue. The existing literature does not directly measure CEO motivation, instead inferring it from incentive structures (such as compensation design), observed CEO behaviour (e.g. risk-taking or earnings management), and governance outcomes (e.g., pay-performance sensitivity or compensation levels). CEO responses suggest that purpose-driven and intrinsic motivations rank highest, followed by reputation-related motivations, while financial or visibility-related factors are least prominent. Specifically, 89% of CEOs rated core organisational purpose as very important, followed by stakeholder, public or community value (81%) and intrinsic motivation (74%), whereas only 4% rated high-stakes visibility and 4% rated total pay level as very important motivators.

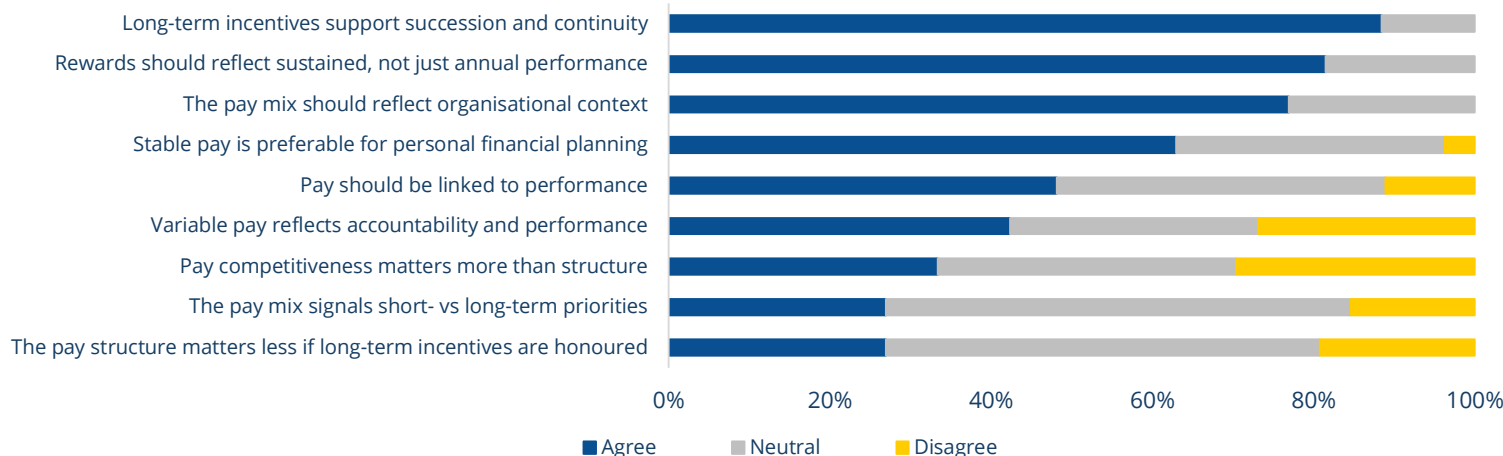
Key factors CEOs view as determinants of their pay



While the literature emphasises market benchmarks, managerial bargaining power, and incentive alignment, CEOs instead view pay as primarily driven by perceived individual ability and board judgment, with relatively little importance placed on negotiation or financial motivation. Specifically, 74% rating ability (skills and potential to deliver), 59% organisational size and scale and 52% board's assessment of performance as very important determinants of pay, compared with 19% for financial motivation, 15% for stakeholder or political influence and 15% for negotiation at the time of appointment. CEOs view remuneration as recognition of the strategic value they are expected to create and the risks they assume in delivering organisational outcomes. Disability sector organisations are 12 percentage points more likely than total not-for-profits to consider the organisational size and scale as a key determinant.

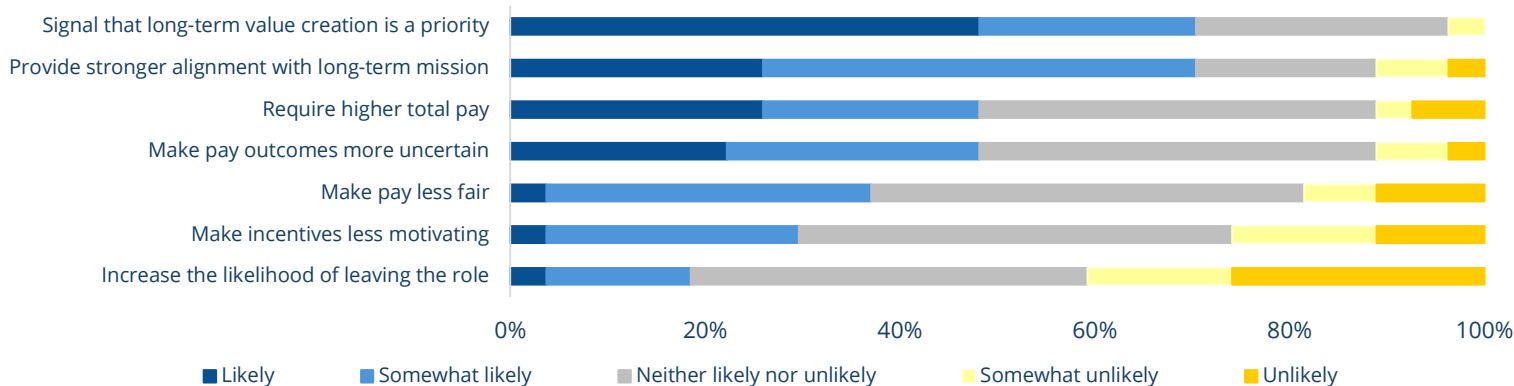
Disability sector: 27 CEOs

CEO's views on fixed and variable pay



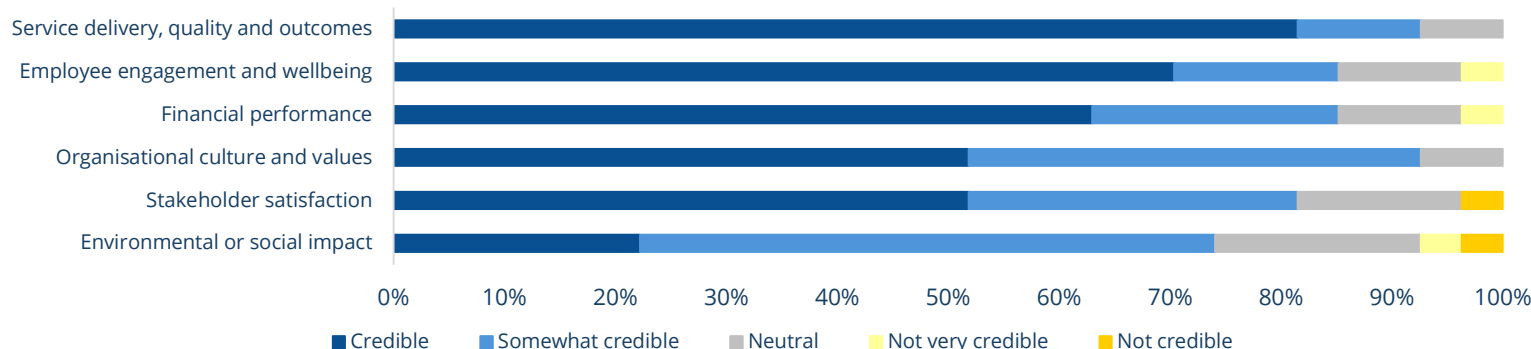
Most CEOs agree that 'long-term incentives support succession and continuity' (88%), that 'rewards should reflect sustained, not just annual performance' (81%), and that 'the pay mix should reflect organisational context' (77%). Not-for-profit CEOs are 26 percentage points more likely than for-profit CEOs to agree that stable pay is preferable for personal financial planning, showing a stronger preference for income predictability, likely reflecting lower, more constrained remuneration levels. Overall, CEO responses show no evidence of self-interested, short-term, or rent-extractive behaviour assumed in the academic literature.

CEO perspective on the impact of current incentives being made longer-term



Most CEOs agree that longer-term incentives tend to 'signal that long-term value creation is a priority' (70%) and 'provide stronger alignment with long-term mission' (70%). Despite academic research suggesting executives prefer more immediate pay, CEOs are most neutral that they 'make incentives less motivating' and 'make pay less fair'. Many said it is unlikely or somewhat unlikely that it would 'increase the likelihood of leaving the role'.

CEO's views on the credibility of pay-linked KPIs for their own performance

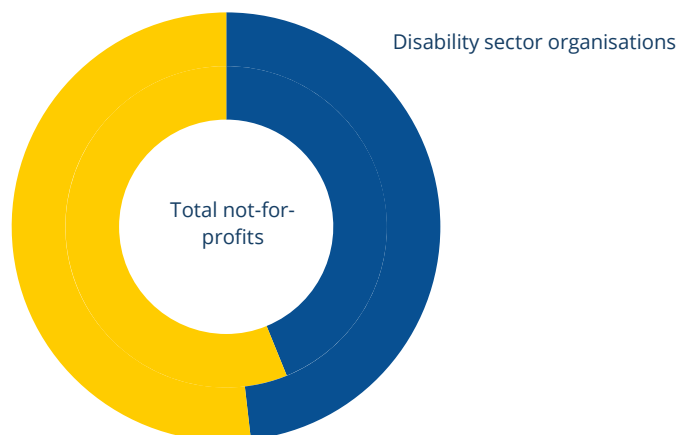


CEOs believe that pay-linked KPIs are most credible for 'service delivery, quality and outcomes' (81%) and 'employee engagement and wellbeing' (70%), moderately credible for 'financial performance' (63%) and 'organisational culture and values' (52%), and least credible for 'stakeholder satisfaction' (52%) and 'environmental or social impact' (22%). Many see these measures as somewhat credible, with very few rating any measure as not credible. Disability sector organisations are 11 percentage points more likely than total not-for-profits to agree that stakeholder satisfaction are a credible and fair way to assess CEO performance.

Disability sector: 27 CEOs

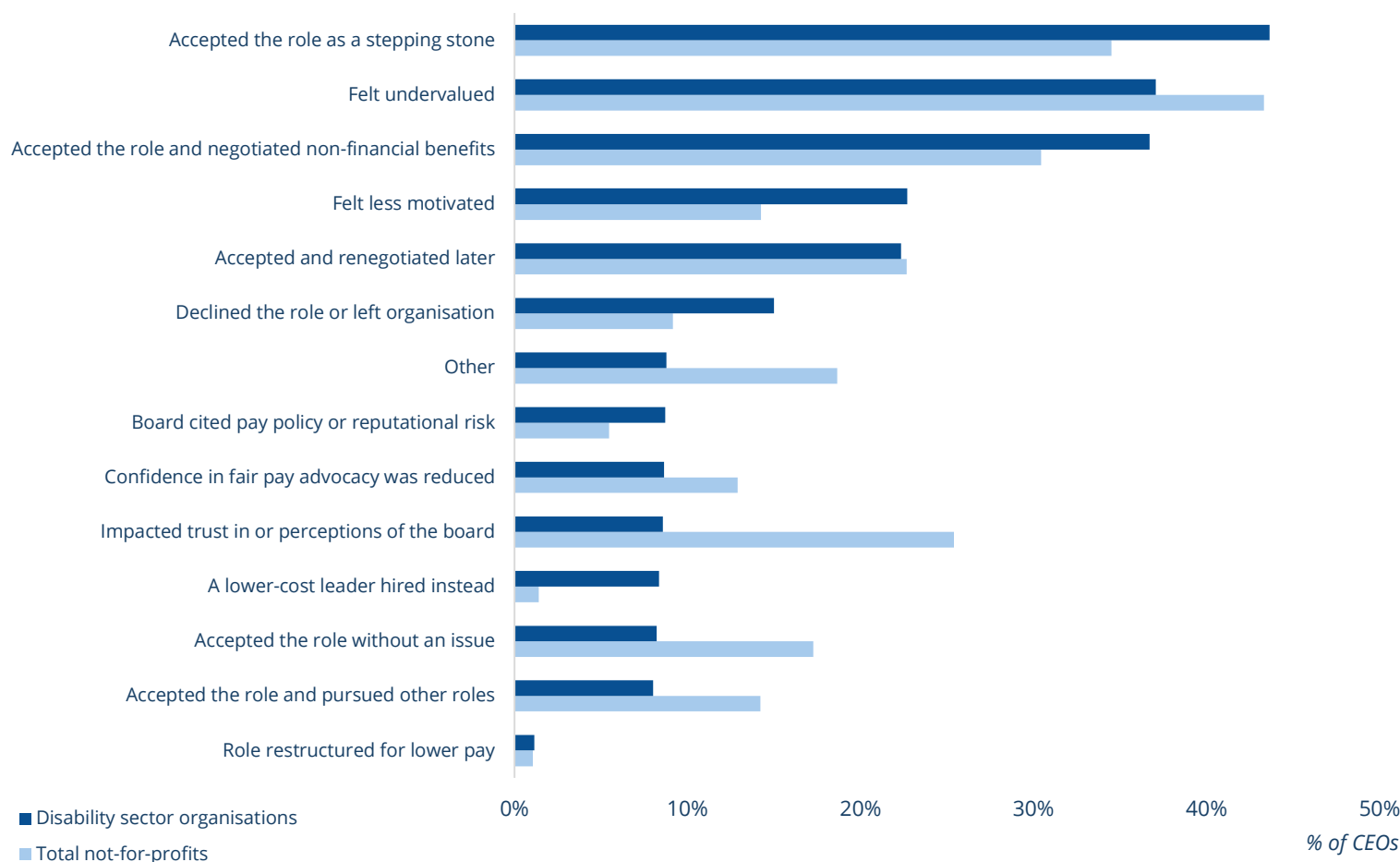
CEOs offered below-expected remuneration during their time in leadership

- Not offered below-expected pay
- Offered below-expected pay



A key governance signal is potential misalignment between CEO remuneration and candidate expectations, creating attraction, retention, and leadership continuity risk. During their time in leadership, 52% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 48% did not. CEOs in disability sector organisations were as likely as total not-for-profits to have been offered below-expected pay.

Leader consequences of lower-than-expected pay offers

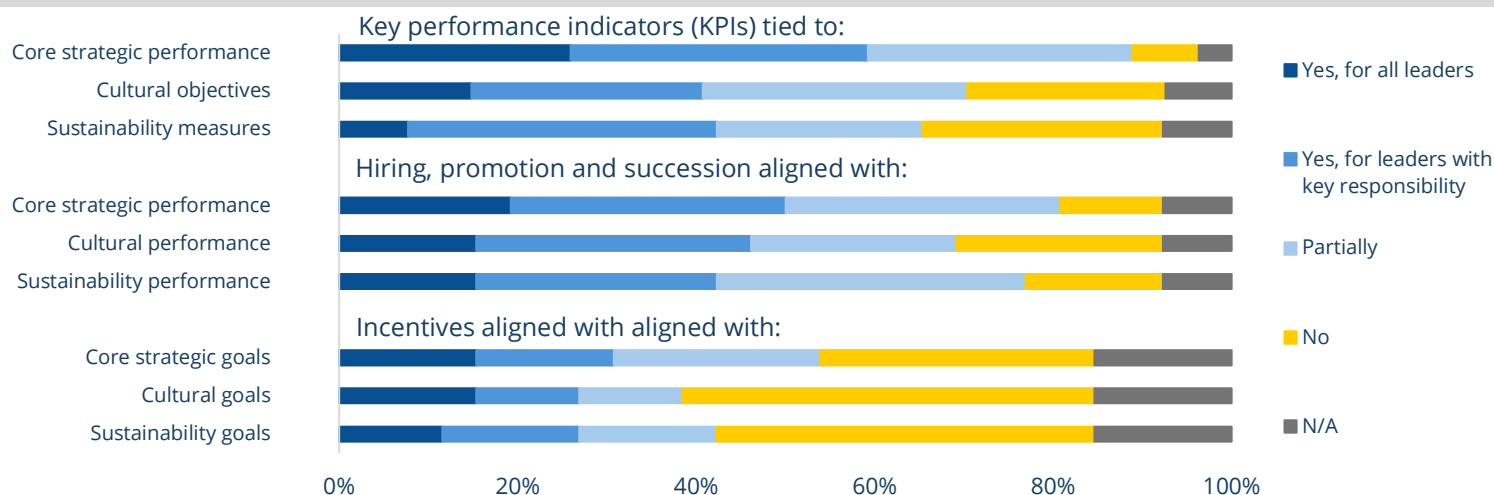


Boards risk weaker leadership quality, poorer strategic continuity, and reduced ability to attract and retain capable CEOs when pay is set below appropriate market levels. The most common responses for CEOs who received lower than expected pay offers included that they accepted the role as a stepping stone (44%) and felt undervalued (37%), highlighting that executives often respond to perceived underpayment by managing their career trajectory around it, with potential implications for longer-term commitment and board-CEO alignment. CEOs in disability sector organisations were 17 percentage points less likely than total not-for-profits to have impacted trust in or perceptions of the board.

Disability sector: 27 CEOs

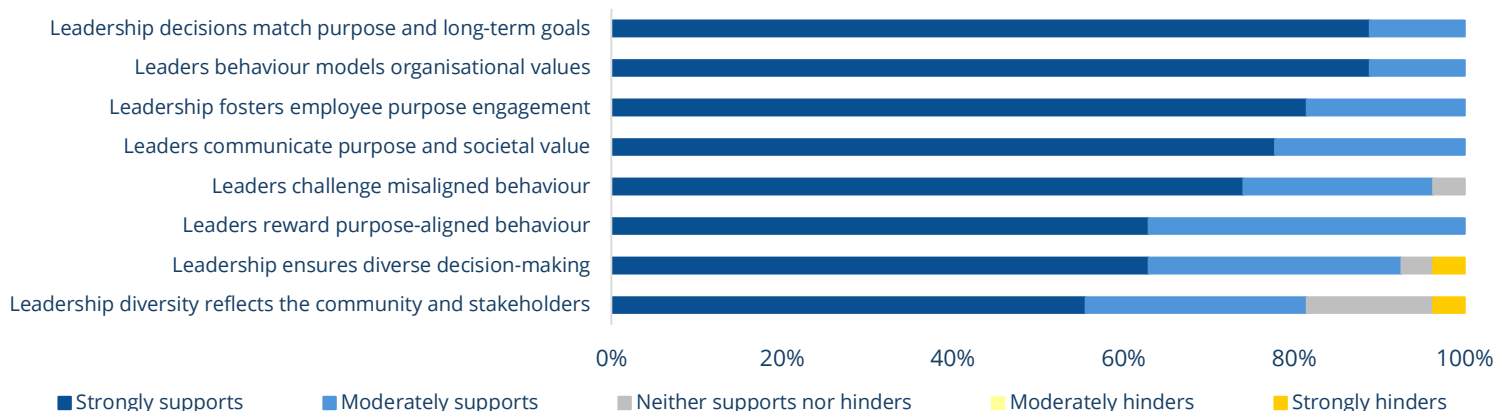
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

Signals of strategy, culture, and sustainability for executive & senior leaders



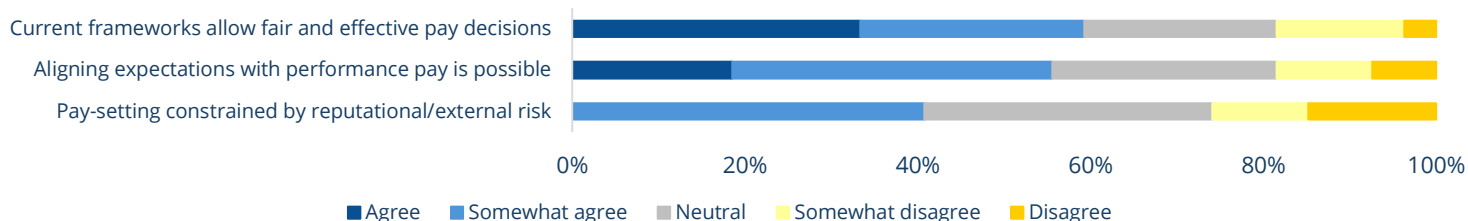
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 50%–59% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs, compared with 41%–46% for culture and 42% for sustainability. Reward systems have a stronger focus on strategic goals rather than their execution (culture) or being a responsible citizen (sustainability).

Senior leader behavioural alignment with organisational purpose and values



Alignment between leadership behaviour, decision-making and representation influences organisational trust, inclusivity and long-term effectiveness. Between 78% and 89% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling and decision-making. In comparison, only 63% believe leadership ensures diverse decision-making, and 56% say leadership diversity reflects the community and stakeholders, highlighting an opportunity to align behaviour and structural inclusivity.

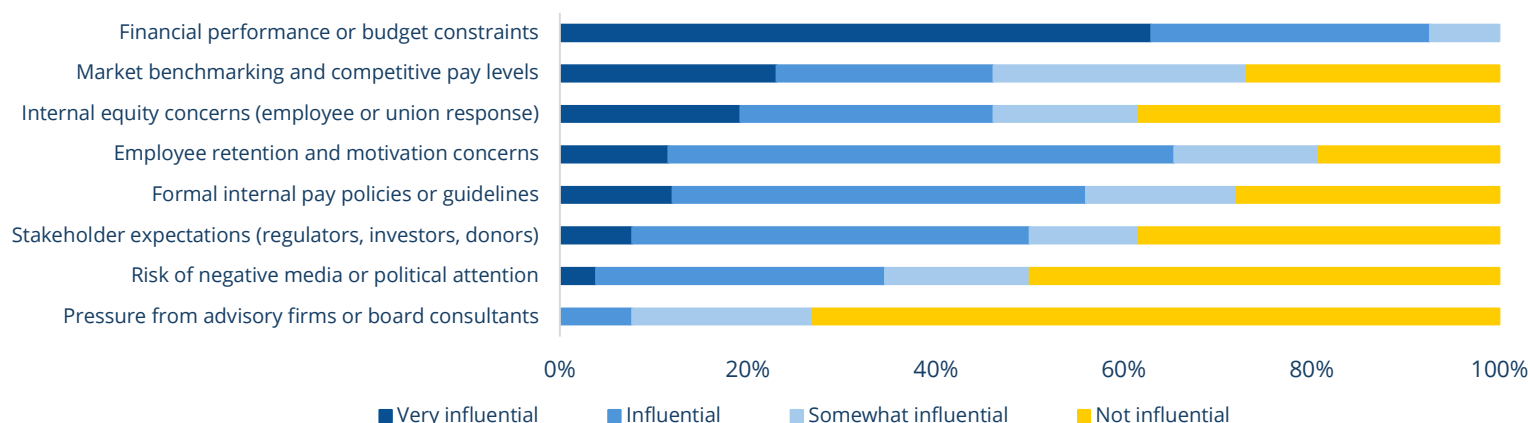
Executive remuneration framework effectiveness



Effective remuneration systems are important because they support fair, performance-linked pay, strengthen accountability, and help align leadership behaviour with organisational objectives while maintaining trust in social and governance processes. 59% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 56% agree or somewhat agree that expectations can be aligned with performance pay. In contrast, 41% perceive pay-setting to be constrained by reputational or external risk.

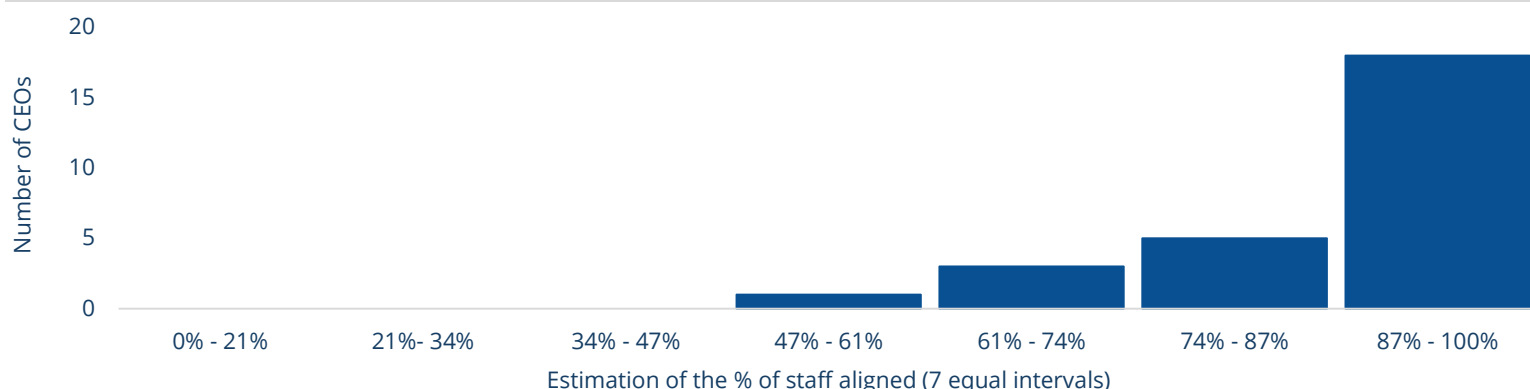
Disability sector: 27 CEOs

Factors influencing executive or senior leader pay decisions



Executive and senior leader pay decisions are driven primarily by governance factors, including financial performance, benchmarking, stakeholder expectations and formal pay policies, which reflect how boards exercise oversight, manage accountability and align remuneration with organisational objectives. Social factors are also evident, with employee retention, motivation and internal equity concerns reflecting workforce and cultural implications of executive pay decisions, including fairness, trust and cohesion. Comparatively, external pressures such as advisory firms, media or political risk have limited influence. CEOs in disability sector organisations were 8 percentage points more likely than total not-for-profits to cite internal equity concerns (employee or union response).

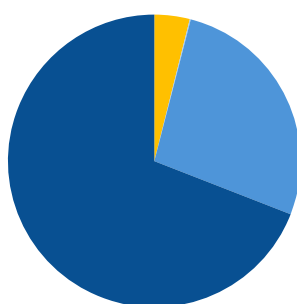
Percentage of staff motivated by sustainability goals



The majority of CEOs believe that staff are highly aligned with the organisation's purpose, including social, environmental, and broader stakeholder objectives, with the average CEO estimating alignment at around 88% of all staff. This percentage is meaningful because it indicates the extent to which that purpose is embedded in employee behaviour, shaping execution capability, cultural coherence, and the credibility of the organisation's ESG commitments.

Willingness to support culture shift for sustainability goals

- Not at all open to change
- Minimally open to change within current norms
- Moderately open to change with structured plans
- Fully open to transformational change



An organisation's willingness to pursue cultural change for sustainability is important because it signals whether environmental and social commitments can be embedded in organisational behaviour and governance, rather than remaining at the level of policy or reporting. 96% of organisations are willing to pursue cultural change to support sustainability goals, with 27% favouring structured change and 69% open to transformational change. Because willingness is high, organisations may benefit from targeted support such as practical tools for embedding sustainability, leadership guidance, and staff or board training to enable deeper, systemic change. CEOs in disability sector organisations were 14 percentage points more likely than total not-for-profits to be fully open to transformational change.

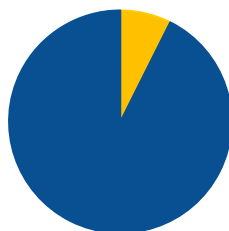
Disability sector: 27 CEOs

Section 4: Sustainability Strategy and Investment Priorities

Impact of **environmental** and **social** investments on organisational value

Do not add value

Add value



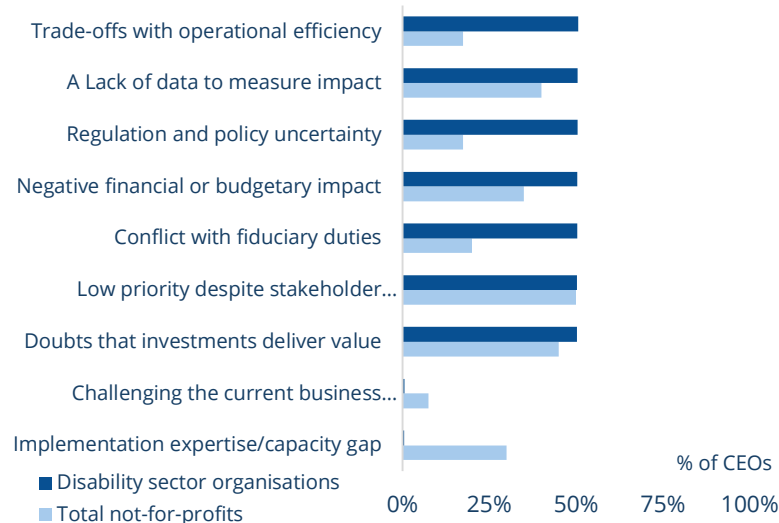
The majority of CEOs (93%) believe investing in environmental and social practices enhances their organisation's value, while 7% say it does not. This highlights that most CEOs view environmental and social practices as value-enhancing, reinforcing their role as a core driver of long-term strategic decision-making rather than a peripheral concern. CEOs in disability sector organisations were 0 percentage points more likely than total not-for-profits to believe these practices add value.

Reasons sustainability adds value



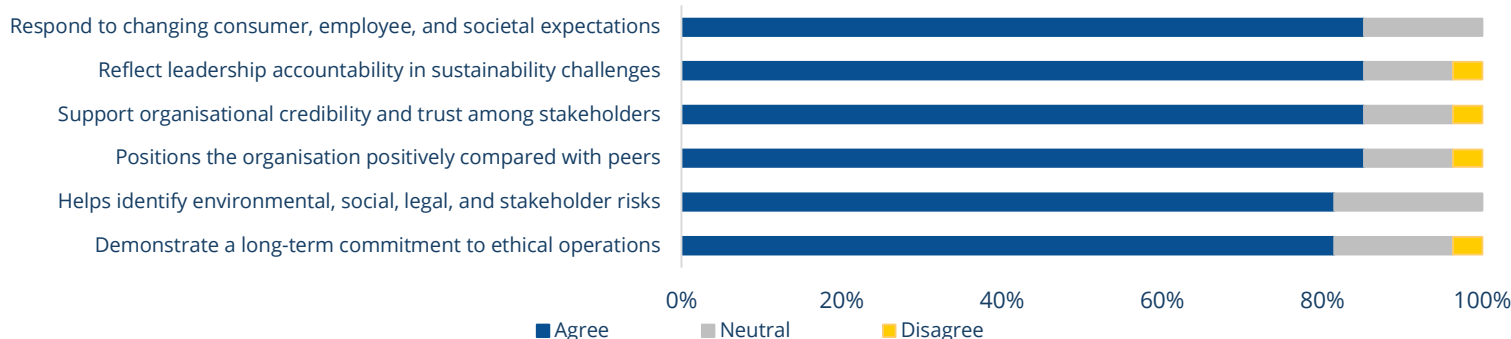
93% of CEOs say sustainable practices enhance their organisation's value, primarily due to ethical responsibility (84%) and alignment with employee values (72%). CEOs in disability sector organisations were 19 percentage points less likely to believe these practices aid in integration into strategy.

Sustainability does not add value due to:



7% of CEOs do not believe that sustainable practices enhance organisational value, primarily due to trade-offs with operational efficiency (51%) or a lack of data to measure impact (50%). Disability sector organisations were 33 percentage points more likely to note the trade-offs with operational efficiency.

Agreement with statements on sustainable business practices

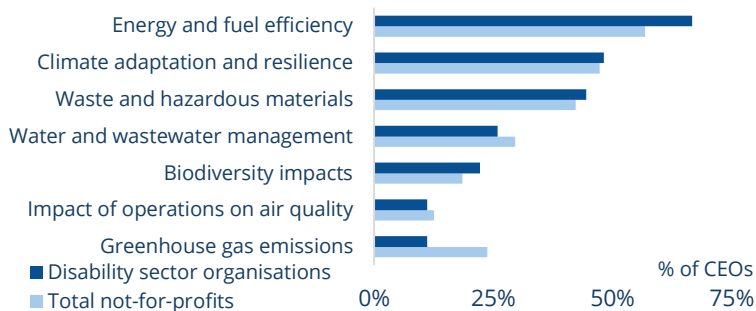


The majority of CEOs agree that sustainable practices respond to changing consumer, employee, and societal expectations (85%), reflect leadership accountability in sustainability challenges (85%) and support organisational credibility and trust among stakeholders (85%). Sustainable business practices are viewed as an integrated driver of competitiveness, stakeholder trust, and risk management, rather than a peripheral activity.

Disability sector: 27 CEOs

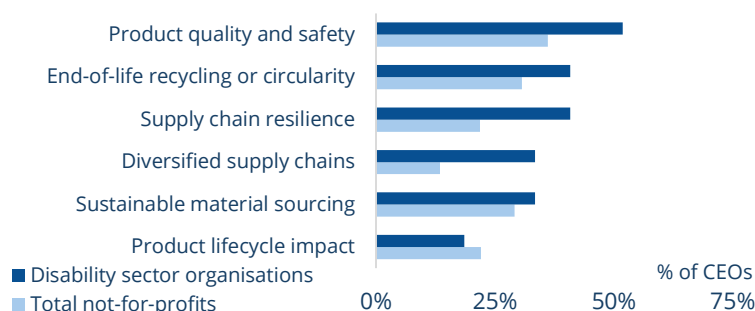
Material **environmental** factors driving strategic priorities and long-term value

Environmental sustainability factors



CEOs view energy and fuel efficiency (67%) and climate adaptation and resilience (48%) as primary environmental drivers of value. Disability sector organisations are less likely to view greenhouse gas emissions as material.

Product and supply chain sustainability factors



CEOs view product quality and safety (52%) and end-of-life recycling or circularity (41%) as the primary drivers of long-term value. Disability sector organisations are more likely to view diversified supply chains as material.

Material **social** factors influencing strategic priorities and long-term value

Workforce sustainability factors



CEOs view employee well-being (96%) and employee health and safety (89%) as the top workforce sustainability value drivers. Disability sector organisations are more likely to see talent development and retention as material.

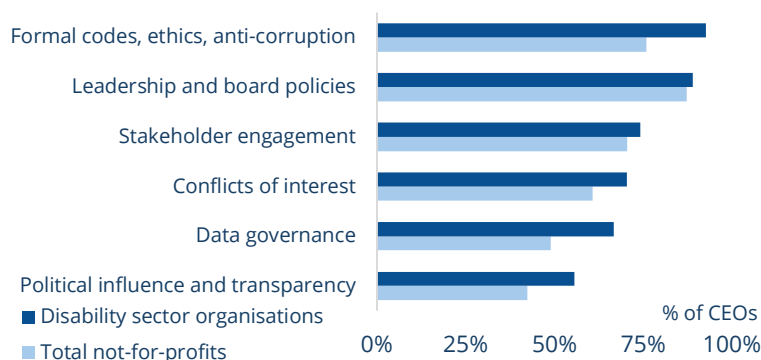
Stakeholder sustainability factors



CEOs view accessibility and inclusive design (100%) and human rights (85%) as primary social stakeholder drivers of long-term value. Disability sector organisations are more likely to view accessibility and inclusive design as material.

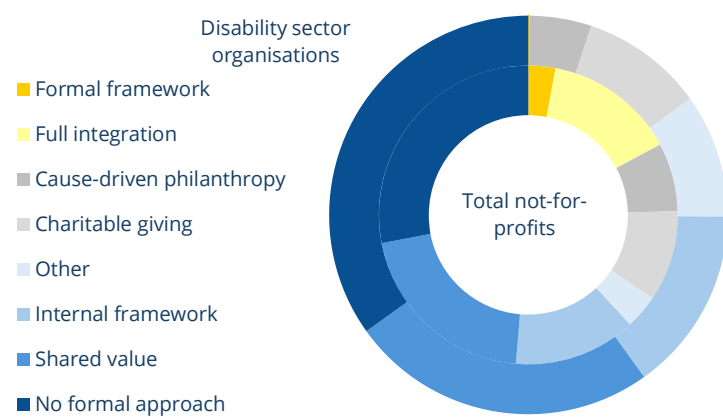
Material **governance** factors

Governance sustainability factors



CEOs view 'formal codes, ethics, anti-corruption' (93%) and 'leadership and board policies' (89%) as the primary governance drivers of long-term value. Disability sector organisations are more likely to consider 'data governance' as material.

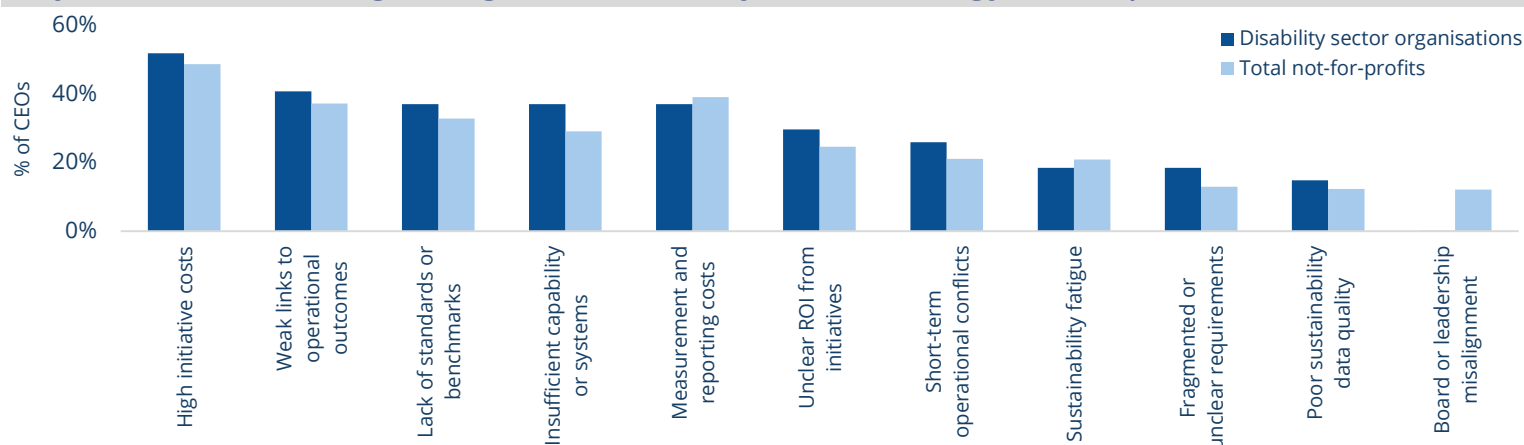
Approach to sustainability strategy



The most common approach to sustainability is none: no formal sustainability approach or initiatives (35%).

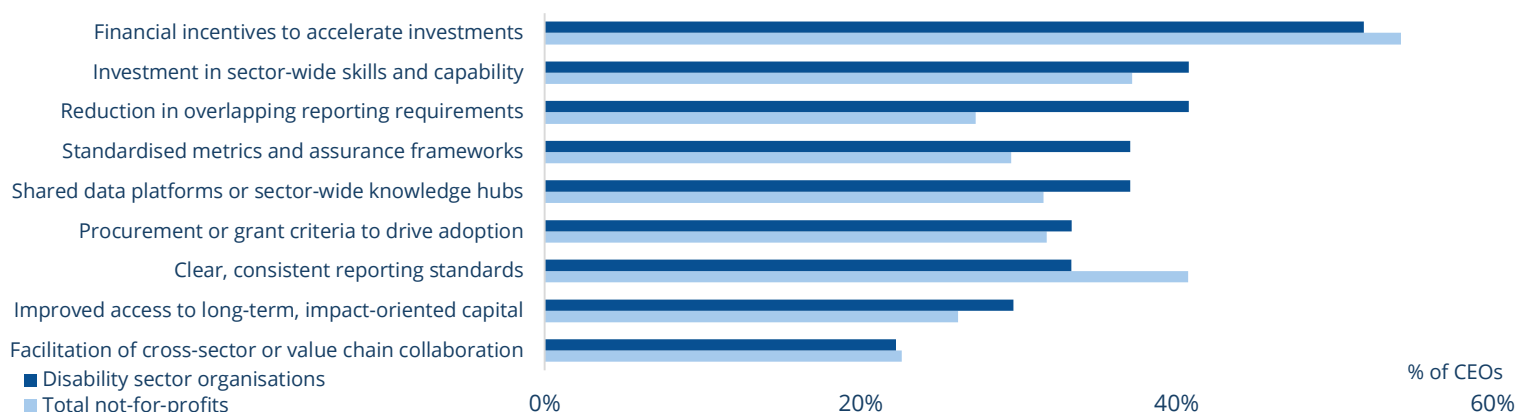
Disability sector: 27 CEOs

Key barriers to integrating sustainability into strategy and operations



Organisations see high initiative costs (52%) as the most common barrier to integrating sustainability into strategy and operations, followed by weak links to operational outcomes (41%) and lack of standards or benchmarks (37%). CEOs in disability sector organisations were 12 percentage points less likely than total not-for-profits to see a board or leadership misalignment as a barrier.

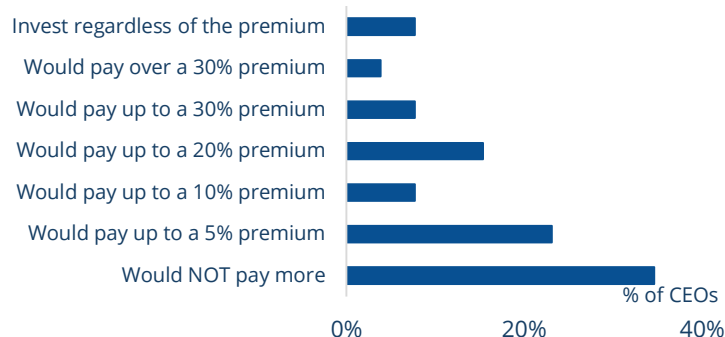
Government or industry body actions that most support sustainability goals



Based on selection frequency, CEOs identify financial incentives to accelerate investments (52%) and investment in sector-wide skills and capability (41%) as the most important actions government or industry bodies can take to support sustainability goals, followed by a reduction in overlapping reporting requirements (41%). CEOs in disability sector organisations were 13 percentage points more likely than total not-for-profits to see a reduction in overlapping reporting requirements as important.

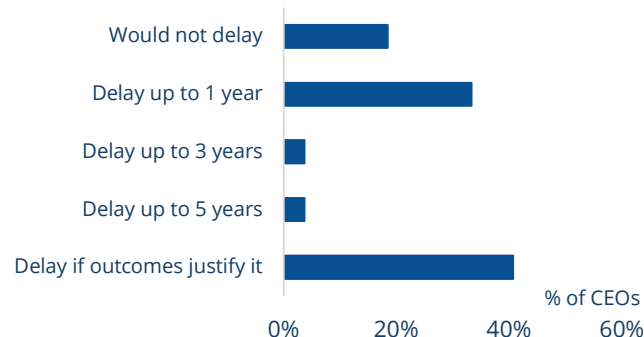
Willingness to pay for greener outcome Tolerance for sustainable project delays

Greener versus conventional options (% of CEOs across premium levels)



31% of CEOs would pay a moderate premium (5%–10%) for greener technology: 35% would pay a premium of over 20%, while 35% would not pay more. CEOs in disability sector organisations were 18 percentage points less likely than total not-for-profits to say they would pay up to a 20% premium.

Time delay for environmental or social gains (% of CEOs by delay length)

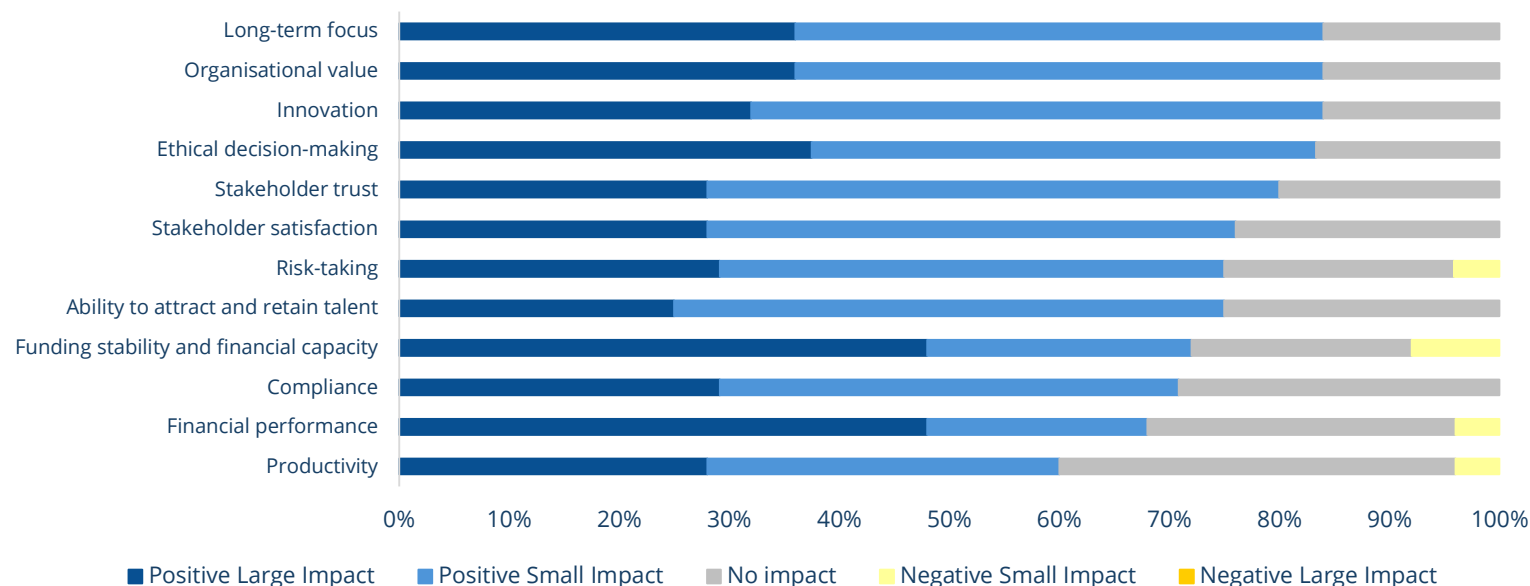


Most CEOs tolerate short delays for higher environmental or social gains: 33% up to 1 year, 7% up to 3–5 years, and 19% would not delay. CEOs in disability sector organisations were 10 percentage points more likely than total not-for-profits to say they would delay if outcomes justify it.

Disability sector: 27 CEOs

Summary: Overall influence on long-term organisational performance

Impact of environmental, social and governance sustainability on factors



ESG sustainability positively impacts long-term performance, particularly long-term focus, value creation and innovation. CEOs in disability sector organisations were 12 percentage points more likely than total not-for-profits to say their ESG approach positively impacts risk-taking.

Demographics: CEOs and Boards

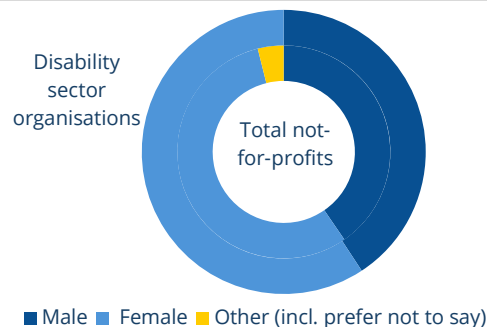
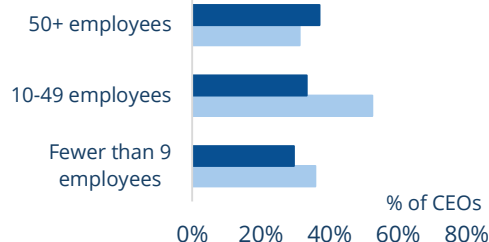
Number of employees

CEO gender identity

For-profit / not-for-profit

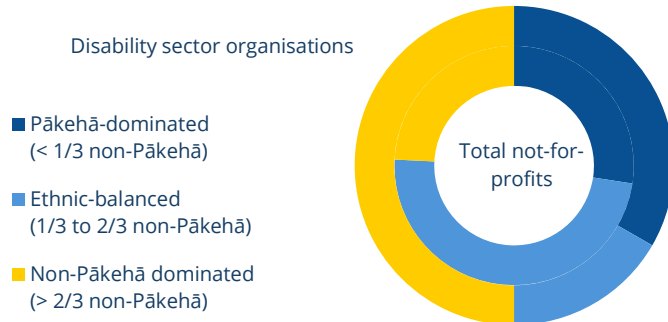
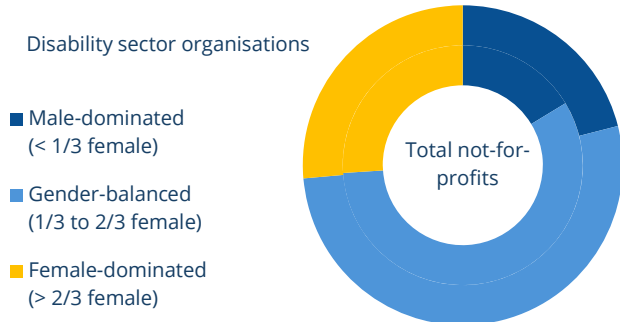
Disability sector organisations

Total not-for-profits



Female board representation

Ethnic board representation



Women comprise 47.4% of the NZ workforce (Household Labour Force Survey, June 2023). The not-for-profit sector is more gender-balanced than the for-profit sector, with just over half of CEOs being women and most boards gender-balanced, with slightly more female- than male-dominated boards.

The 2023 NZ Census showed 47% identify as either Māori (17.8%), Pasifika (8.9%), Asian (17.3%), or other (3%), with 53% primarily NZ European/Pākehā. Not-for-profit boards closely reflect this ethnic diversity, indicating comparatively stronger ethnic representation in governance than in for-profit boards.