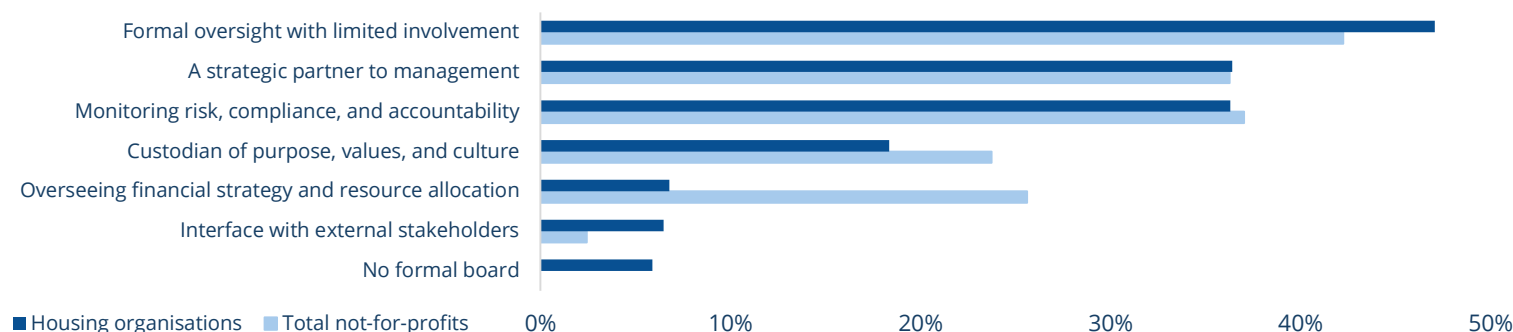


Section 1: Purpose-led Governance and Board Leadership

Primary Purpose of Board



CEOs most frequently identify their board's primary purpose as formal oversight with limited involvement (47%), followed by a strategic partner to management (36%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%). Housing organisations were 19 percentage points less likely than total not-for-profits to report 'overseeing financial strategy and resource allocation' as their board's primary purpose.

Board and management alignment



Alignment between boards and management understanding and respecting their roles is generally strong, with 31% 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. Housing organisations are 11 percentage points more likely to report that board and management roles are partly aligned.

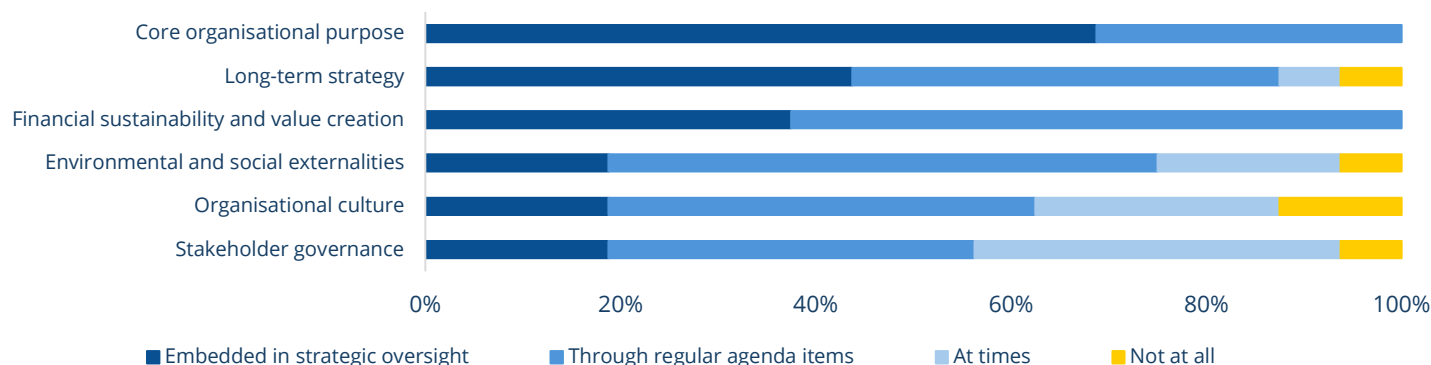
Board structure and composition for effective governance



Boards most commonly report that their structure ensures integrated financial and non-financial reporting (56%) and aligns composition to reflect skills and expertise for long-term strategy oversight (38%). In contrast, fewer report that their board structure aligns composition to reflect stakeholder experience and perspectives (31%) and oversees performance metrics on culture (27%), highlighting an opportunity to strengthen how board structures support broader organisational priorities. Housing organisations are 19 percentage points less likely to report that their board fully aligns composition to reflect stakeholder experience and perspectives.

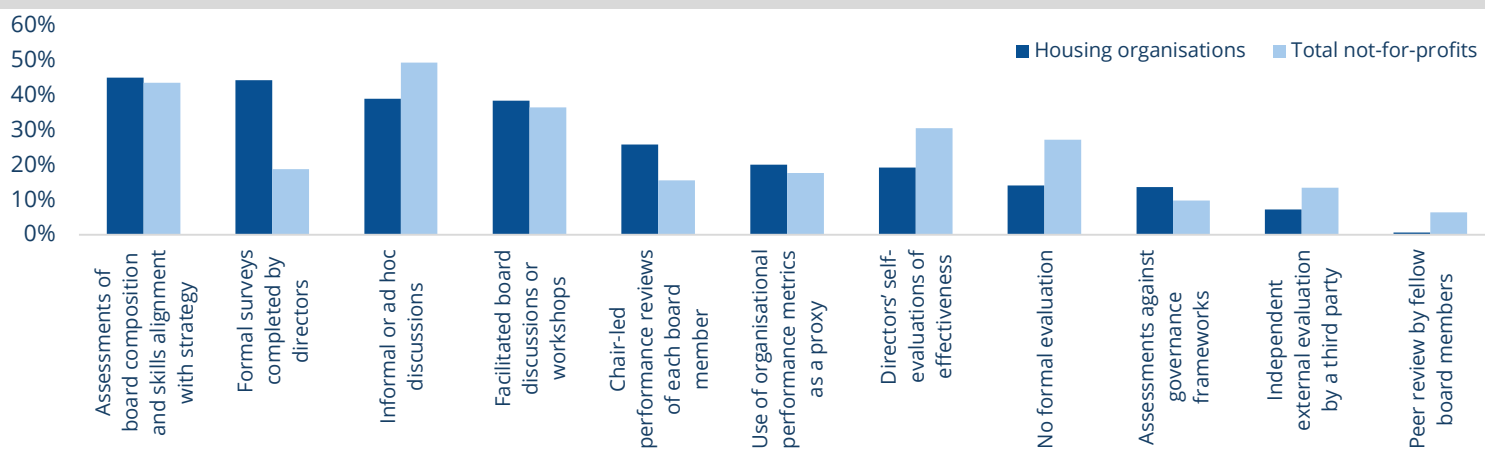
Housing: 17 CEOs

Extent of formal board oversight across key areas



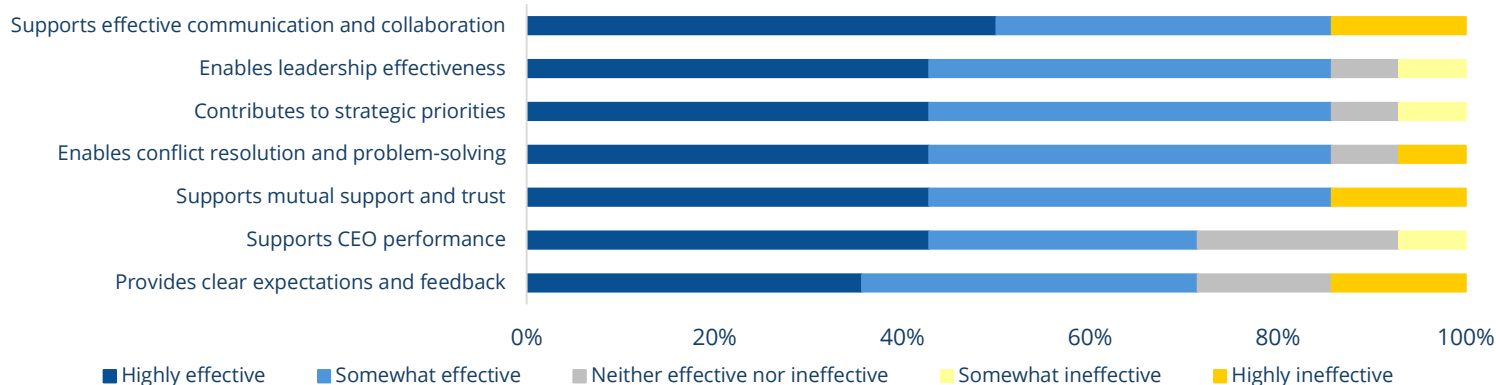
Many boards embed oversight of core organisational purpose (69%), long-term strategy (44%), and financial sustainability and value creation (38%) within strategic oversight. However, fewer boards embed environmental and social externalities (19%), organisational culture (19%), and stakeholder governance (19%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value. Housing organisations are less likely to report that their board embeds long-term strategy 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 45% relying on assessments of board composition and skills alignment with strategy and 44% using formal surveys completed by directors, many boards have an opportunity to strengthen oversight and better enable organisational performance by adopting more formal, objective evaluation methods. Housing organisations are more likely to rely on 'formal surveys completed by directors'.

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: 50% of CEOs rated the chair "highly effectively" 'supports effective communication and collaboration', followed by 'enables leadership effectiveness' (43%), and 'contributes to strategic priorities' (43%). 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.

Housing: 17 CEOs

Board effectiveness in enabling organisational purpose



Even some of the strongest boards have room for improvement: 56% of CEOs rate their board as 'highly effective' in supporting long-term orientation, followed by 50% in supporting oversight of compliance and organisational risks, and 50% in supporting constructive board culture and dynamics. More than 44% 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. Housing 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

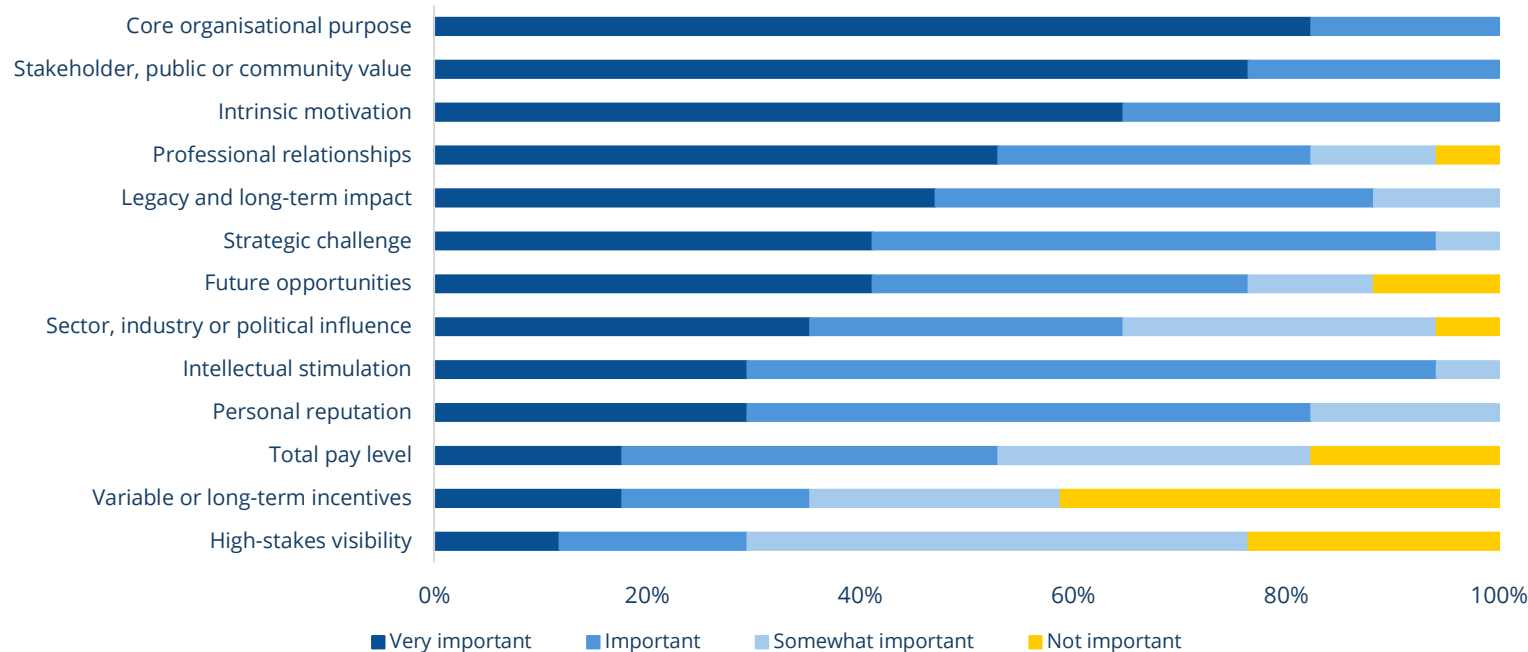


CEOs view board effectiveness as an important contributor to organisational performance. CEOs identify that boards could more effectively support and enable leadership, with 56% highlighting more frequent reflection on board effectiveness, 50% greater willingness to take the right level of strategic risk, and 44% board members feeling empowered and confident to contribute fully. Housing organisations are 29 percentage points more likely than total not-for-profits to identify a need for greater willingness to take the right level of strategic risk to enable organisational purpose as an area for improvement.

Housing: 17 CEOs

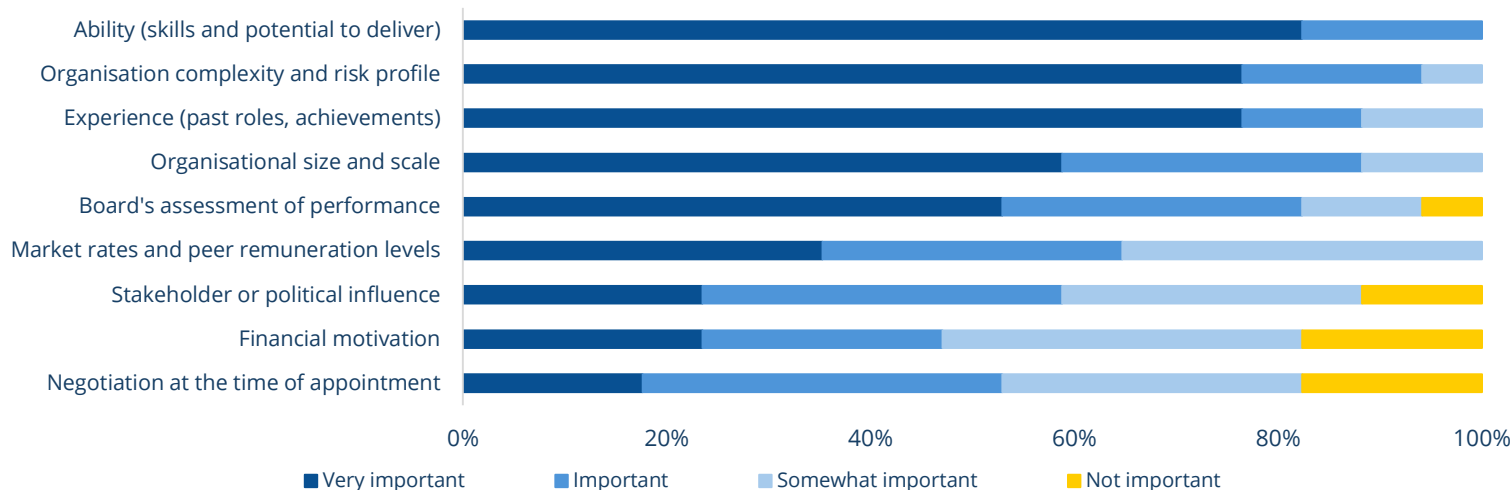
Section 2: CEO Personal Motivation, Values, and Alignment

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, 82% of CEOs rated core organisational purpose as very important, followed by stakeholder, public or community value (76%) and intrinsic motivation (65%), whereas only 18% rated variable or long-term incentives and 12% rated high-stakes visibility as very important motivators.

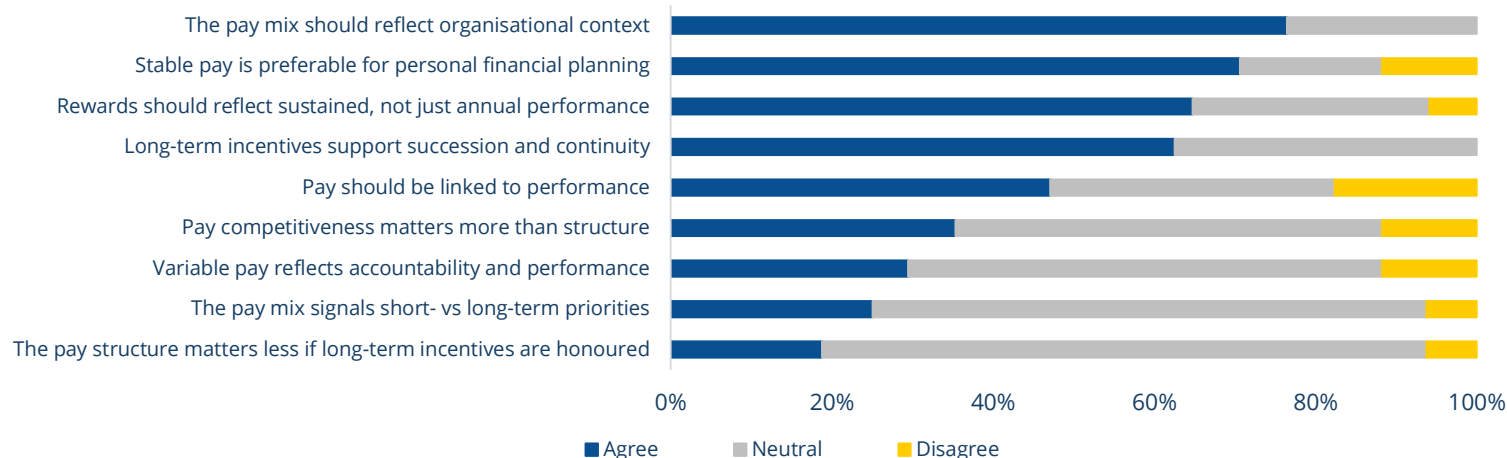
Key factors CEOs view as determinants of their pay



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, 82% rating ability (skills and potential to deliver), 76% organisation complexity and risk profile and 76% experience (past roles, achievements) as very important determinants of pay, compared with 24% for stakeholder or political influence, 24% for financial motivation and 18% 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. Housing organisations are 34 percentage points more likely than total not-for-profits to consider the organisation complexity and risk profile as a key determinant.

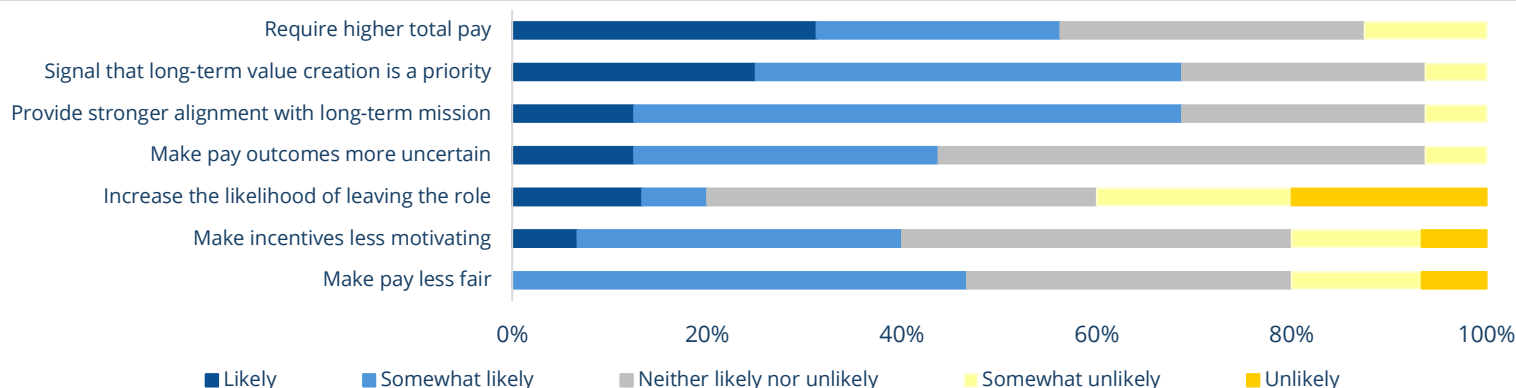
Housing: 17 CEOs

CEO's views on fixed and variable pay



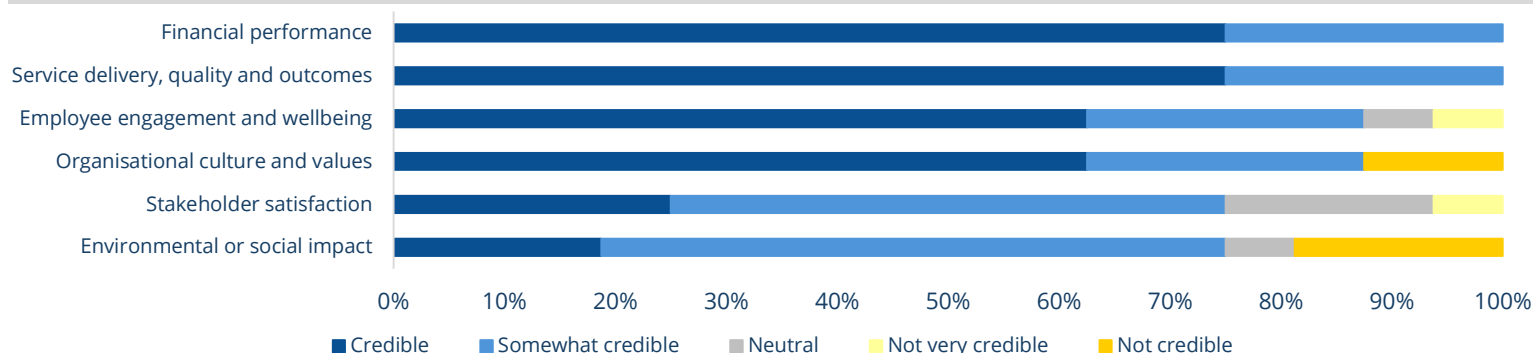
Most CEOs agree that 'the pay mix should reflect organisational context' (76%), that 'stable pay is preferable for personal financial planning' (71%), and that 'rewards should reflect sustained, not just annual performance' (65%). Not-for-profit CEOs are 26 percentage points more likely than for-profit 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 'require higher total pay' (56%) and 'signal that long-term value creation is a priority' (69%). Despite academic research suggesting executives prefer more immediate pay, CEOs are most neutral that they 'make incentives less motivating' and 'make pay outcomes more uncertain'. 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

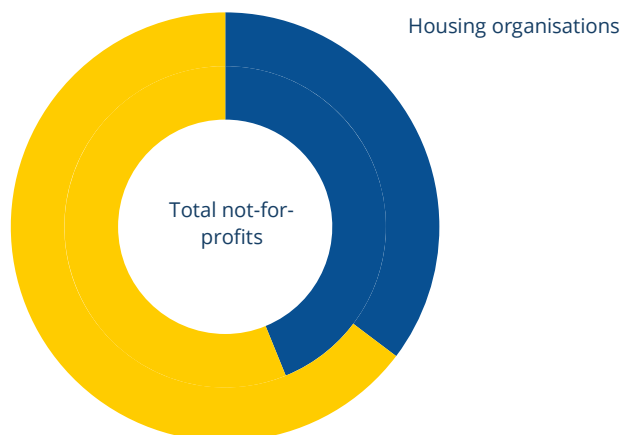


CEOs believe that pay-linked KPIs are most credible for 'financial performance' (75%) and 'service delivery, quality and outcomes' (75%), moderately credible for 'employee engagement and wellbeing' (63%) and 'organisational culture and values' (63%), and least credible for 'stakeholder satisfaction' (25%) and 'environmental or social impact' (19%). Many see these measures as somewhat credible, with very few rating any measure as not credible. Housing organisations are 16 percentage points less likely than total not-for-profits to agree that stakeholder satisfaction is a credible and fair way to assess CEO performance.

Housing: 17 CEOs

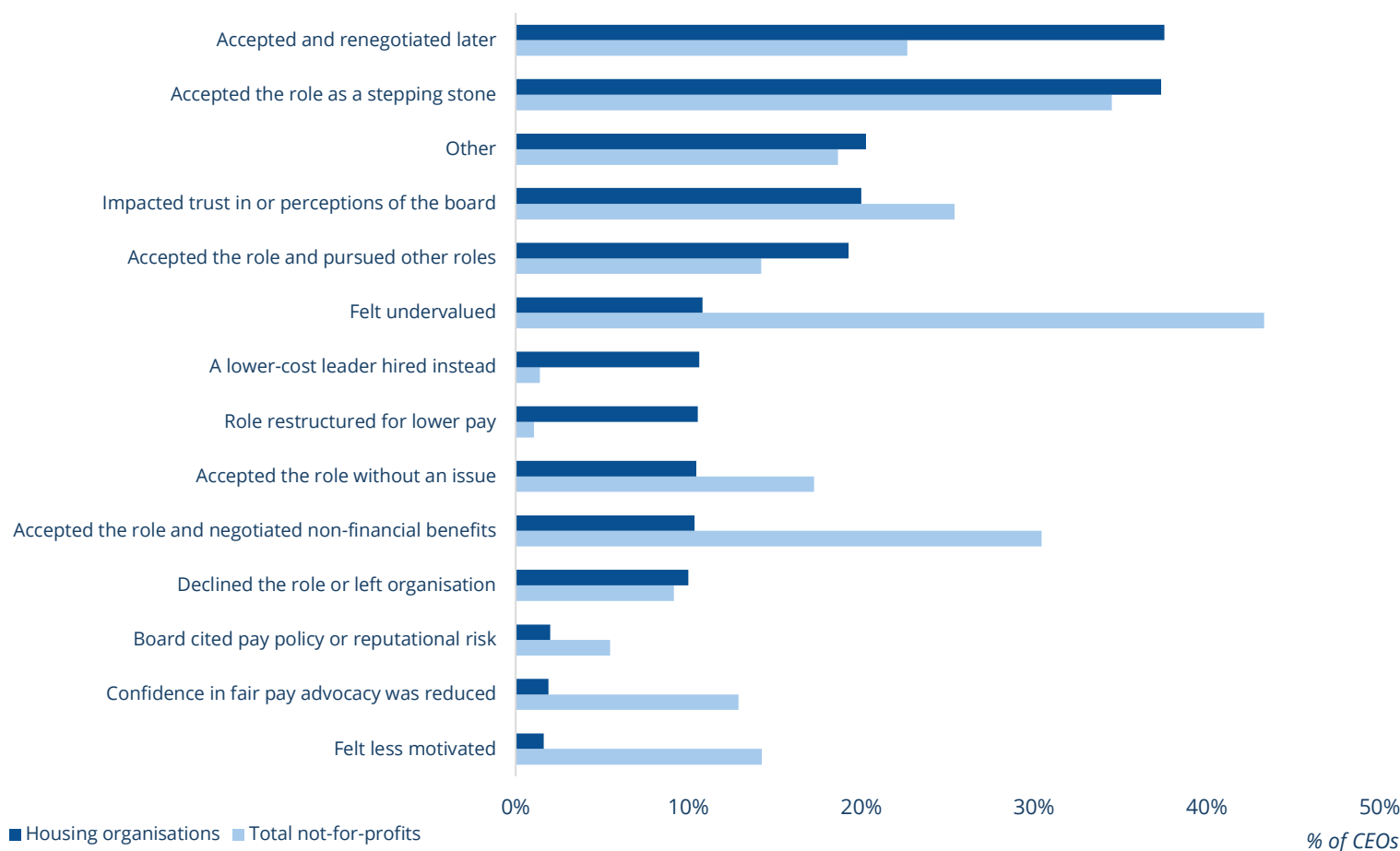
CEOs offered below-expected remuneration during their time in leadership

- 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, 65% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 35% did not. CEOs in housing organisations were as likely as total not-for-profits to have been offered below-expected pay.

Leader consequences of lower-than-expected pay offers

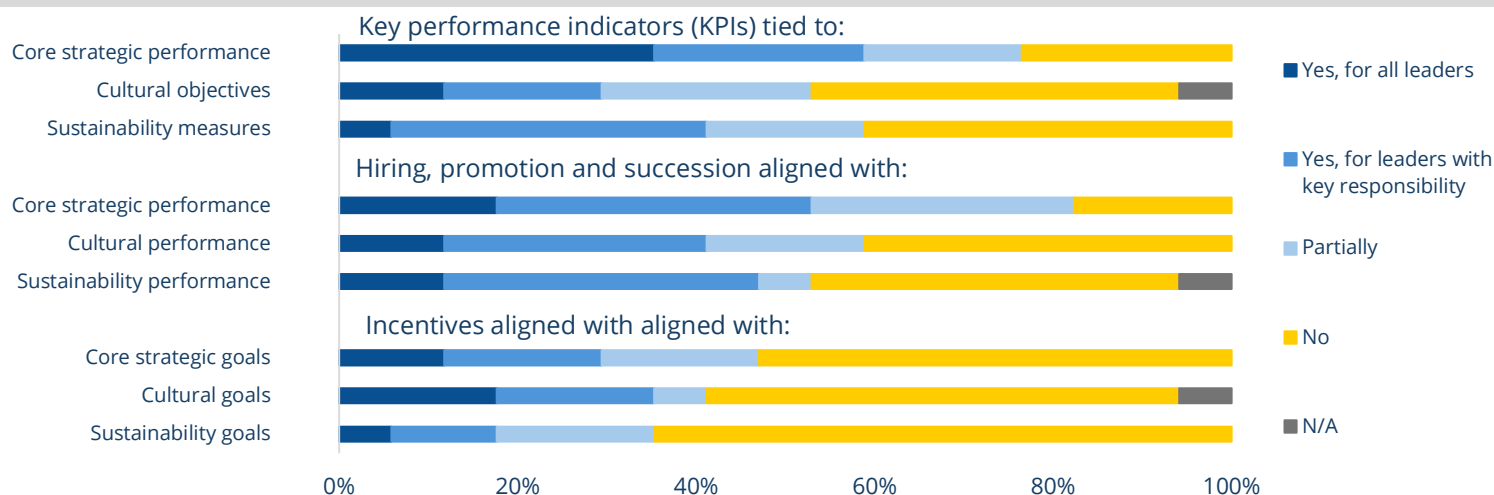


Boards risk weaker leadership quality, poorer strategic continuity, and reduced ability to attract and retain capable CEOs when pay is set below appropriate market levels. The most common responses for CEOs who received lower than expected pay offers included that they accepted and renegotiated later (38%) and accepted the role as a stepping stone (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 housing organisations were 32 percentage points less likely than total not-for-profits to have felt undervalued.

Housing: 17 CEOs

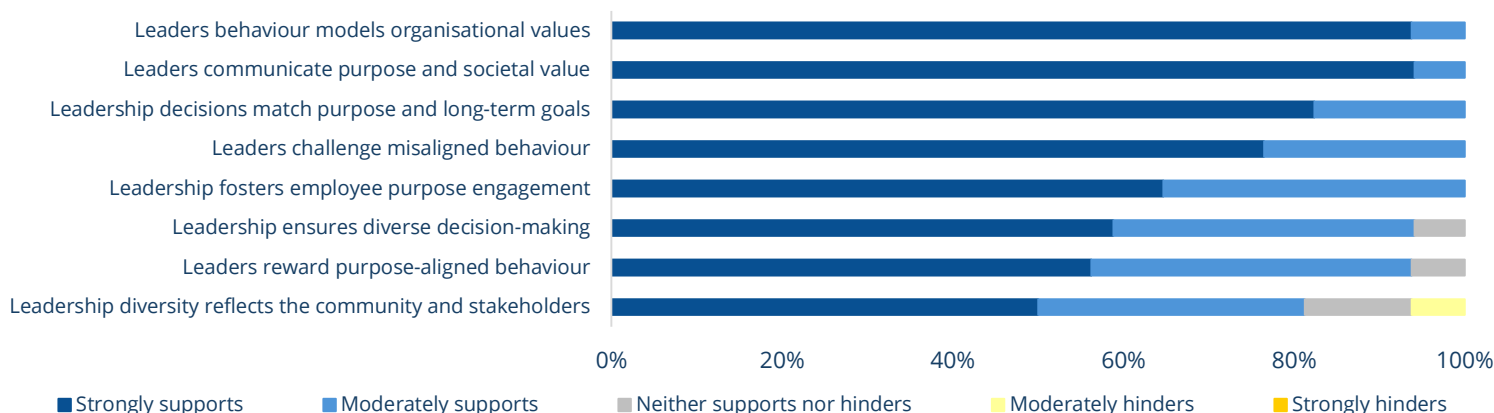
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

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



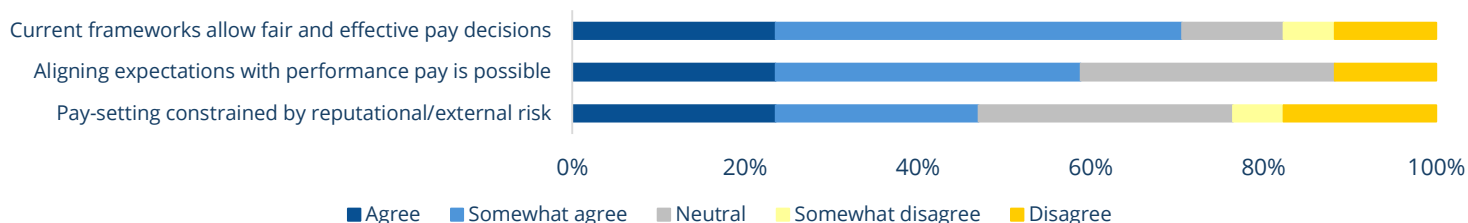
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 53%–59% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs, compared with 29%–41% for culture and 41%–47% 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 82% and 94% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling and decision-making. In comparison, only 56% believe leaders reward purpose-aligned behaviour, and 50% say leadership diversity reflects the community and stakeholders, highlighting an opportunity to align behaviour and structural inclusivity.

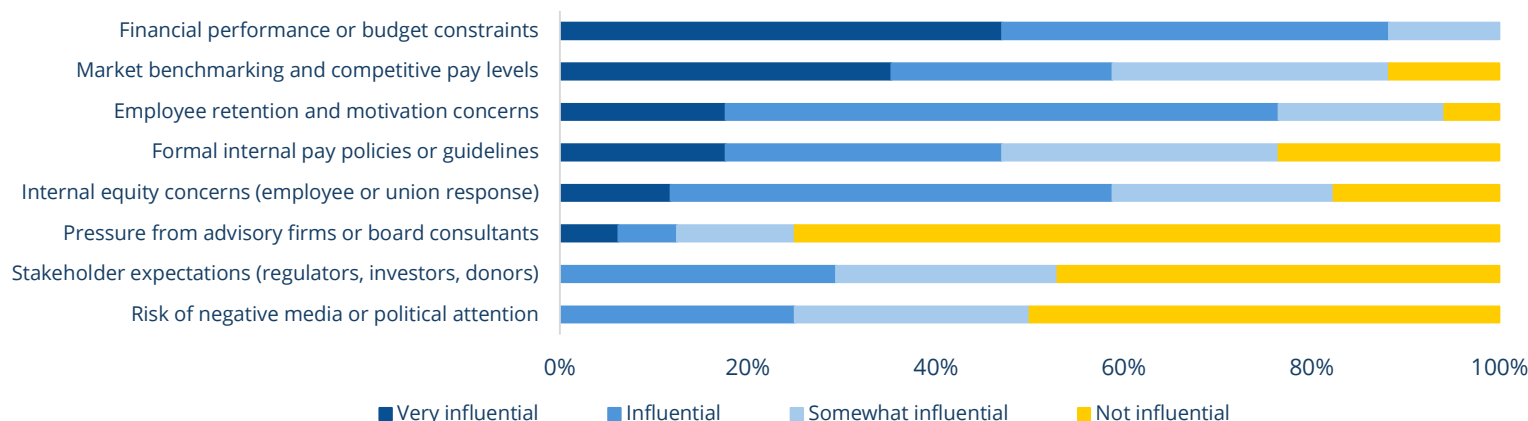
Executive remuneration framework effectiveness



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. 71% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 59% agree or somewhat agree that expectations can be aligned with performance pay. In contrast, 47% perceive pay-setting to be constrained by reputational or external risk.

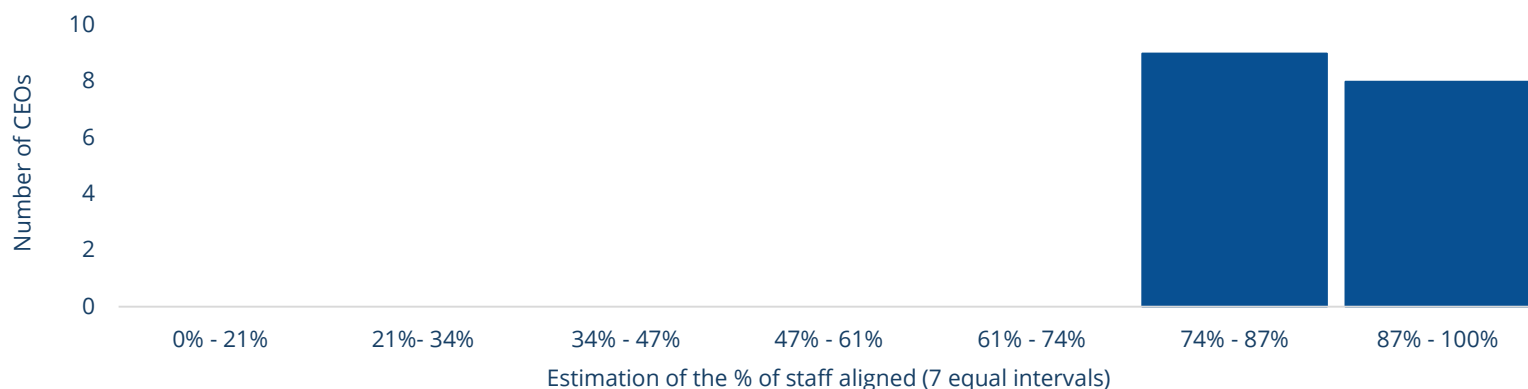
Housing: 17 CEOs

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 housing organisations were 14 percentage points less likely than total not-for-profits to cite financial performance or budget constraints.

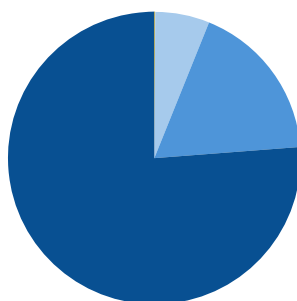
Percentage of staff motivated by sustainability goals



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 86% 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. 94% of organisations are willing to pursue cultural change to support sustainability goals, with 18% favouring structured change and 76% 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 housing organisations were 21 percentage points more likely than total not-for-profits to be fully open to transformational change.

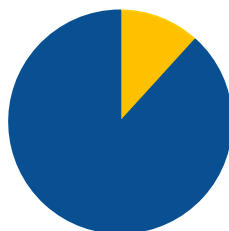
Housing: 17 CEOs

Section 4: Sustainability Strategy and Investment Priorities

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

Do not add value

Add value



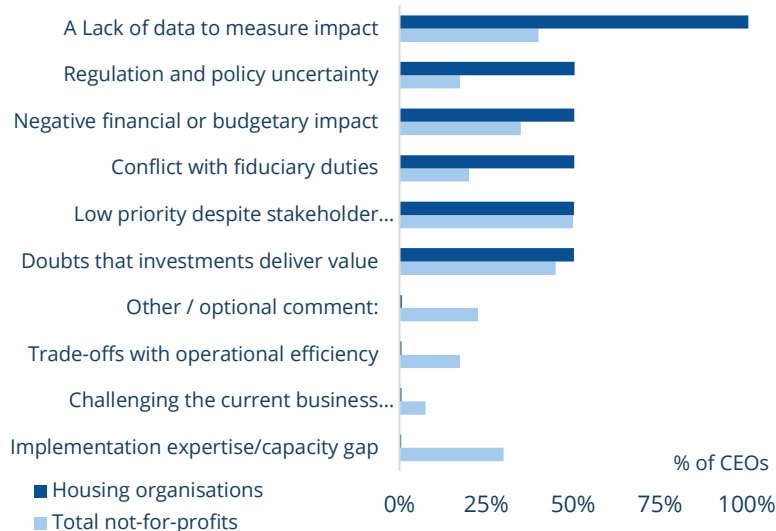
The majority of CEOs (88%) believe investing in environmental and social practices enhances their organisation's value, while 12% say it does not. This highlights that most CEOs view environmental and social practices as value-enhancing, reinforcing their role as a core driver of long-term strategic decision-making rather than a peripheral concern. CEOs in housing organisations were 4 percentage points less likely than total not-for-profits to believe these practices add value.

Reasons sustainability adds value



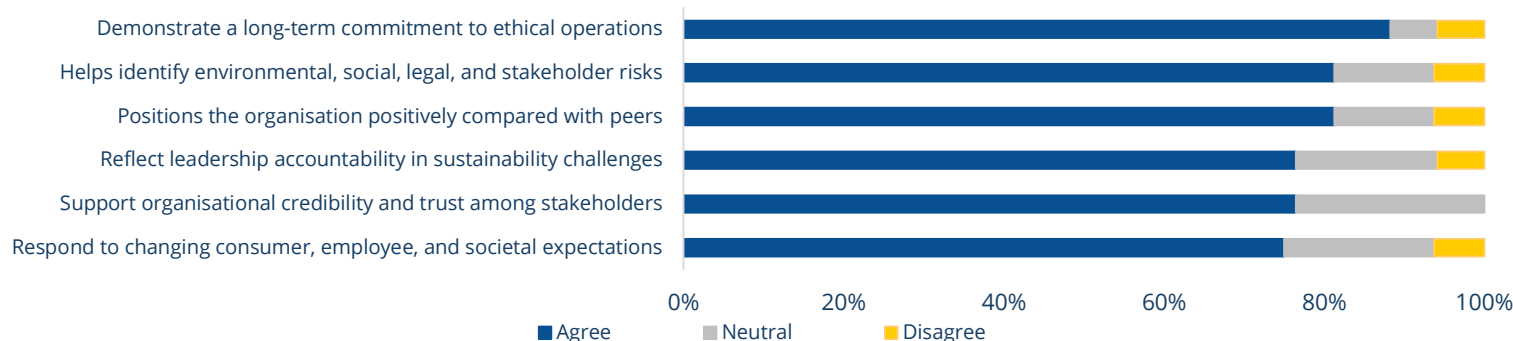
88% of CEOs say sustainable practices enhance their organisation's value, primarily due to ethical responsibility (87%) and alignment with employee values (73%). CEOs in housing organisations were 26 percentage points more likely to believe these practices aid in regulatory preparedness.

Sustainability does not add value due to:



12% of CEOs do not believe that sustainable practices enhance organisational value, primarily due to a lack of data to measure impact (100%) or regulation and policy uncertainty (50%). Housing organisations were 60 percentage points more likely to note a lack of data to measure impact.

Agreement with statements on sustainable business practices

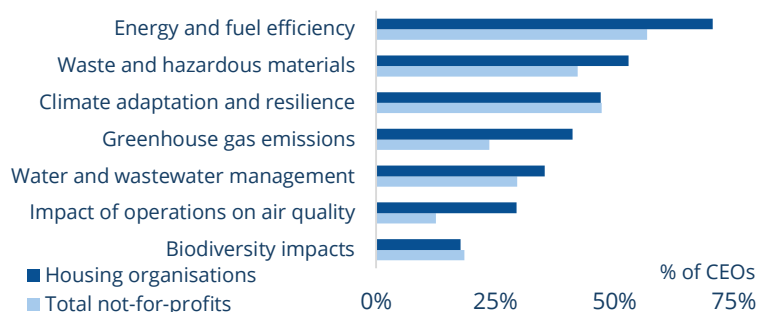


The majority of CEOs agree that sustainable practices demonstrate a long-term commitment to ethical operations (88%), helps identify environmental, social, legal, and stakeholder risks (81%) and positions the organisation positively compared with peers (81%). Sustainable business practices are viewed as an integrated driver of competitiveness, stakeholder trust, and risk management, rather than a peripheral activity.

Housing: 17 CEOs

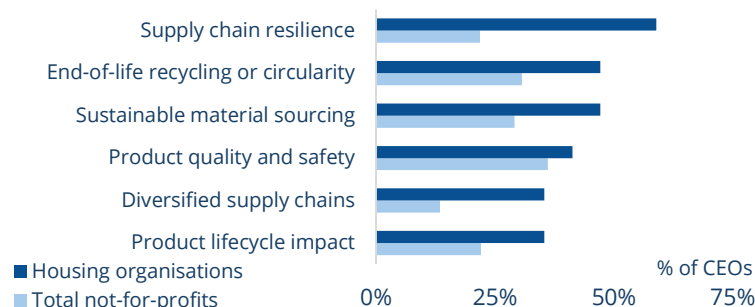
Material **environmental** factors driving strategic priorities and long-term value

Environmental sustainability factors



CEOs view energy and fuel efficiency (71%) and waste and hazardous materials (53%) as primary environmental drivers of value. Housing organisations are more likely to view greenhouse gas emissions as material.

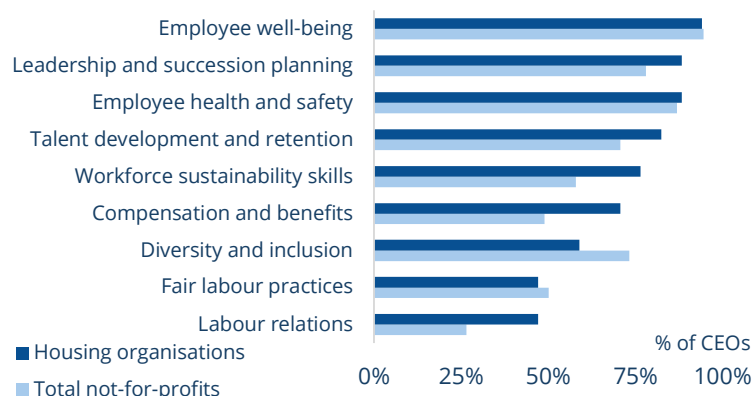
Product and supply chain sustainability factors



CEOs view supply chain resilience (59%) and end-of-life recycling or circularity (47%) as the primary drivers of long-term value. Housing organisations are more 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 (94%) and leadership and succession planning (88%) as the top workforce sustainability value drivers. Housing organisations are more likely to see compensation and benefits as material.

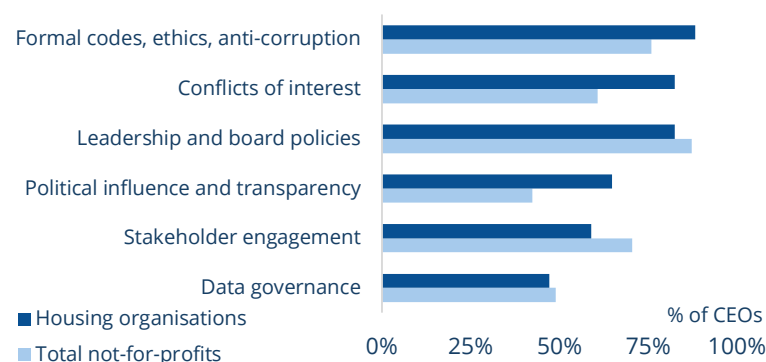
Stakeholder sustainability factors



CEOs view community relations (82%) and accessibility and inclusive design (77%) as primary social stakeholder drivers of long-term value. Housing organisations are more likely to view customer sustainability satisfaction as material.

Material **governance** factors

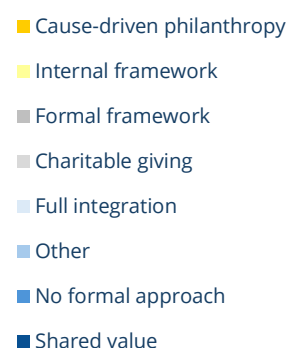
Governance sustainability factors



CEOs view 'formal codes, ethics, anti-corruption' (88%) and 'conflicts of interest' (82%) as the primary governance drivers of long-term value. Housing organisations are more likely to consider 'political influence and transparency' as material.

Approach to sustainability strategy

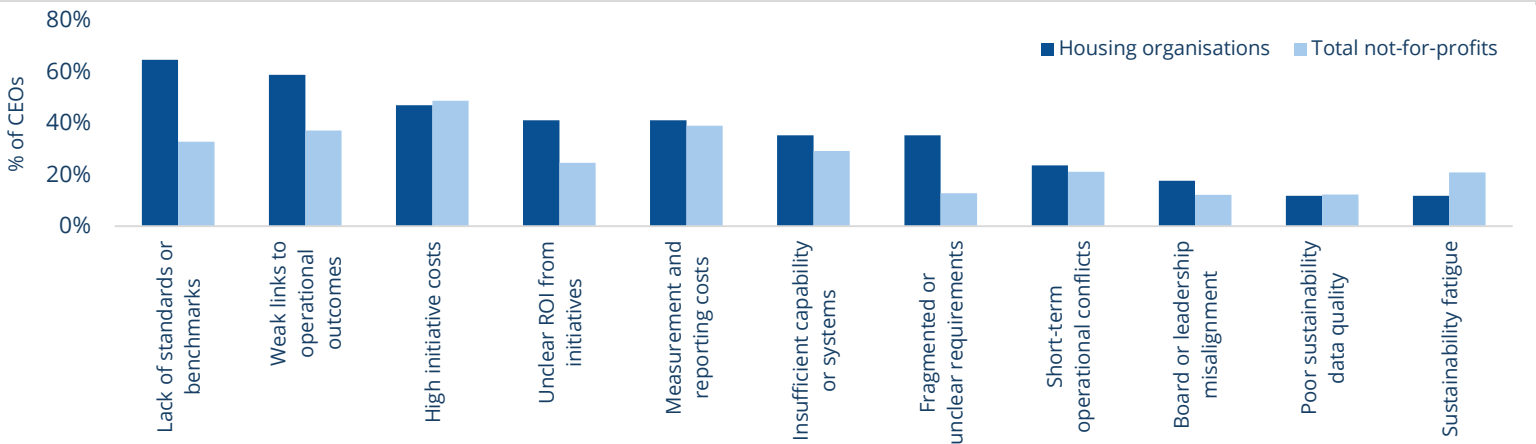
Housing organisations



The most common approach to sustainability is shared value: creating business opportunities that also generate measurable social or environmental benefits, aligning profitability with positive impact (43%).

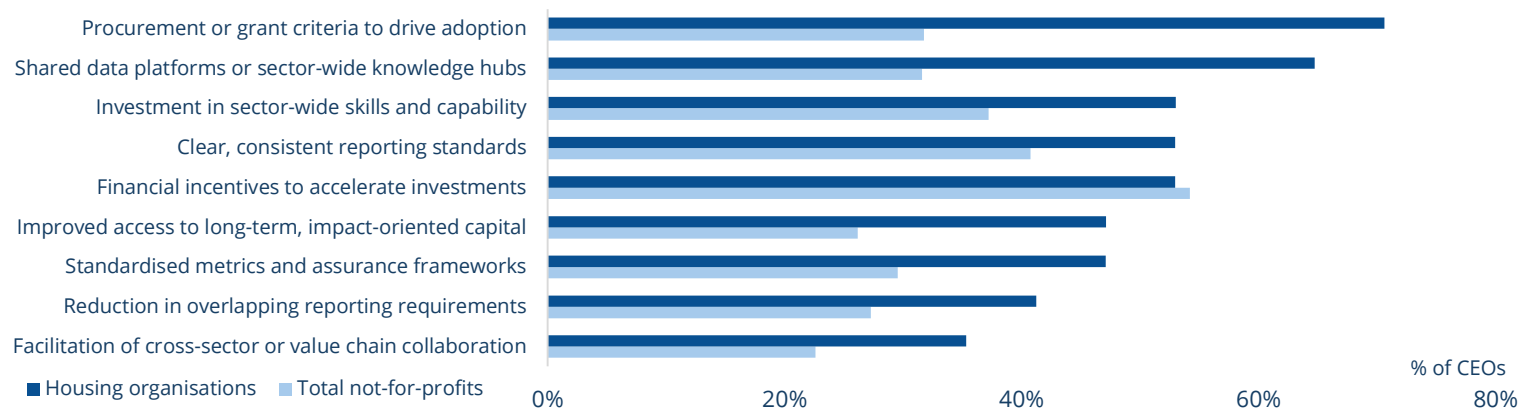
Housing: 17 CEOs

Key barriers to integrating sustainability into strategy and operations



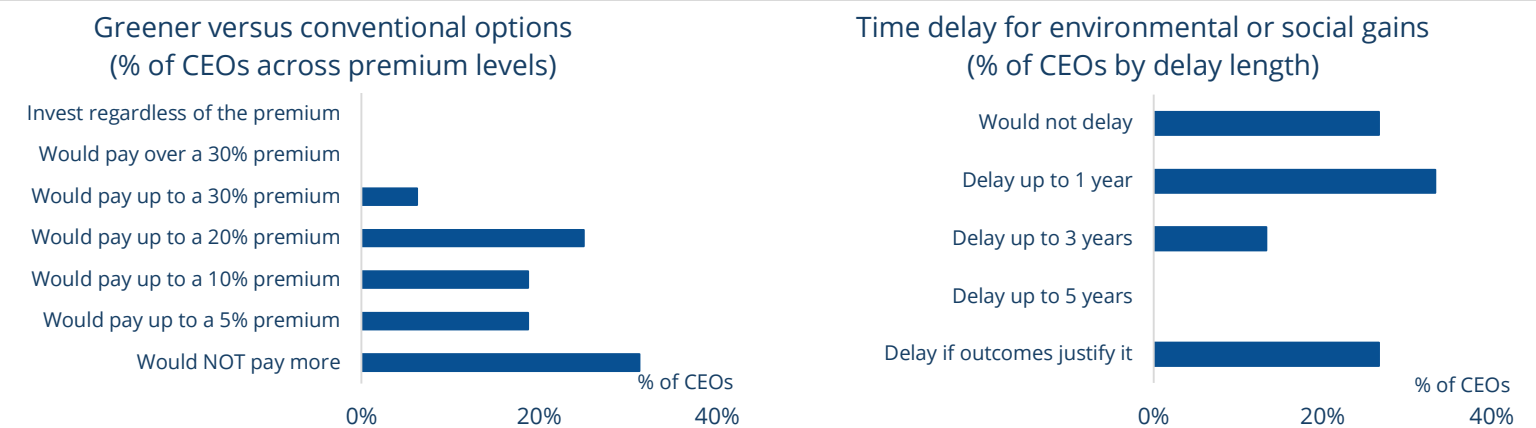
Organisations see a lack of standards or benchmarks (65%) as the most common barrier to integrating sustainability into strategy and operations, followed by weak links to operational outcomes (59%) and high initiative costs (47%). CEOs in housing organisations were 32 percentage points more likely than total not-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 procurement or grant criteria to drive adoption (71%) and shared data platforms or sector-wide knowledge hubs (65%) as the most important actions government or industry bodies can take to support sustainability goals, followed by investment in sector-wide skills and capability (53%). CEOs in housing organisations were 39 percentage points more likely than total not-for-profits to see procurement or grant criteria to drive adoption as important.

Willingness to pay for greener outcome Tolerance for sustainable project delays



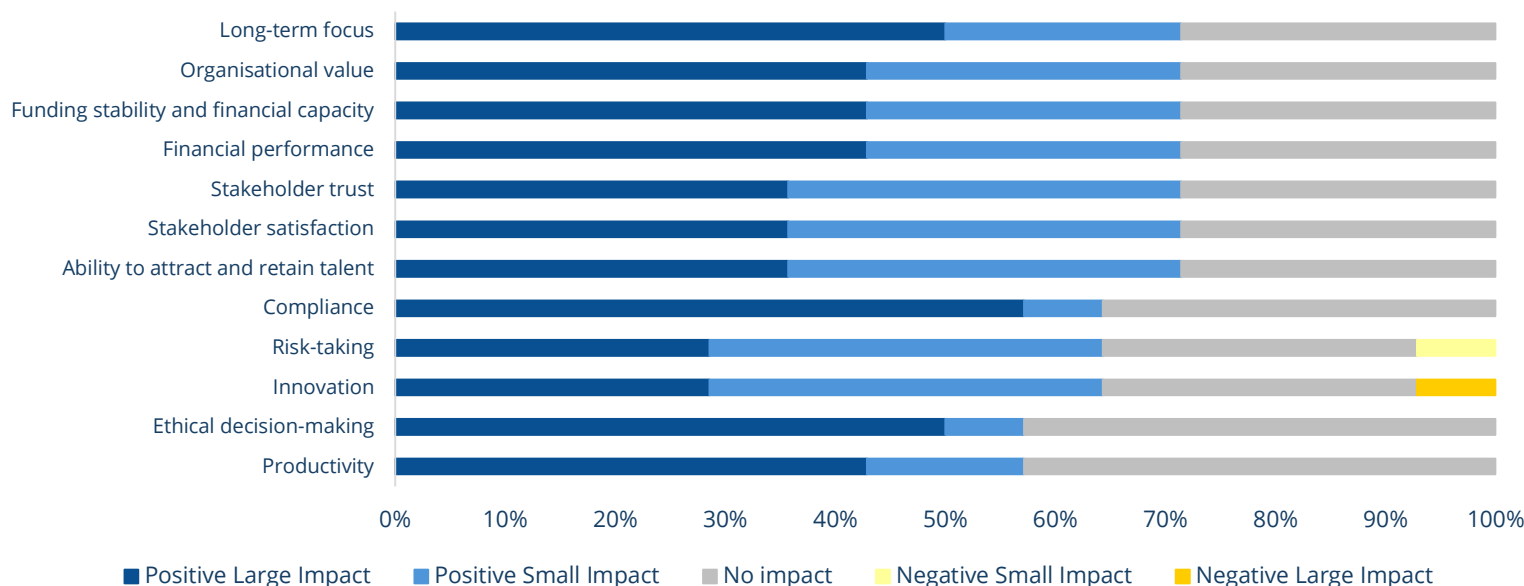
38% of CEOs would pay a moderate premium (5%–10%) for greener technology: 31% would pay a premium of over 20%, while 31% would not pay more. CEOs in housing organisations were 10 percentage points more likely than total not-for-profits to say they would NOT pay more.

Most CEOs tolerate short delays for higher environmental or social gains: 33% up to 1 year, 13% up to 3–5 years, and 27% would not delay. CEOs in housing organisations were 5 percentage points less likely than total not-for-profits to say they would delay up to 1 year.

Housing: 17 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, financial performance, capacity, and funding stability. CEOs in housing organisations were 24 percentage points less likely than total not-for-profits to say their ESG approach positively impacts ethical decision-making.

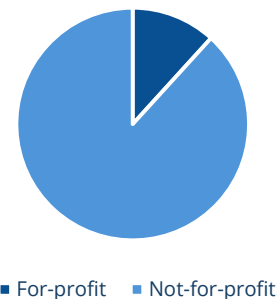
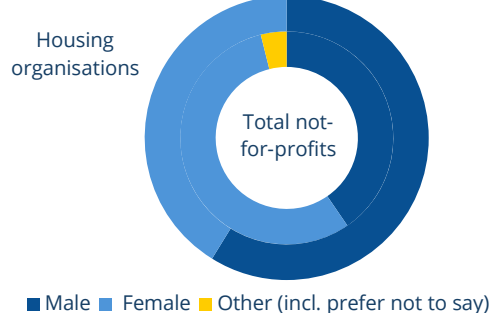
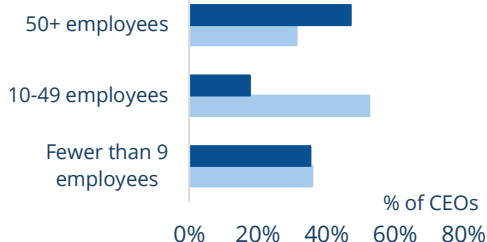
Demographics: CEOs and Boards

Number of employees

CEO gender identity

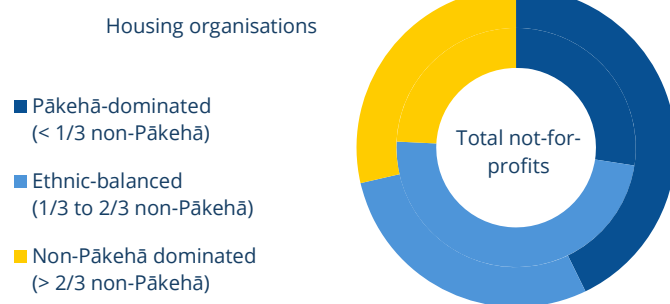
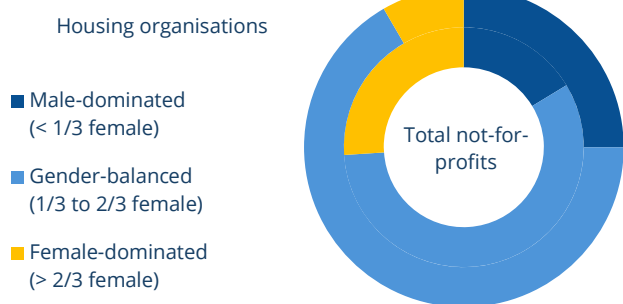
For-profit / not-for-profit

■ Housing 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.