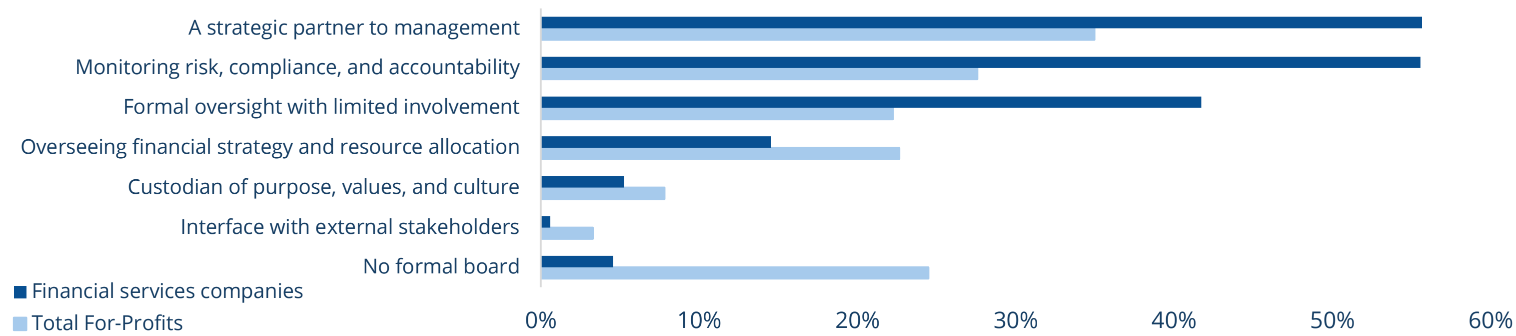
Financial services: 22 CEOs

June 2026

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 (56%), followed by monitoring risk, compliance, and accountability (56%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%). Financial services companies were 28 percentage points more likely than total for-profits to report monitoring risk, compliance, and accountability as their board's primary purpose.

Board and management alignment

Alignment between board and management roles is important for governance because it underpins clear decision rights, accountability, and effective oversight. Alignment is generally strong, with 55% 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.

Board structure and composition for effective governance

Boards most commonly report that their structure ensures integrated financial and non-financial reporting (62%) and aligns composition to reflect stakeholder experience and perspectives (57%). In contrast, fewer report that their board structure oversees performance metrics on culture (33%) and oversees performance metrics on sustainability (20%), highlighting an opportunity to strengthen how board structures support broader organisational priorities. Financial services companies are 31 percentage points more likely to report that their board fully 'aligns composition to reflect the gender and ethnic diversity of stakeholders'.

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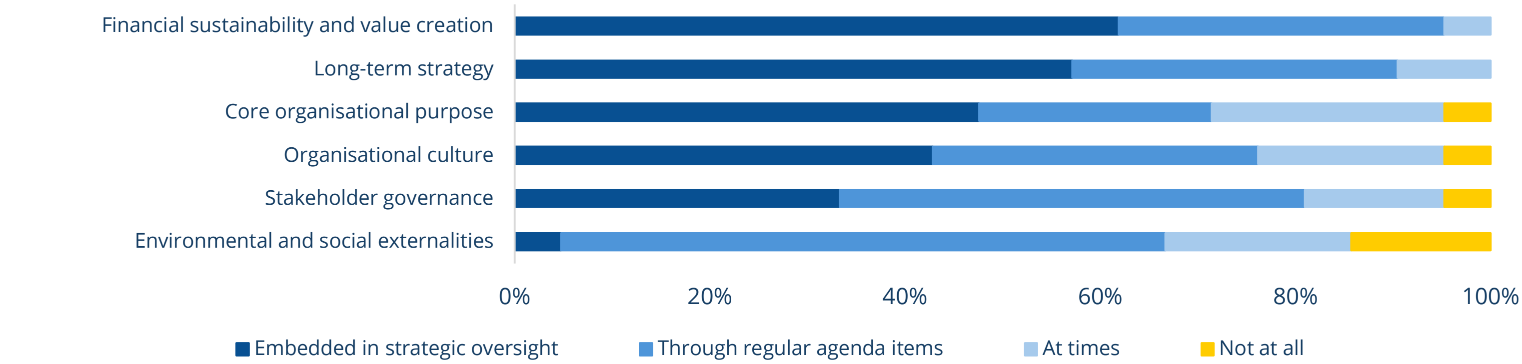
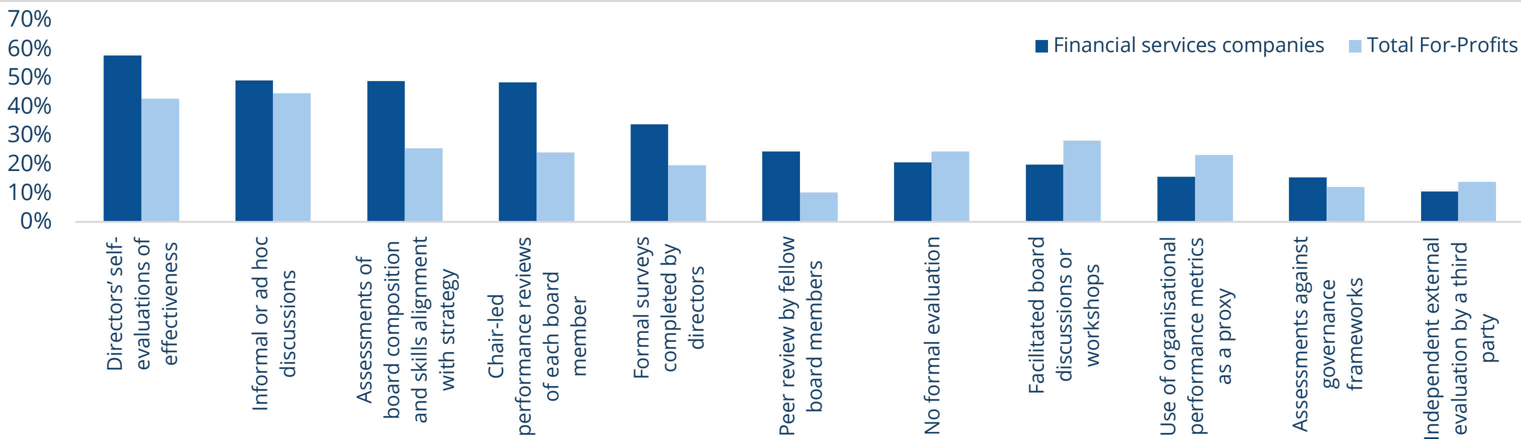
Extent of formal board oversight across key areas



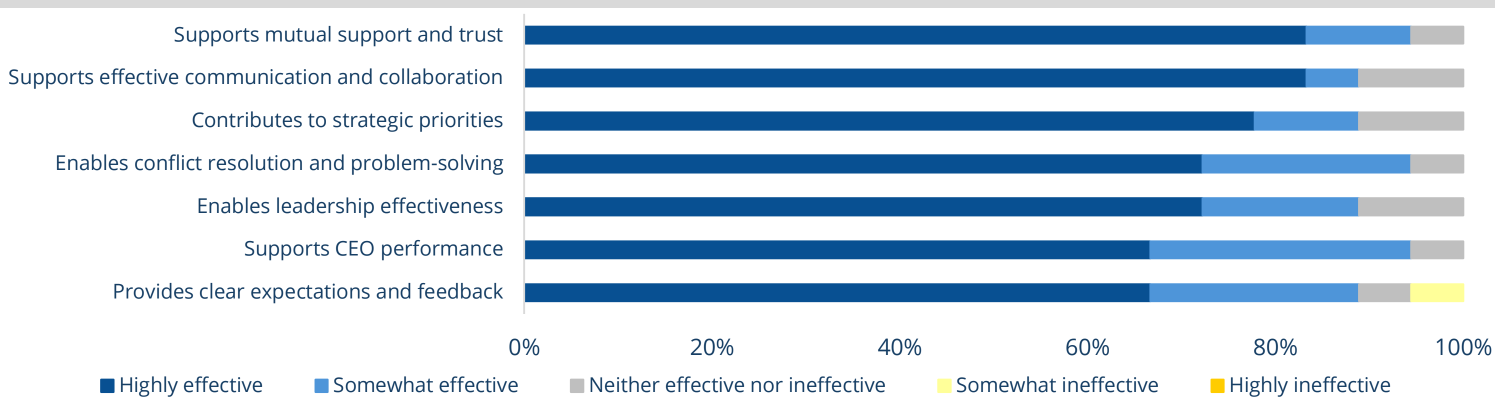
Many boards embed oversight of financial sustainability and value creation (62%), long-term strategy (57%), and core organisational purpose (48%) within strategic oversight. However, fewer boards embed organisational culture (43%), stakeholder governance (33%), and environmental and social externalities (5%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value. Financial services companies are more likely to report that their board embeds organisational culture 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 58% relying on directors' self-evaluations of effectiveness and 49% using informal or ad hoc discussions, many boards have an opportunity to strengthen oversight and better enable organisational performance by adopting more formal, objective evaluation methods. Financial services companies are more likely to rely on chair-led performance reviews of each board member.

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: 83% of CEOs rated the chair ''highly effectively'' 'supports mutual support and trust', followed by 'supports effective communication and collaboration' (83%), and 'contributes to strategic priorities' (78%). The lower ratings for 'supports CEO performance' and 'provides clear expectations and feedback' indicate opportunities to strengthen these relationships to enhance the CEO's ability to lead optimally.

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Board effectiveness in enabling organisational purpose

Even some of the strongest boards have room for improvement: 76% of CEOs rate their board as 'highly effective' in supporting oversight of compliance and organisational risks, followed by 57% in supporting constructive board culture and dynamics, and 52% in providing strategic guidance and decision-making. More than 24% 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. Financial services companies are more likely than total for-profits to rate highly on 'supporting oversight of compliance and organisational risks' 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 38% highlighting stronger member engagement and commitment, 38% improved focus on long-term rather than short-term concerns, and 33% greater willingness to take the right level of strategic risk. Financial services companies are 21 percentage points more likely than total for-profits to identify 'stronger member engagement and commitment to enable organisational purpose' as a way to enhance organisational performance.

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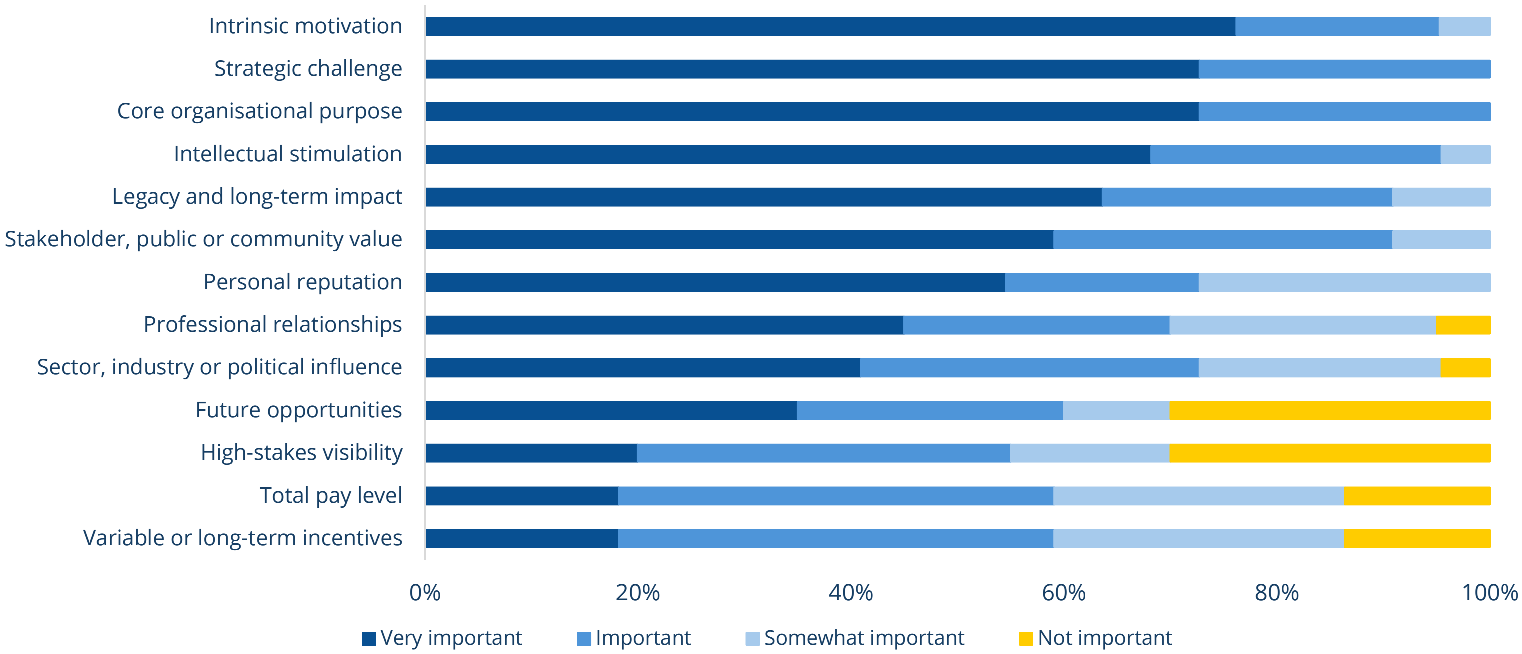
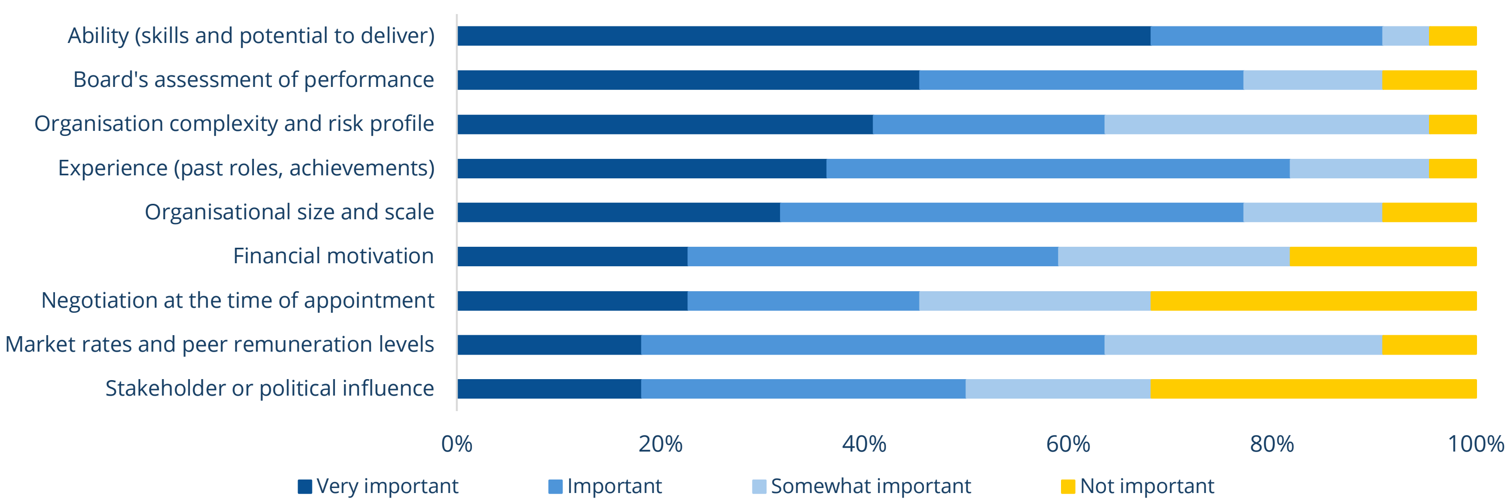
Section 2: CEO Personal Motivation, Values, and Alignment

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 intrinsic and purpose-driven motivations rank highest, followed by reputation-related motivations, while financial or visibility-related factors are least prominent. Specifically, 76% of CEOs rated intrinsic motivation as very important, followed by strategic challenge (73%) and core organisational purpose (73%), whereas only 18% rated total pay level and 18% rated variable or long-term incentives 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, 68% rating ability (skills and potential to deliver), 45% board's assessment of performance and 41% organisation complexity and risk profile as very important determinants of pay, compared with 23% for negotiation at the time of appointment, 18% for market rates and peer remuneration levels and 18% for stakeholder or political influence. CEOs view remuneration as recognition of the strategic value they are expected to create and the risks they assume in delivering organisational outcomes. Financial services companies are 12 percentage points more likely than total for-profits to consider the negotiation at the time of appointment as a key determinant.

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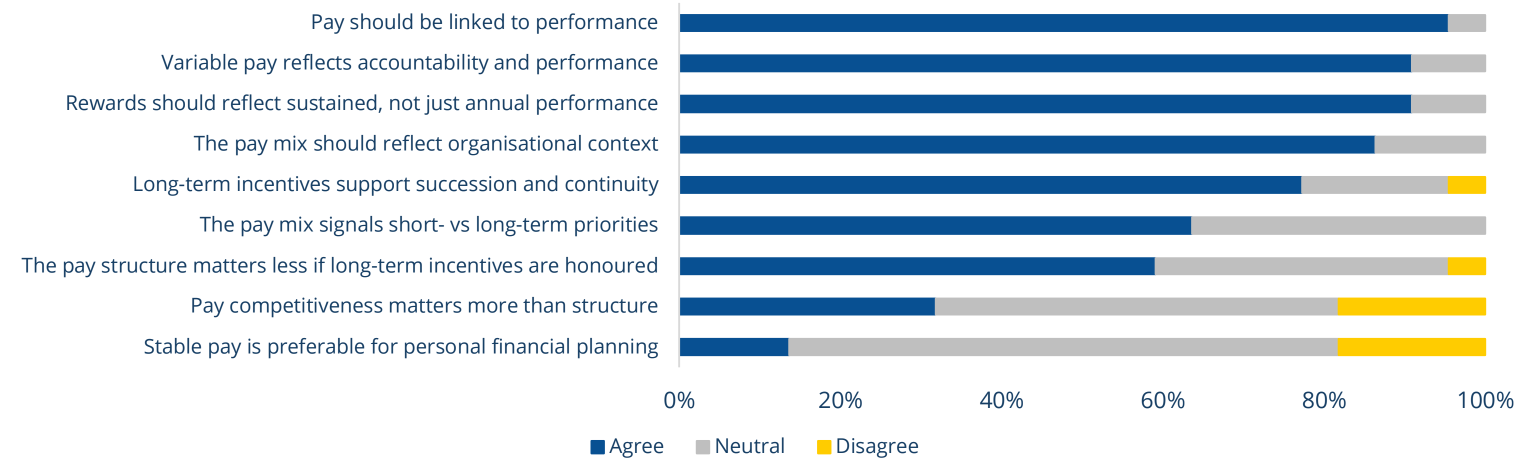
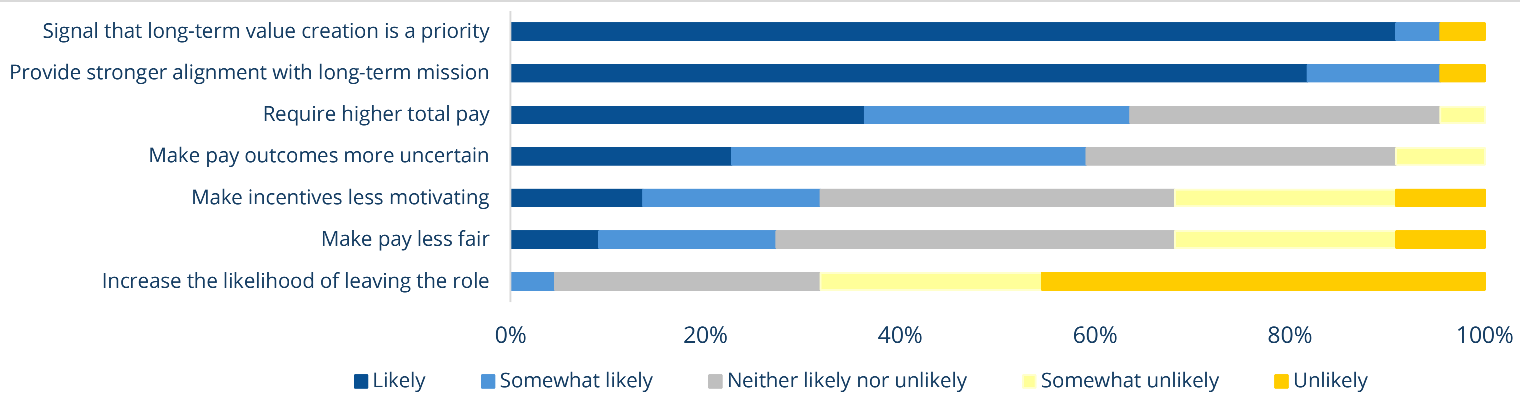
CEO's views on fixed and variable pay



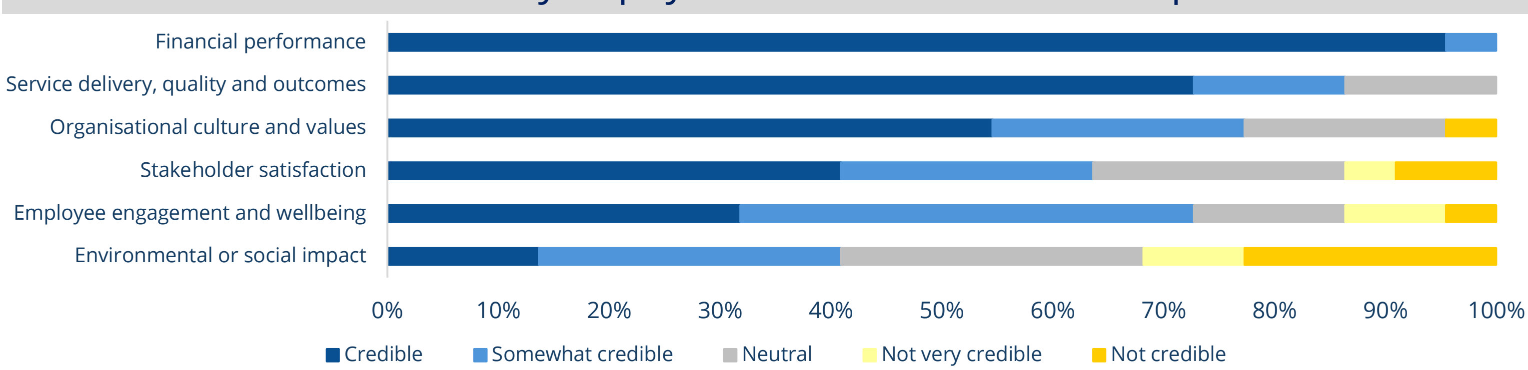
Most CEOs agree that 'pay should be linked to performance' (95%), that 'variable pay reflects accountability and performance' (91%), and that 'rewards should reflect sustained, not just annual performance' (91%). In comparison, CEOs are most neutral on 'stable pay is preferable for personal financial planning' (68%) and on whether 'pay competitiveness matters more than structure' (50%), indicating comfort with variable-based pay structures. CEO responses show limited evidence of self-interested, short-term or rent-extractive behaviour as 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' (95%) and 'provide stronger alignment with long-term mission' (95%). 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 'financial performance' (95%) and 'service delivery, quality and outcomes' (73%), moderately credible for 'organisational culture and values' (55%) and 'stakeholder satisfaction' (41%), and least credible for 'employee engagement and wellbeing' (32%) and 'environmental or social impact' (14%). Many see these measures as somewhat credible, with very few rating any measure as not credible. Financial services companies are 21 percentage points less likely than total for-profits to agree that employee engagement and wellbeing are a credible and fair way to assess CEO performance.

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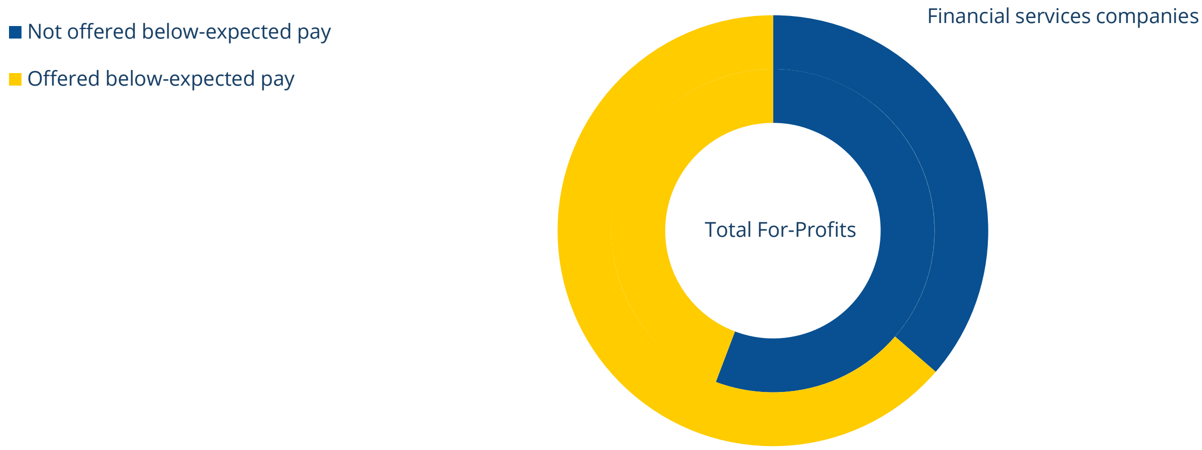
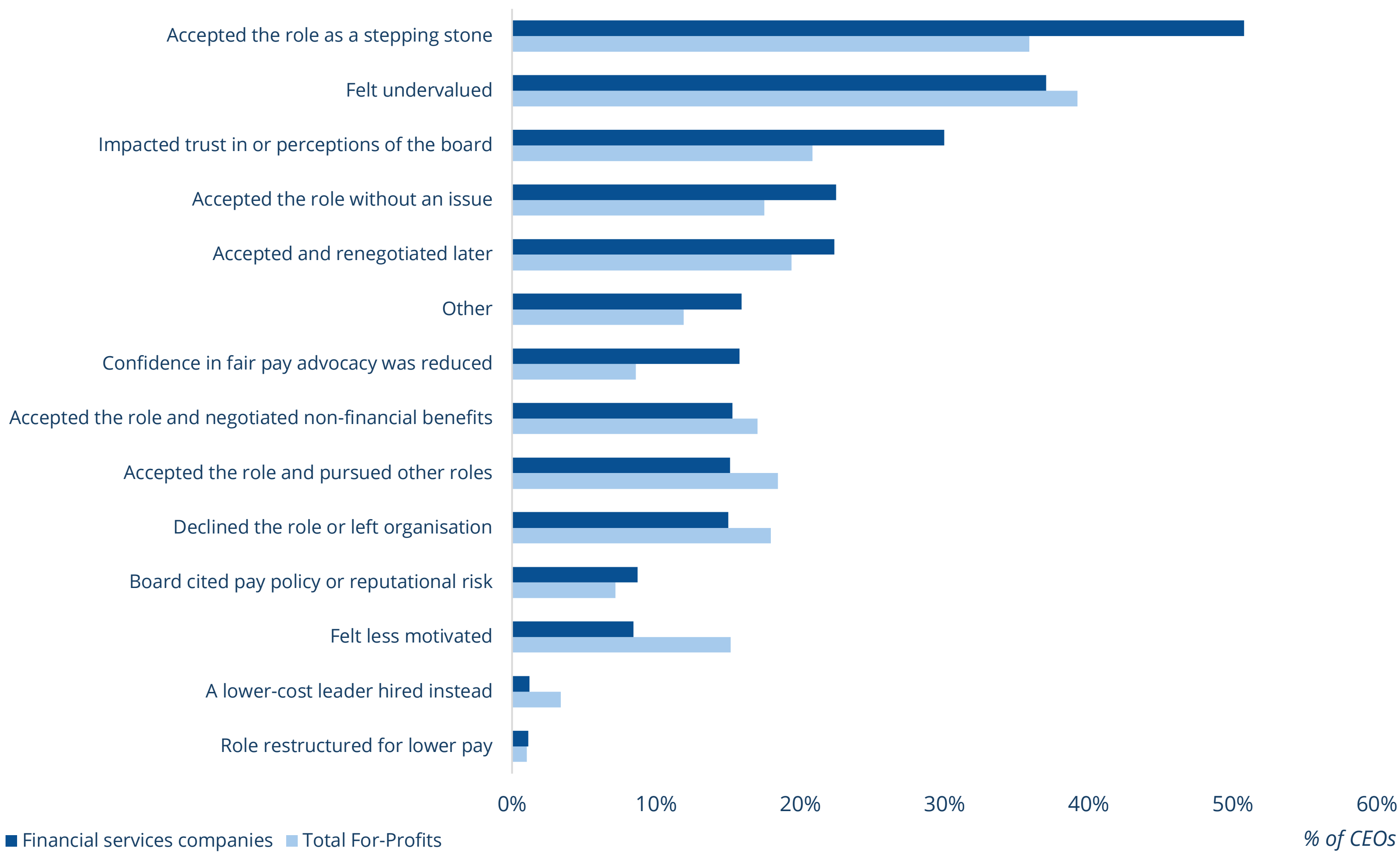
CEOs offered below-expected remuneration during their time in leadership



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, 64% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 36% did not. CEOs in financial services companies were 20 percentage points more likely than total 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 (51%) 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 financial services companies were 15 percentage points more likely than total for-profits to have accepted the role as a stepping stone.

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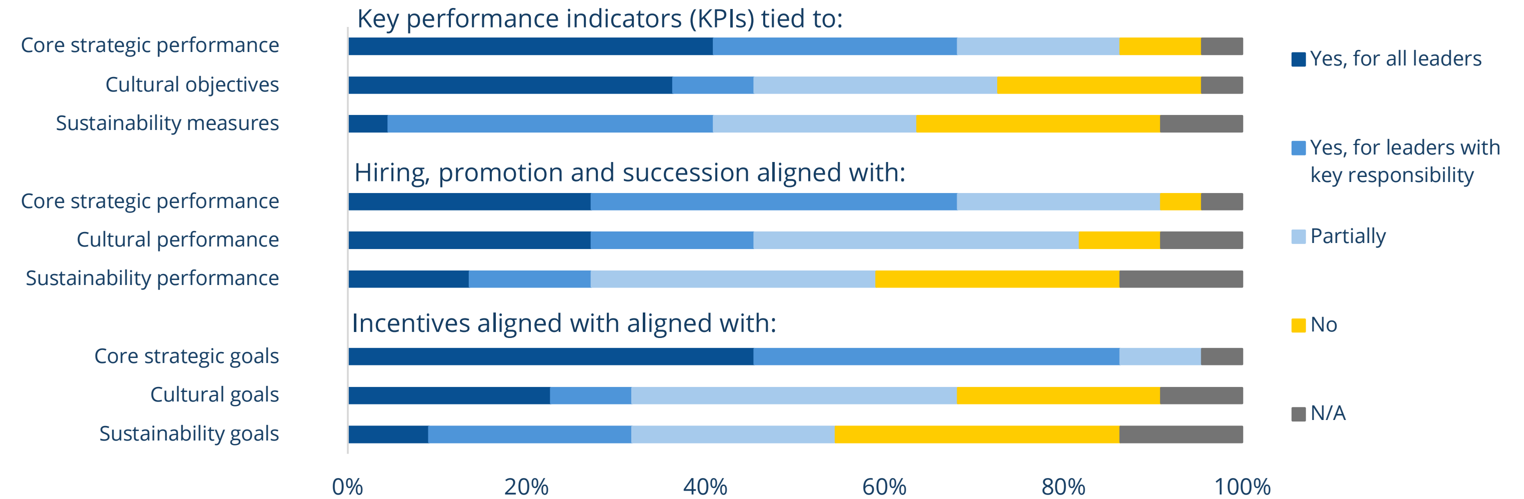
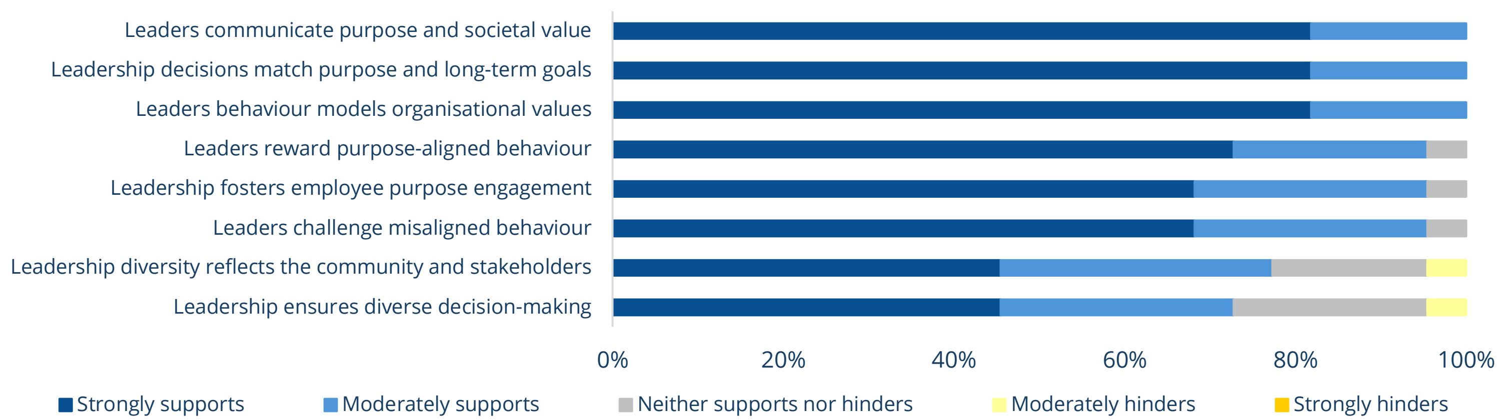
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

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



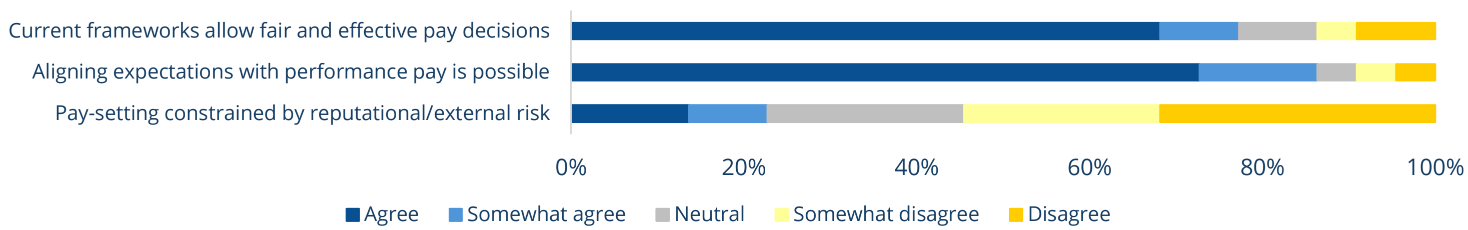
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 68% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs, compared with 45% for culture and 27%–41% 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 68% and 82% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling, decision-making and behavioural reinforcement. In comparison, only 45% believe leadership diversity reflects the community and stakeholders, and 45% say leadership ensures diverse decision-making, 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. 77% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 86% agree or somewhat agree that expectations can be aligned with performance pay. In contrast, 23% perceive pay-setting to be constrained by reputational or external risk.

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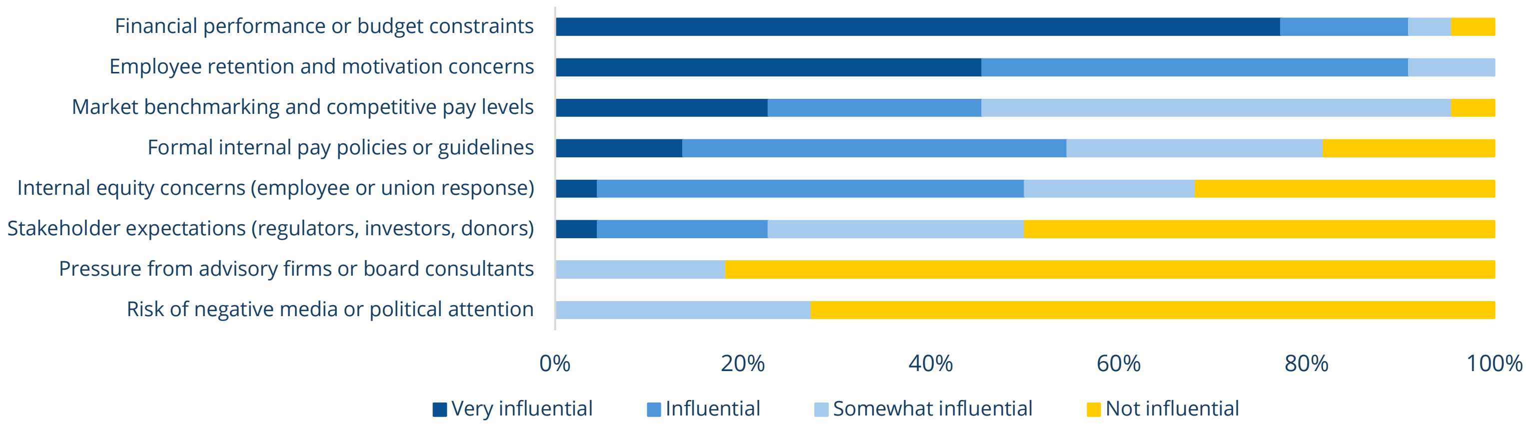
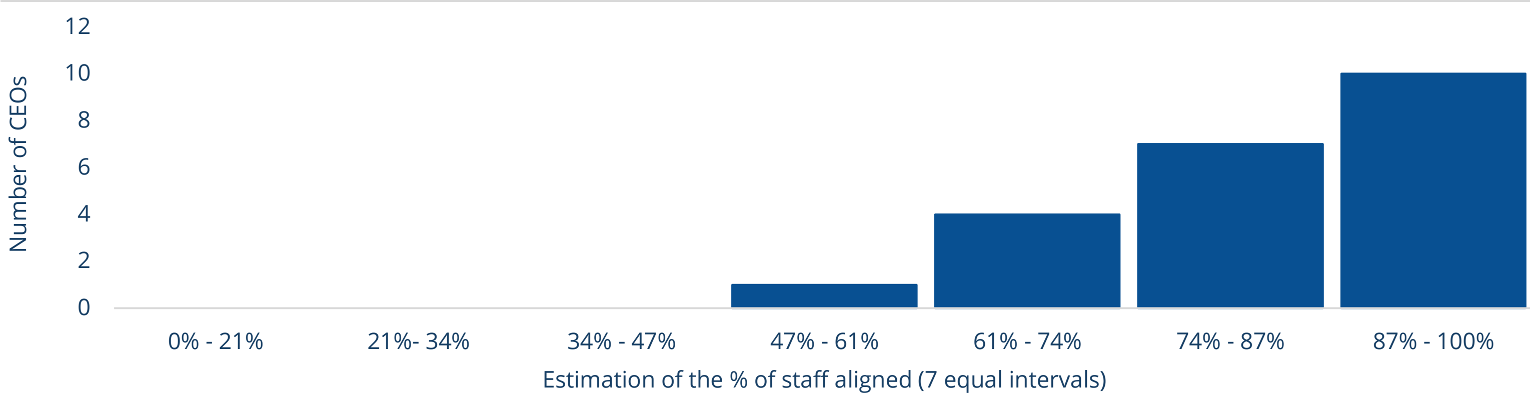
Factors influencing executive or senior leader pay decisions



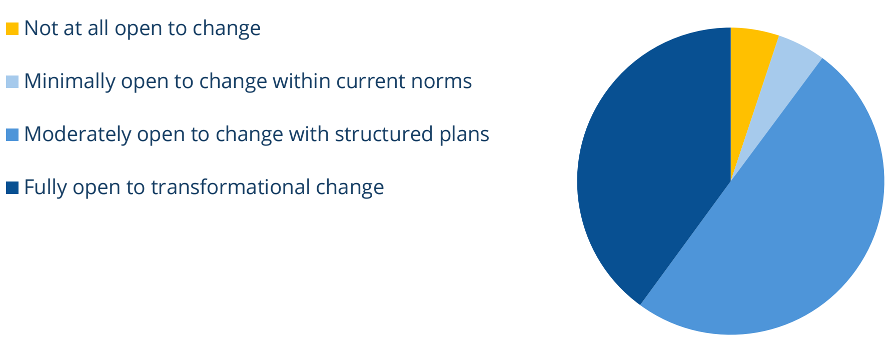
Executive and senior leader pay decisions are driven primarily by governance factors, including financial performance, benchmarking, stakeholder expectations and formal pay policies, which reflect how boards exercise oversight, manage accountability and align remuneration with organisational objectives. 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 financial services companies were 27 percentage points more likely than total for-profits to cite financial performance or budget constraints.

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 83% 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



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.90% of organisations are willing to pursue cultural change to support sustainability goals, with 50% favouring structured change and 40% 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 financial services companies were 11 percentage points less likely than total for-profits to be minimally open to change within current norms.

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Section 4: Sustainability Strategy and Investment Priorities

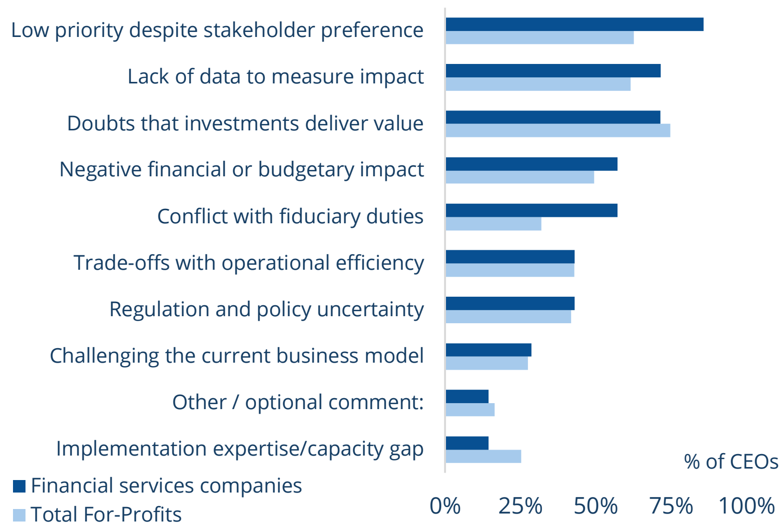
Impact of **environmental** and **social investments** on organisational value

The majority of CEOs (68%) believe investing in environmental and social practices enhances their organisation's value, while 32% 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 financial services companies were 13 percentage points less likely than total for-profits to believe these practices add value.

Reasons sustainability adds value

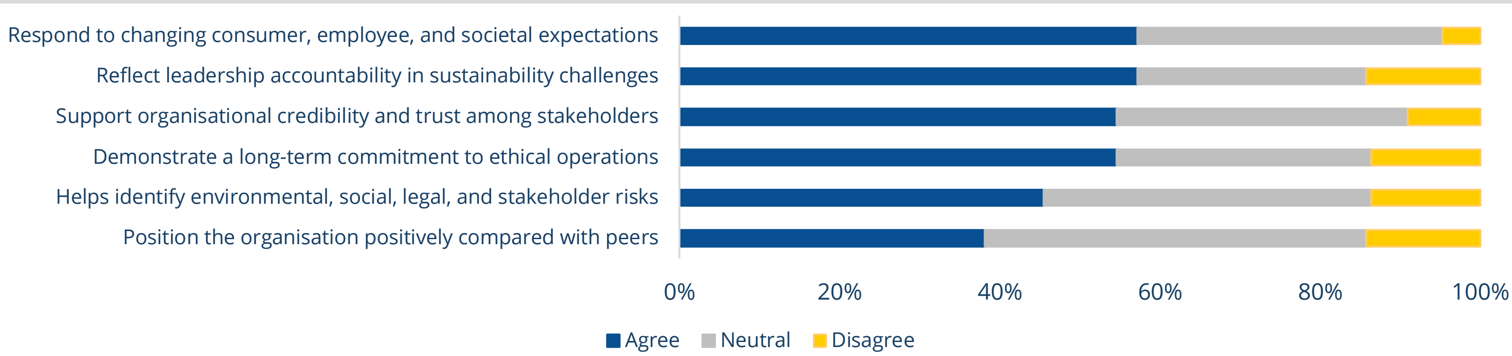
68% of CEOs say sustainable practices enhance their organisation's value, primarily due to ethical responsibility (67%), alignment with employee values (67%), and integration into strategy (53%). CEOs in financial services companies were 21 percentage points less likely to believe these practices are becoming more material.

Sustainability does not add value due to:



32% of CEOs do not believe that sustainable practices enhance organisational value, primarily due to low priority despite stakeholder preference (86%) or lack of data to measure impact (72%). Financial services companies are more likely to believe that these practices have a conflict with fiduciary duties.

Agreement with statements on sustainable business practices



The majority of CEOs agree that sustainable practices respond to changing consumer, employee, and societal expectations (57%), reflect leadership accountability in sustainability challenges (57%) and support organisational credibility and trust among stakeholders (55%). Sustainable business practices are viewed as an integrated driver of competitiveness, stakeholder trust, and risk management, rather than a peripheral activity.

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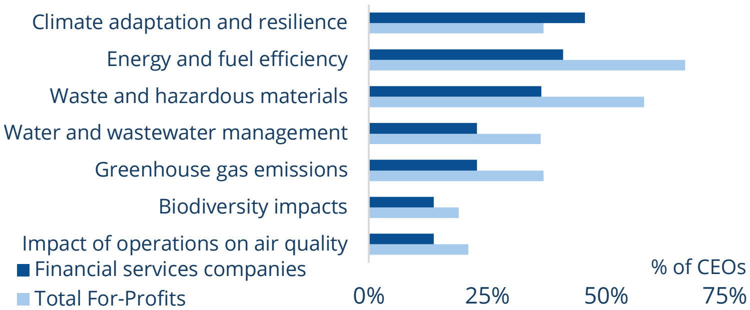
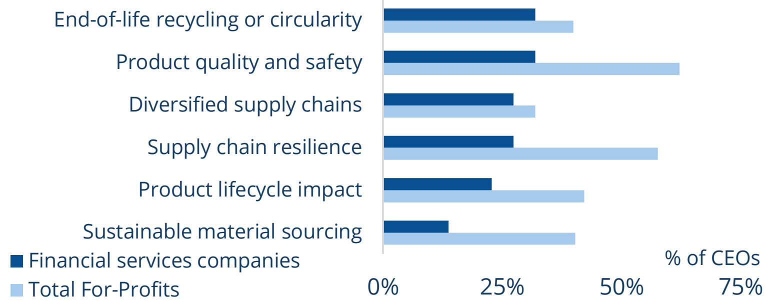
Material **environmental** factors driving strategic priorities and long-term value

Environmental sustainability factors



CEOs view climate adaptation and resilience (46%) and energy and fuel efficiency (41%) as the primary drivers of long-term environmental value. Financial services companies are less likely to view energy and fuel efficiency as material.

Product and supply chain sustainability factors



CEOs view end-of-life recycling or circularity (32%) and product quality and safety (32%) as the primary drivers of long-term product and supply chain value. Financial services companies are less likely to view supply chain resilience as material.

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

Workforce sustainability factors

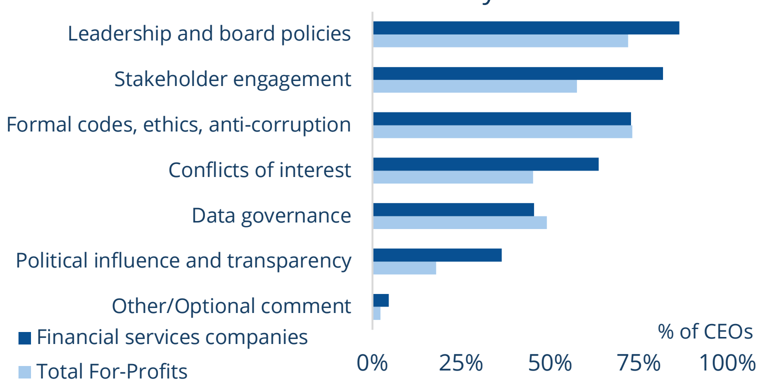
CEOs view employee well-being (91%) and employee health and safety (91%) as the primary workforce sustainability value drivers. Financial services companies are less likely to consider workforce sustainability skills as material.

Stakeholder sustainability factors

CEOs view data security and privacy (82%) and customer sustainability satisfaction (64%) as the primary social stakeholder drivers of long-term value. Financial services companies are more likely to view data security and privacy as material.

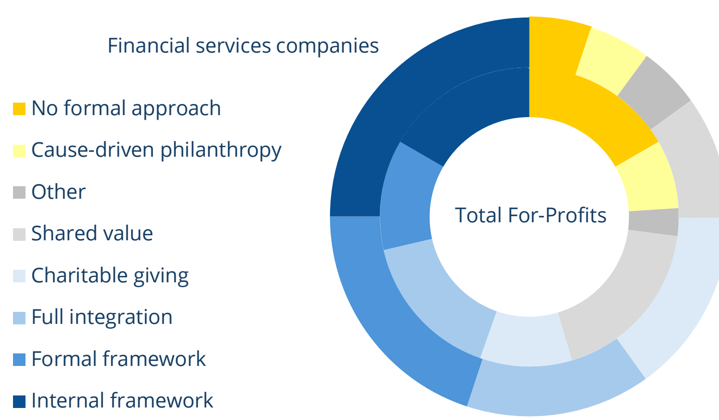
Material governance factors

Governance sustainability factors



CEOs view 'leadership and board policies' (86%) and 'stakeholder engagement' (82%) as the top governance drivers of value. Financial services companies are more likely to consider 'stakeholder engagement' as material.

Approach to sustainability strategy



The most common approach to sustainability is a internal framework: custom sustainability approach developed without formal external standards (25%).

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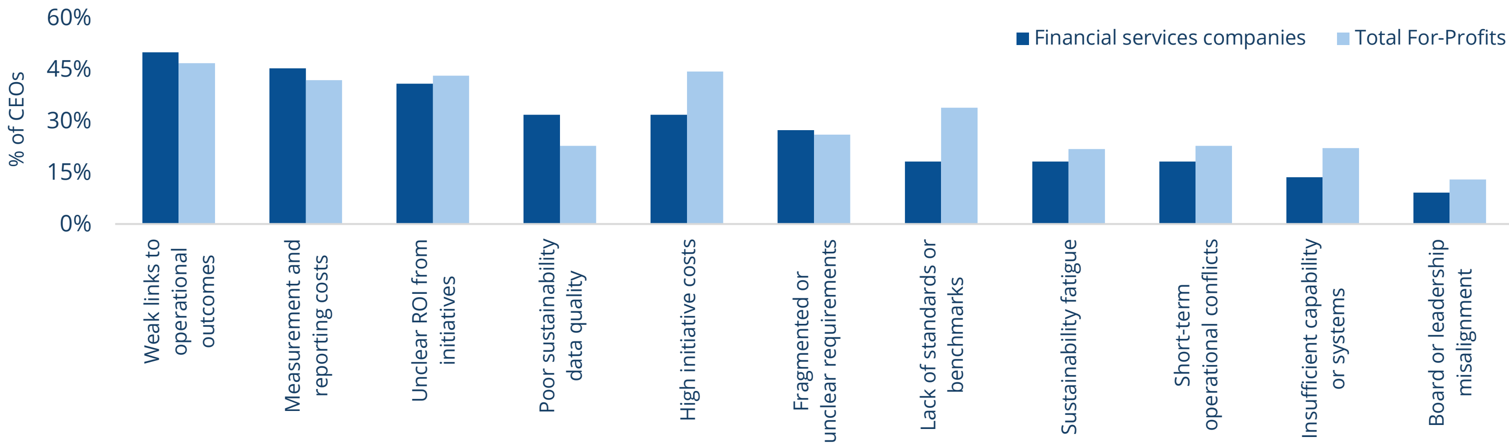
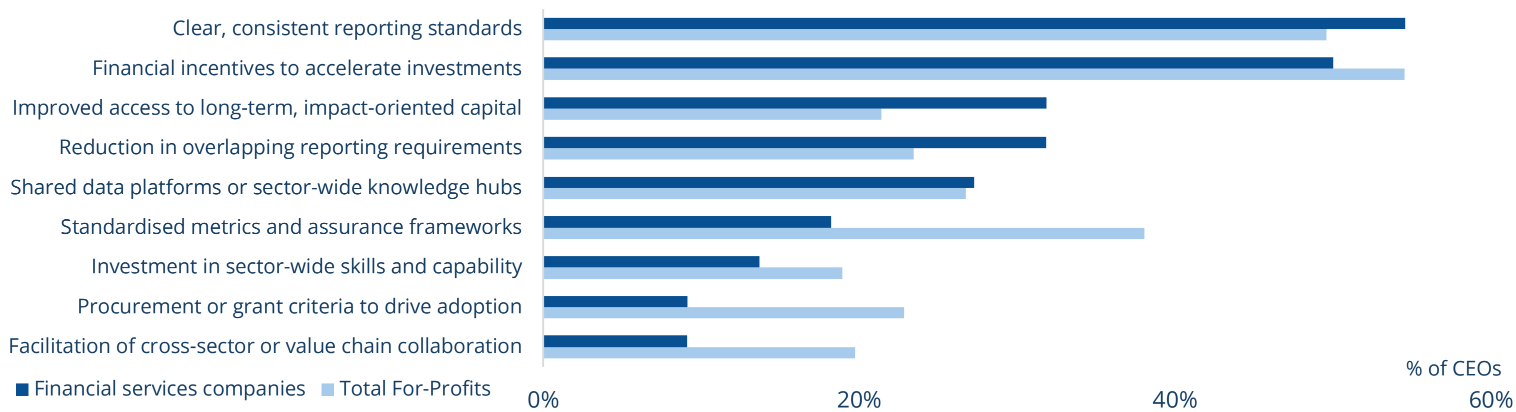
Key barriers to integrating sustainability into strategy and operations



Organisations see weak links to operational outcomes (50%) as the most common barrier to integrating sustainability into strategy and operations, followed by measurement and reporting costs (45%) and unclear ROI from initiatives (41%). CEOs in financial services companies were 16 percentage points less likely than total for-profits to see a lack of standards or benchmarks as a barrier.

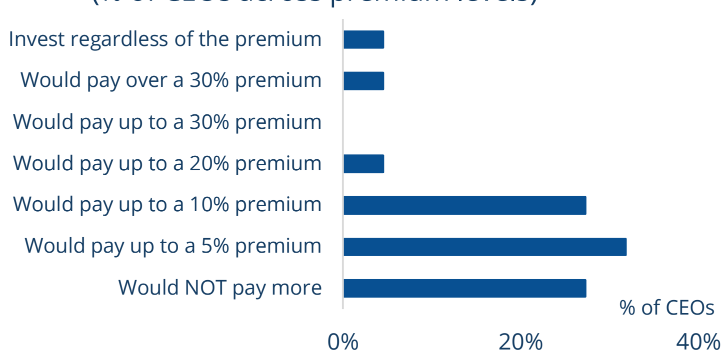
Government or industry body actions that most support sustainability goals



Based on selection frequency, CEOs identify clear, consistent reporting standards (55%) and financial incentives to accelerate investments (50%) as the most important actions government or industry bodies can take to support sustainability goals, followed by improved access to long-term, impact-oriented capital (32%). CEOs in financial services companies were 20 percentage points less likely than total for-profits to see standardised metrics and assurance frameworks as important.

Willingness to pay for greener outcome

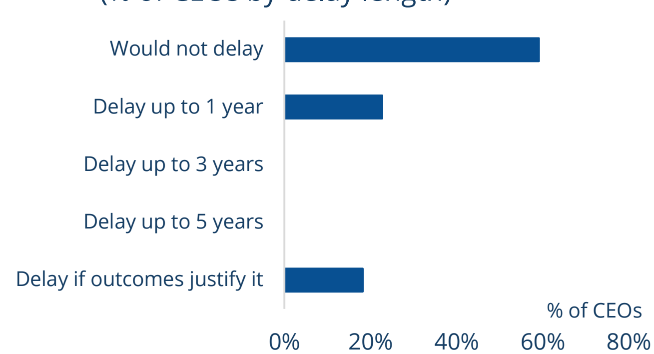
Greener versus conventional options (% of CEOs across premium levels)



59% of CEOs would pay a moderate premium (5%–10%) for greener technology: 14% would pay a premium of over 20%, while 27% would not pay more. CEOs in financial services companies were 14 percentage points more likely than total for-profits to say they would pay up to a 5% premium.

Tolerance for sustainable project delays

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



Most CEOs tolerate short delays for higher environmental or social gains: 23% up to 1 year, 0% up to 3–5 years, and 59% would not delay. CEOs in financial services companies were 16 percentage points more likely than total for-profits to say they would not delay.

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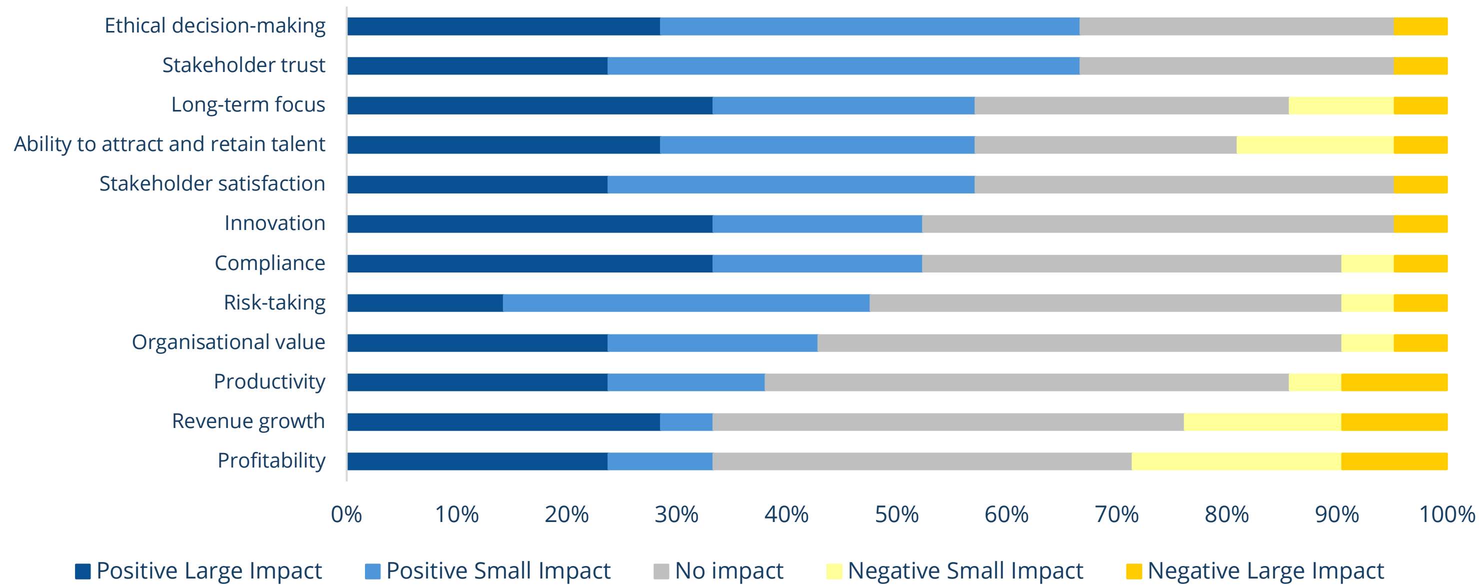
Summary: Overall influence on long-term organisational performance

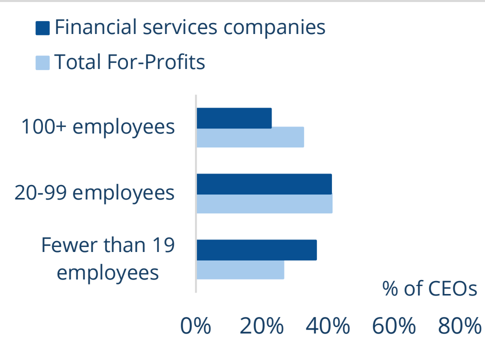
Impact of environmental, social and governance sustainability on factors



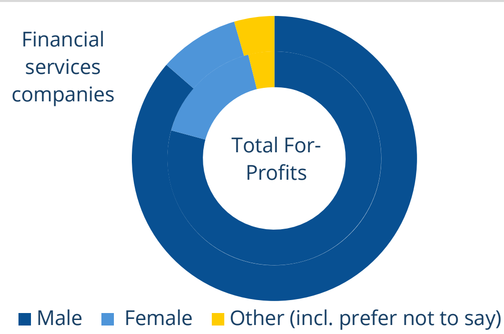
Environmental, social and governance sustainability positively impacts long-term performance, particularly ethical decision-making and stakeholder trust. CEOs in financial services companies were 30 percentage points less likely than total for-profits to say their ESG approach positively impacts organisational value.

Demographics: Financial services CEOs and Boards

Number of employees

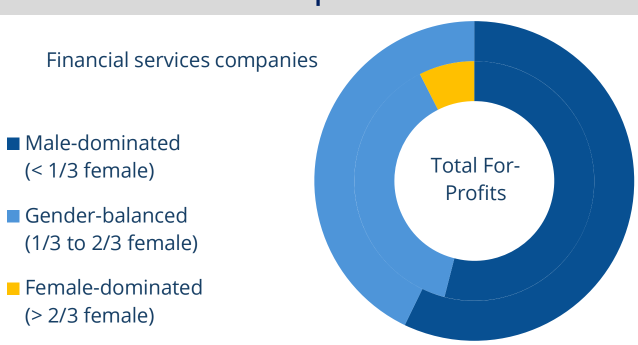


CEO gender identity

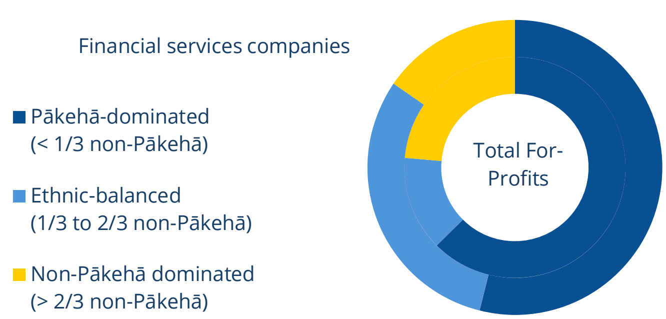


For-profit / not-for-profit

Female board representation



Ethnic board representation



Women comprise 47.4% of the NZ workforce (Household Labour Force Survey, June 2023, highlighting the importance of examining the systemic barriers that limit their progression to leadership and governance roles.

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. Boards do not reflect this, emphasising the need to understand the barriers.

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