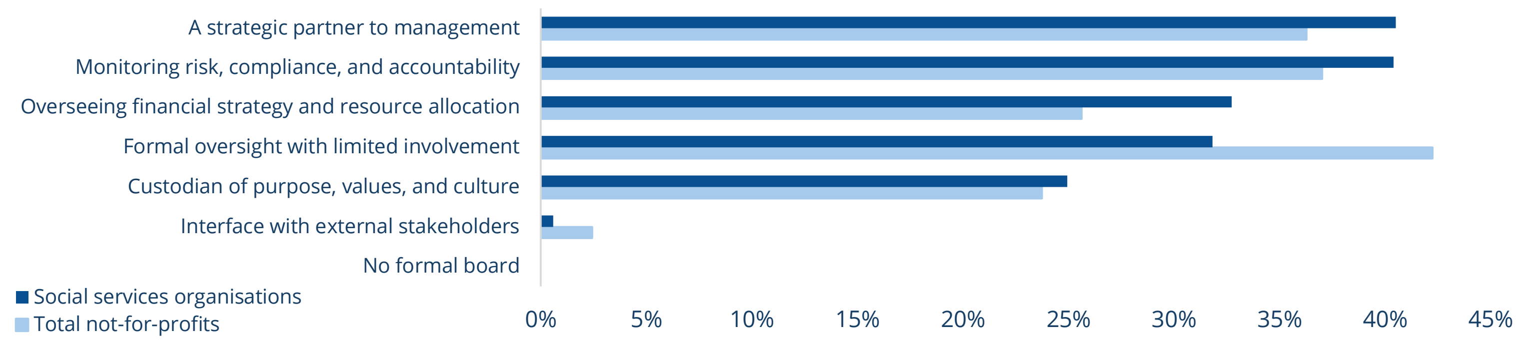
Social services: 66 CEOs

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 (40%), followed by monitoring risk, compliance, and accountability (40%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%). Social services organisations were 10 percentage points less likely than total not-for-profits to report 'formal oversight with limited involvement' as their board's primary purpose.

Board and management alignment

Alignment between boards and management understanding and respecting their roles is generally strong, with 23% 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. Social services organisations are 14 percentage points more likely to report that board and management roles are mostly aligned.

Board structure and composition for effective governance

Boards most commonly report that their structure aligns composition to reflect stakeholder experience and perspectives (48%) and ensures integrated financial and non-financial reporting (42%). In contrast, fewer report that their board structure oversees performance metrics on sustainability (18%) and oversees performance metrics on culture (13%), highlighting an opportunity to strengthen how board structures support broader organisational priorities. Social services organisations are 11 percentage points less likely to report that their board fully aligns composition to reflect skills and expertise for long-term strategy oversight.

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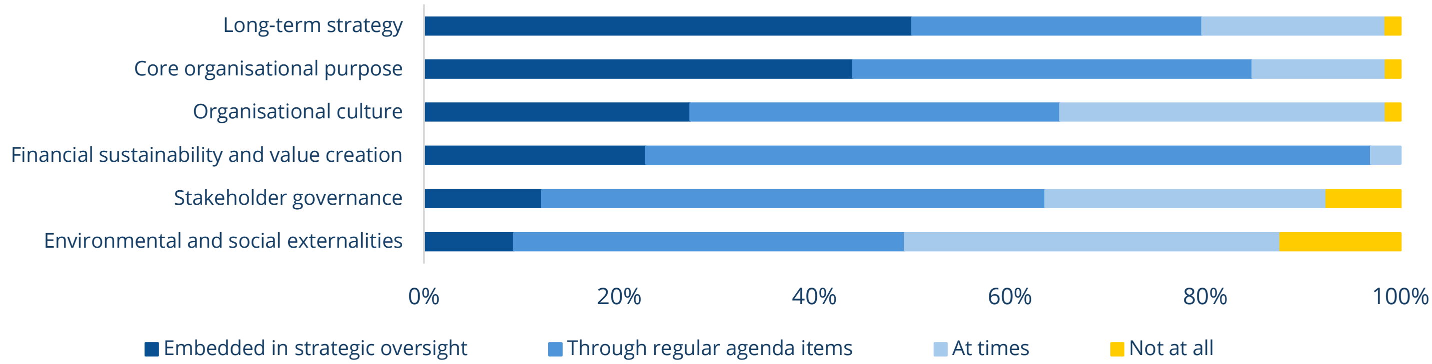
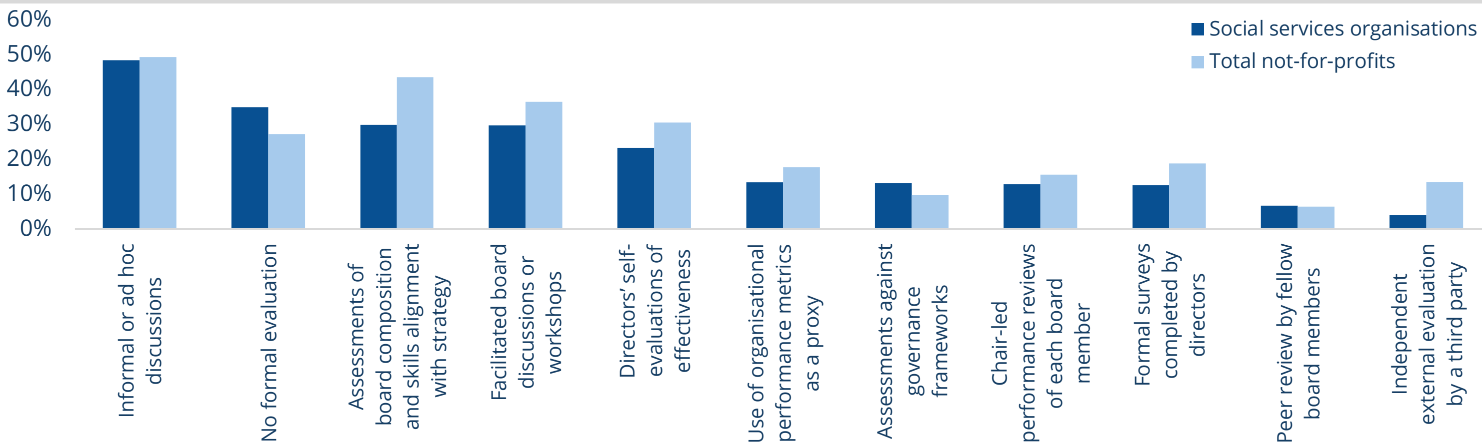
Extent of formal board oversight across key areas



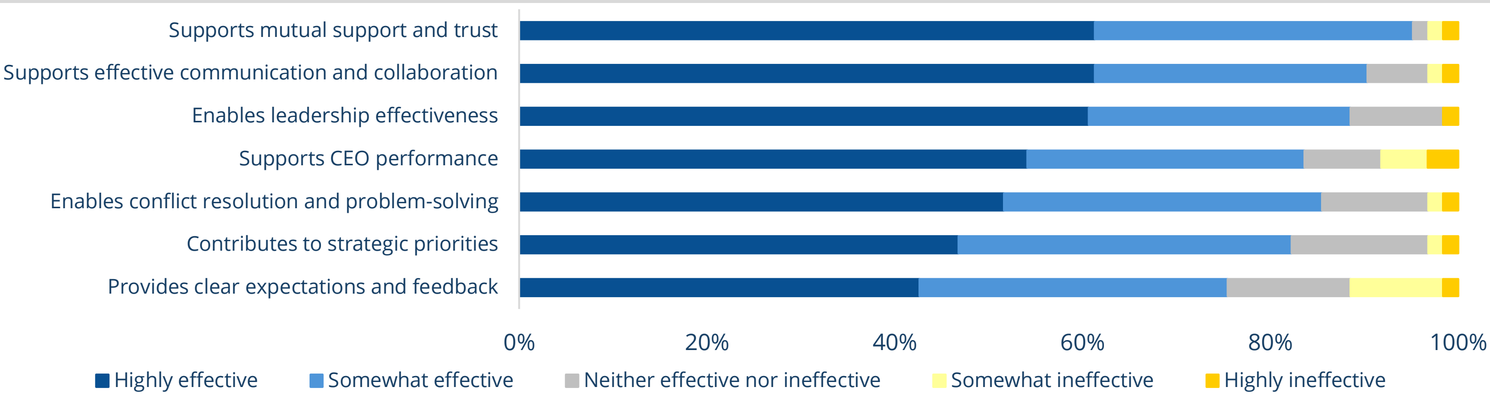
Many boards embed oversight of long-term strategy (50%), core organisational purpose (44%), and organisational culture (27%) within strategic oversight. However, fewer boards embed financial sustainability and value creation (23%), stakeholder governance (12%), and environmental and social externalities (9%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value. Social services organisations are less 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 48% relying on informal or ad hoc discussions and 35% using no formal evaluation, many boards have an opportunity to strengthen oversight and better enable organisational performance by adopting more formal, objective evaluation methods. Social services organisations are less likely to rely on 'assessments of board composition and skills alignment with strategy'.

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: 61% of CEOs rated the chair ''highly effectively'' 'supports mutual support and trust', followed by 'supports effective communication and collaboration' (61%), and 'enables leadership effectiveness' (61%). The lower ratings for 'contributes to strategic priorities' 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: 37% of CEOs rate their board as 'highly effective' in supporting the right level of strategic risk taking, followed by 35% in supporting oversight of compliance and organisational risks, and 35% in supporting social sustainability (worker rights, fairness and equity). More than 63% 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. Social services organisations are less likely than total not-for-profits to rate highly on 'supporting constructive board culture and dynamics' 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, 45% improved focus on long-term rather than short-term concerns, and 41% more diverse skills and expertise on the board. Social services organisations are 6 percentage points more likely than total not-for-profits to identify improved focus on long-term rather than short-term concerns to enable organisational purpose as an area for improvement.

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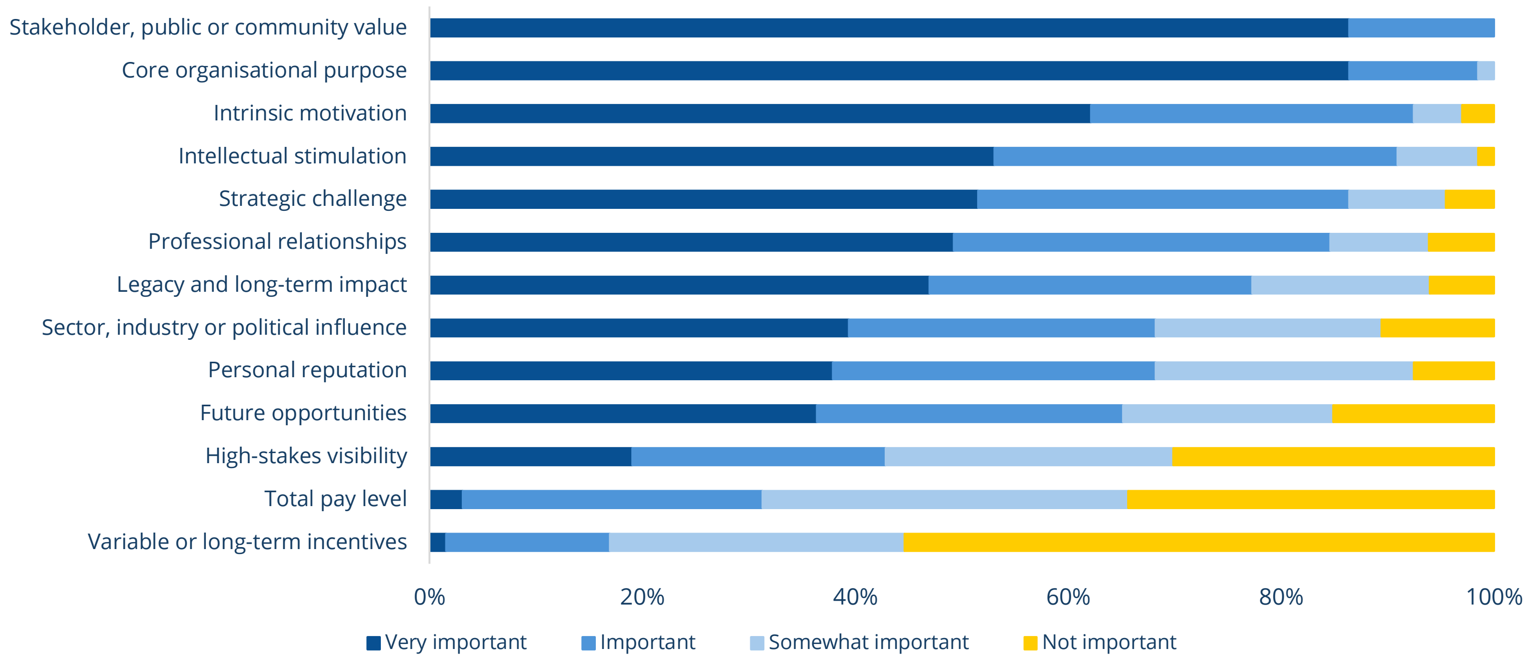
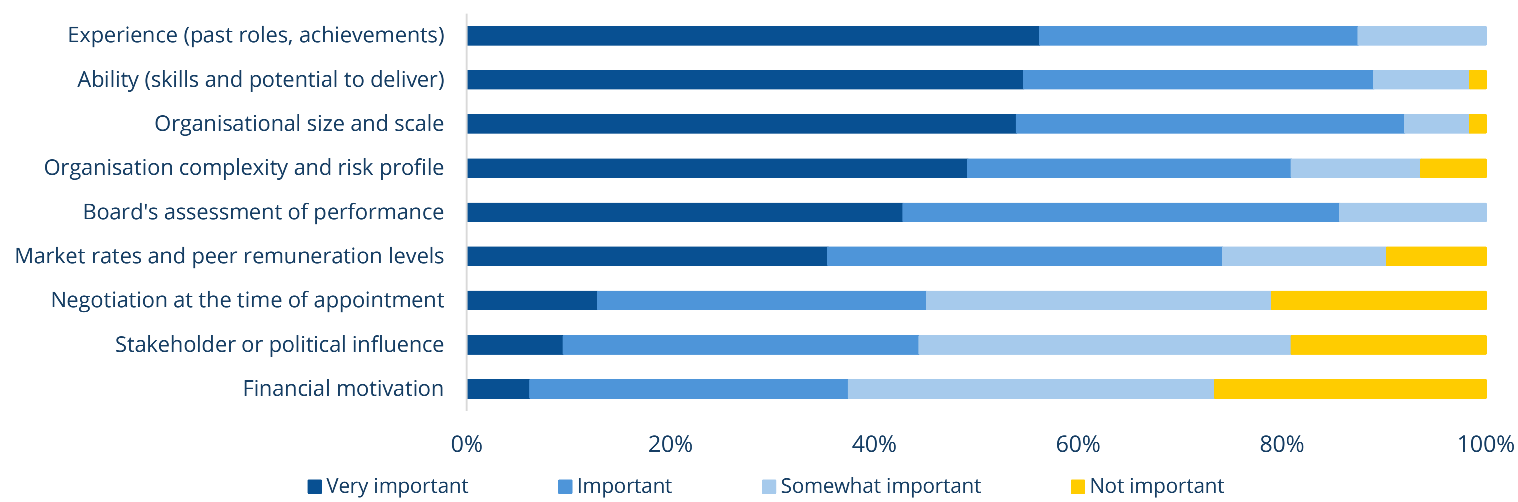
Section 2: CEO Personal Motivation, Values, and Alignment

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 purpose-driven and intrinsic motivations rank highest, followed by reputation-related motivations, while financial or visibility-related factors are least prominent. Specifically, 86% of CEOs rated stakeholder, public or community value as very important, followed by core organisational purpose (86%) and intrinsic motivation (62%), whereas only 3% rated total pay level and 2% 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, 56% rating experience (past roles, achievements), 55% ability (skills and potential to deliver) and 54% organisational size and scale as very important determinants of pay, compared with 13% for negotiation at the time of appointment, 10% for stakeholder or political influence and 6% for financial motivation. CEOs view remuneration as recognition of the strategic value they are expected to create and the risks they assume in delivering organisational outcomes. Social services organisations are 11 percentage points less likely than total not-for-profits to consider the ability (skills and potential to deliver) as a key determinant.

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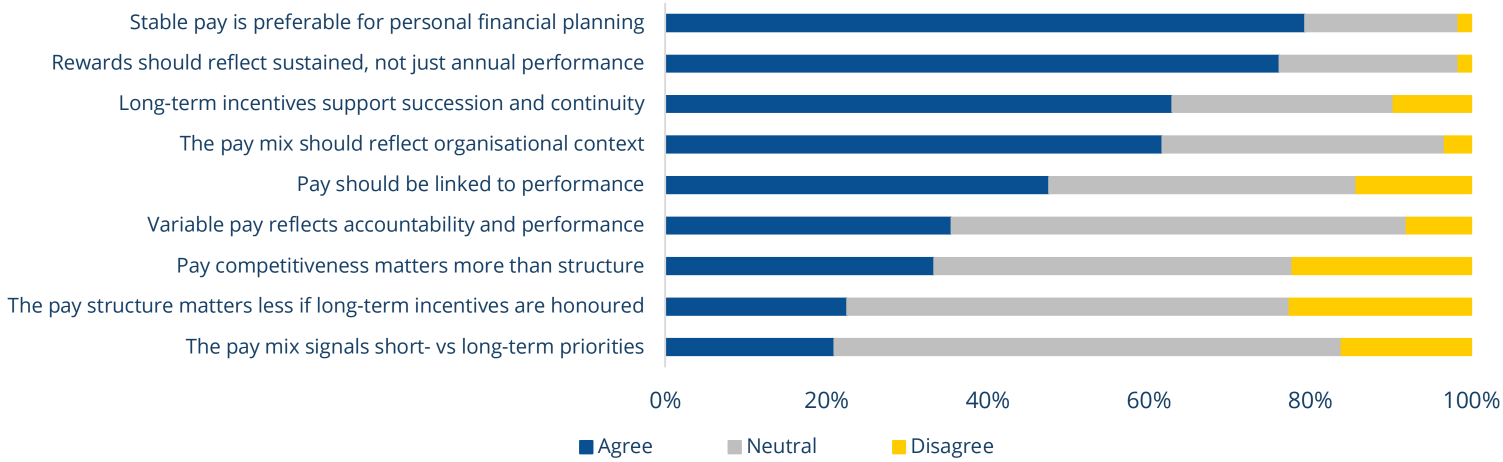
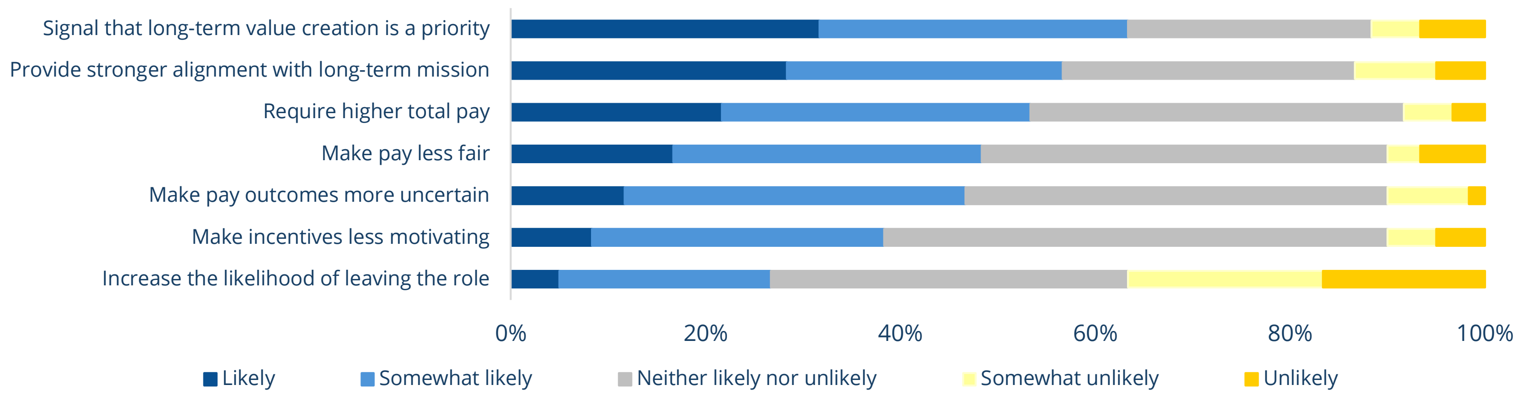
CEO's views on fixed and variable pay



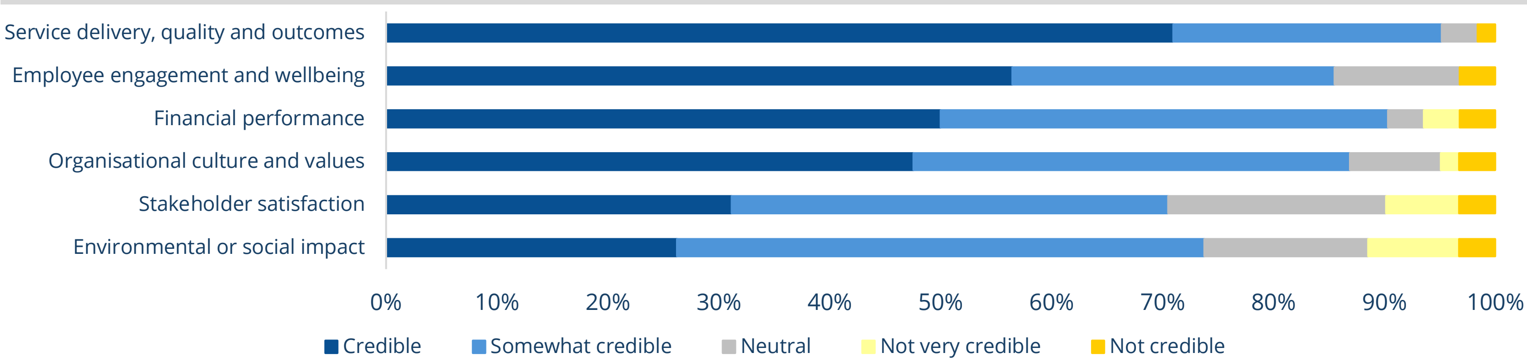
Most CEOs agree that 'stable pay is preferable for personal financial planning' (79%), that 'rewards should reflect sustained, not just annual performance' (76%), and that 'long-term incentives support succession and continuity' (63%). Not-for-profit CEOs are 26 percentage points more likely than for-profit 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' (63%) and 'provide stronger alignment with long-term mission' (57%). 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 'service delivery, quality and outcomes' (71%) and 'employee engagement and wellbeing' (56%), moderately credible for 'financial performance' (50%) and 'organisational culture and values' (48%), and least credible for 'stakeholder satisfaction' (31%) and 'environmental or social impact' (26%). Many see these measures as somewhat credible, with very few rating any measure as not credible. Social services organisations are 11 percentage points less likely than total not-for-profits to agree that financial performance are a credible and fair way to assess CEO performance.

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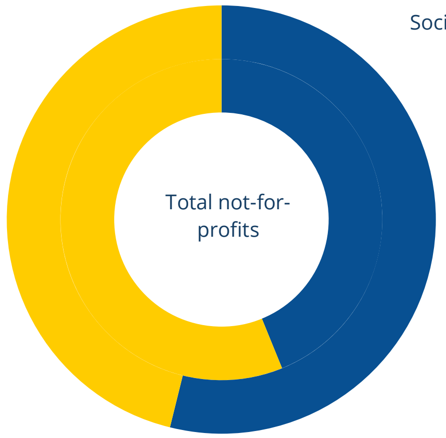
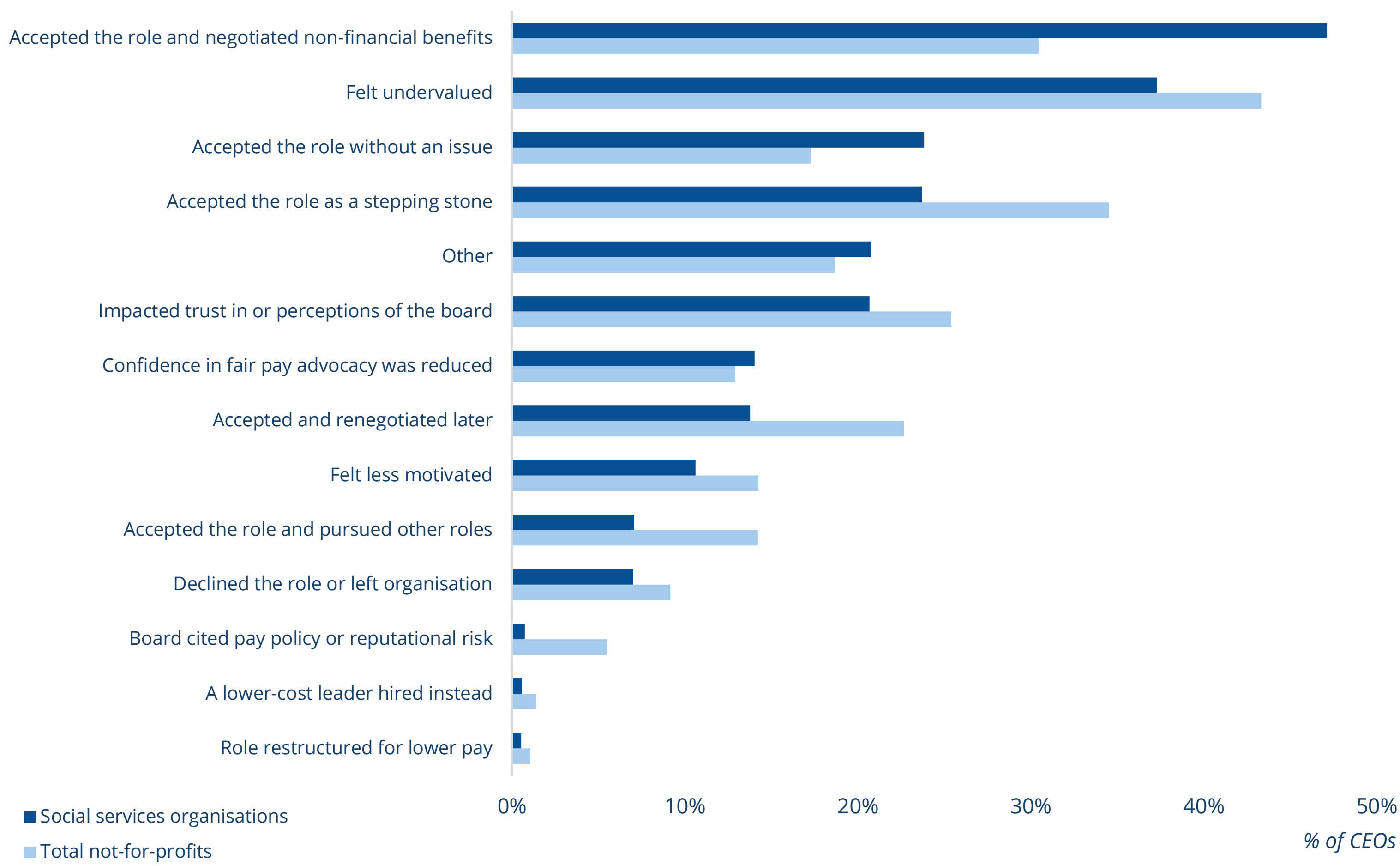
CEOs offered below-expected remuneration during their time in leadership



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, 45% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 53% did not. CEOs in social services 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 and negotiated non-financial benefits (47%) 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 social services organisations were 17 percentage points more likely than total not-for-profits to have accepted the role and negotiated non-financial benefits.

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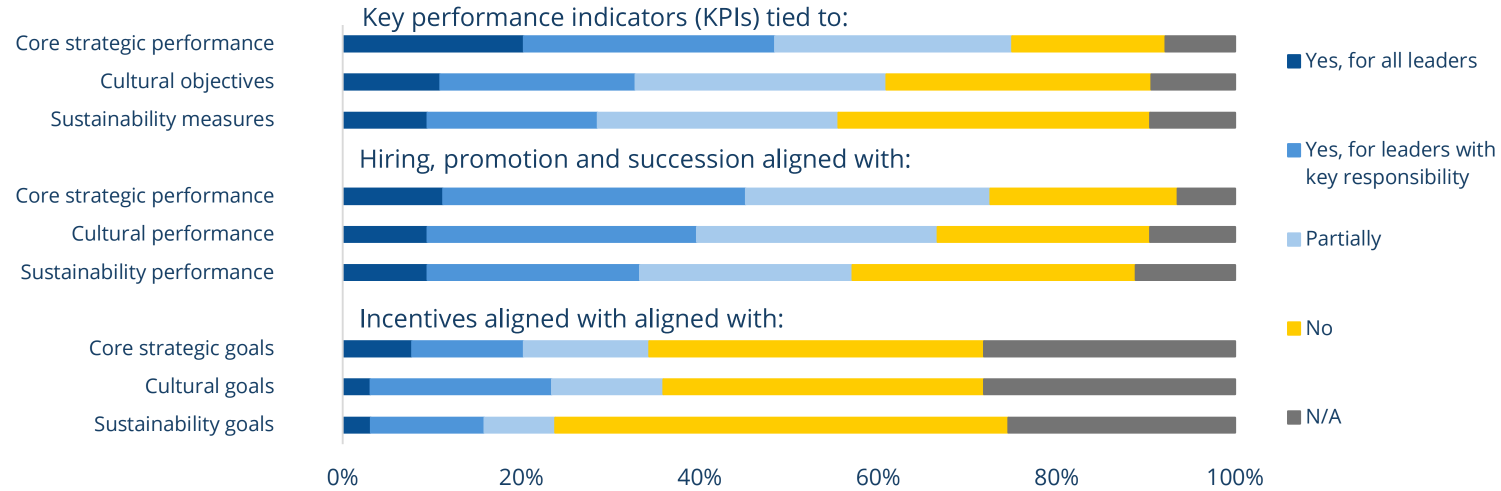
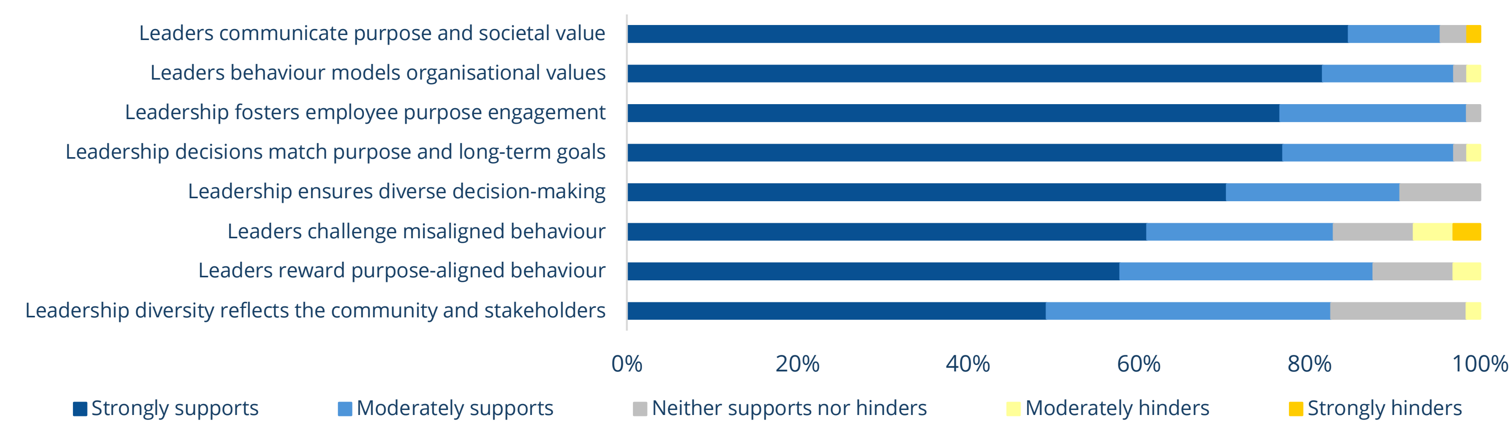
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

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



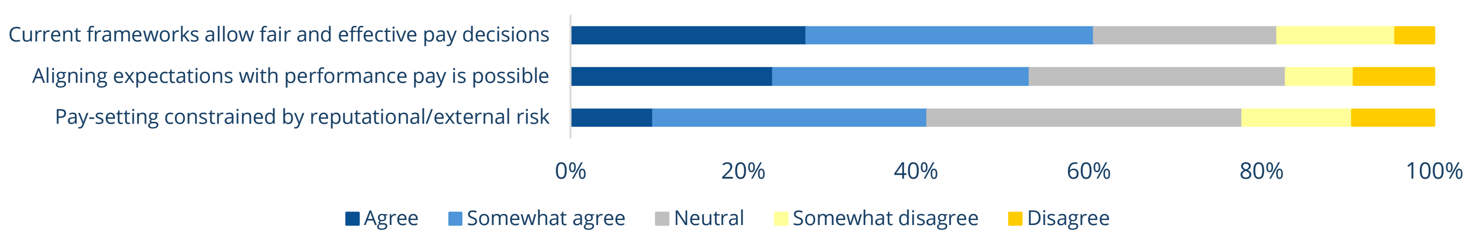
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 45%–48% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs, compared with 33%–40% for culture and 29%-33% 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 77% and 85% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling and decision-making. In comparison, only 58% believe leaders reward purpose-aligned behaviour, and 49% 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. 61% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 53% 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.

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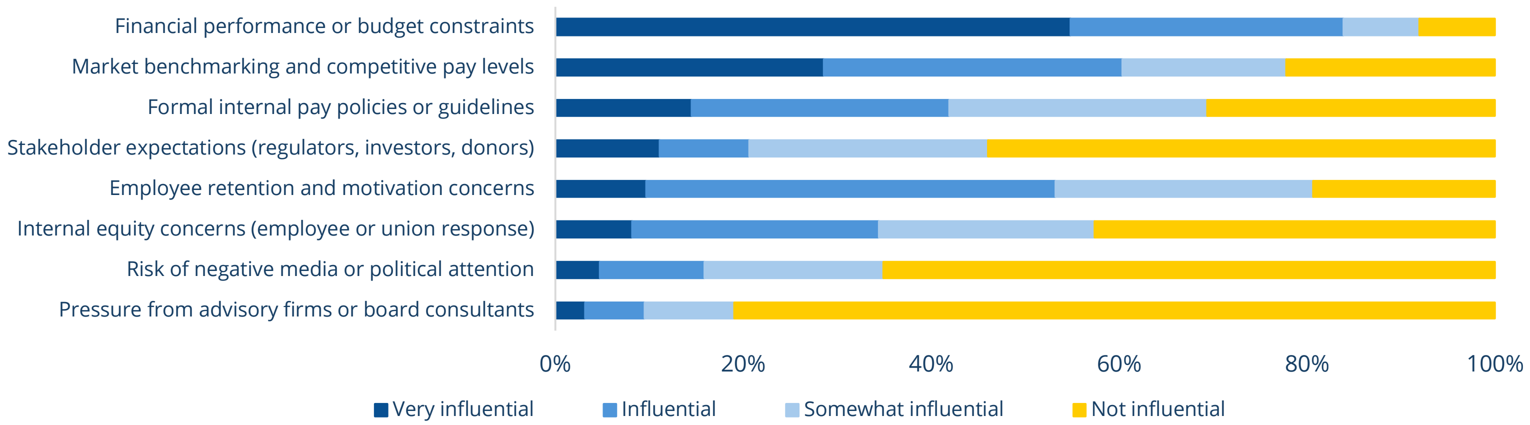
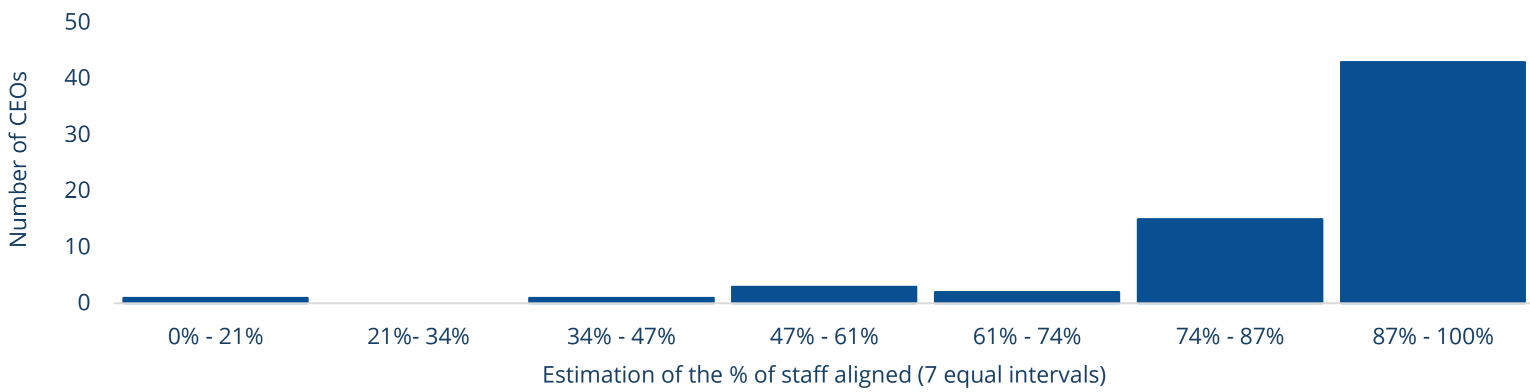
Factors influencing executive or senior leader pay decisions



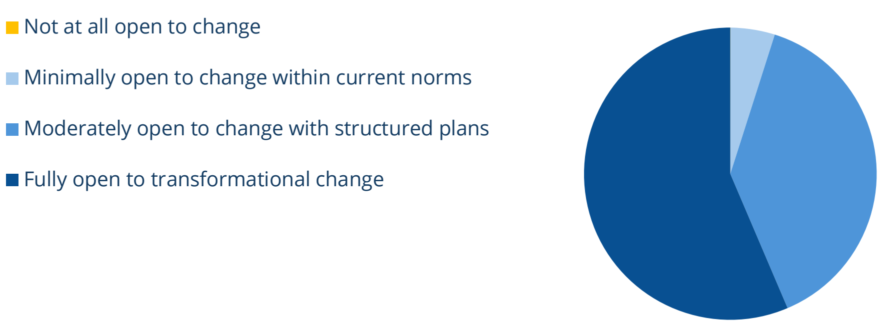
Executive and senior leader pay decisions are driven primarily by governance factors, including financial performance, benchmarking, stakeholder expectations and formal pay policies, which reflect how boards exercise oversight, manage accountability and align remuneration with organisational objectives. 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 social services organisations were 7 percentage points less likely than total not-for-profits to cite employee retention and motivation concerns.

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



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.95% of organisations are willing to pursue cultural change to support sustainability goals, with 39% favouring structured change and 56% 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 social services organisations were 2 percentage points more likely than total not-for-profits to be fully open to transformational change.

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Section 4: Sustainability Strategy and Investment Priorities

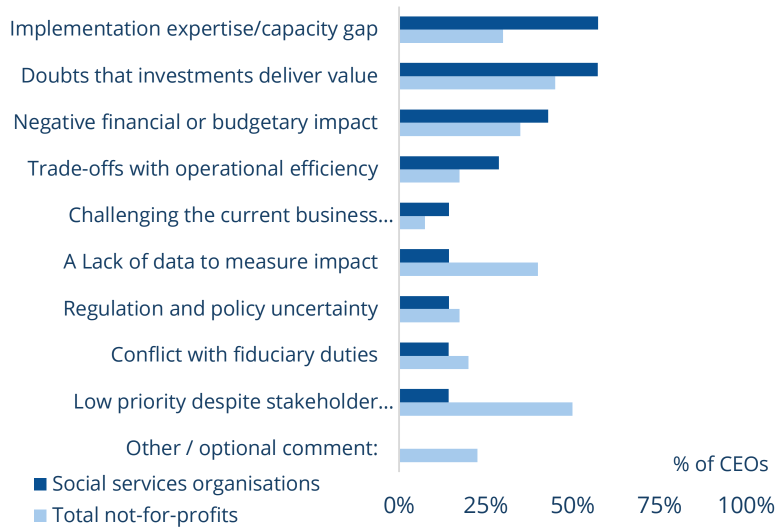
Impact of **environmental** and **social investments** on organisational value

The majority of CEOs (89%) believe investing in environmental and social practices enhances their organisation's value, while 11% 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 social services organisations were 3 percentage points less likely than total not-for-profits to believe these practices add value.

Reasons sustainability adds value

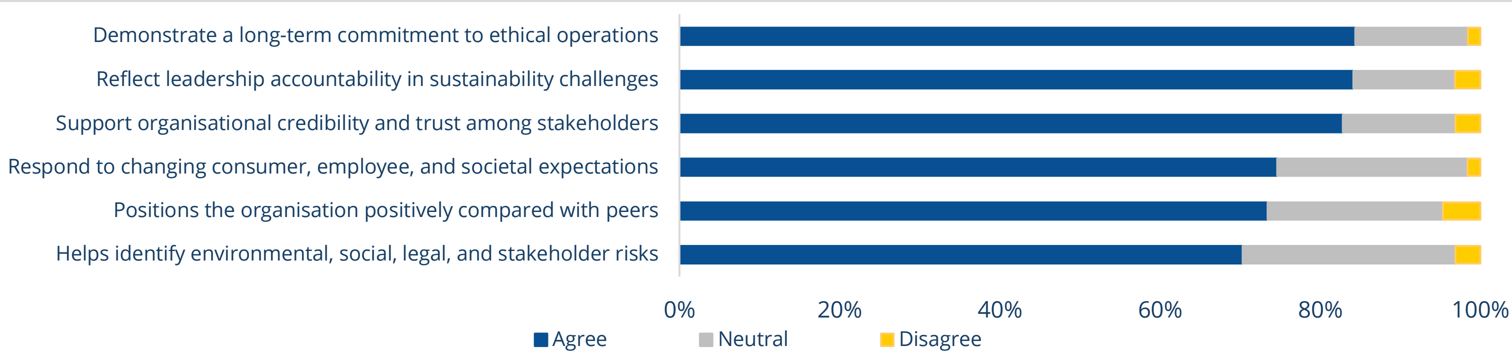
89% of CEOs say sustainable practices enhance their organisation's value, primarily due to ethical responsibility (71%) and alignment with employee values (64%). CEOs in social services organisations were 11 percentage points more likely to believe these practices aid in formal client requests.

Sustainability does not add value due to:



11% of CEOs do not believe that sustainable practices enhance organisational value, primarily due to an implementation expertise/capacity gap (57%) or doubts that investments deliver value (57%). Social services organisations were 36 percentage points less likely to note the low priority despite stakeholder preference.

Agreement with statements on sustainable business practices



The majority of CEOs agree that sustainable practices demonstrate a long-term commitment to ethical operations (84%), reflect leadership accountability in sustainability challenges (84%) and support organisational credibility and trust among stakeholders (83%). 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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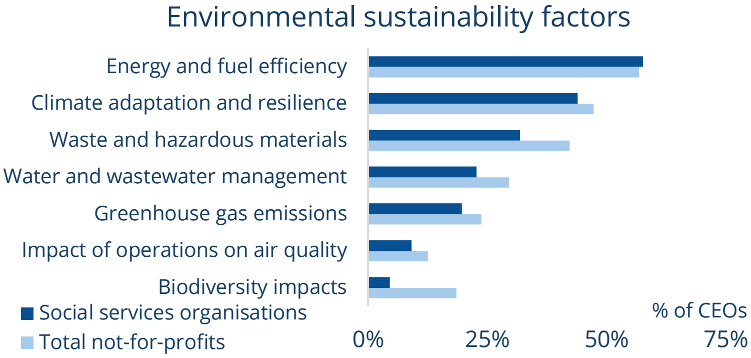
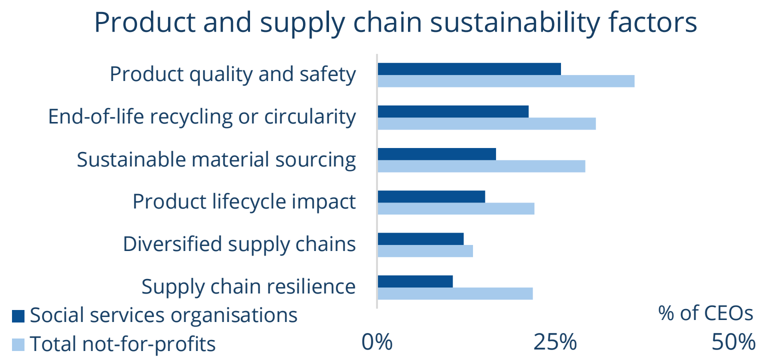
Material **environmental** factors driving strategic priorities and long-term value



CEOs view energy and fuel efficiency (58%) and climate adaptation and resilience (44%) as primary environmental drivers of value. Social services organisations are less likely to view biodiversity impacts as material.



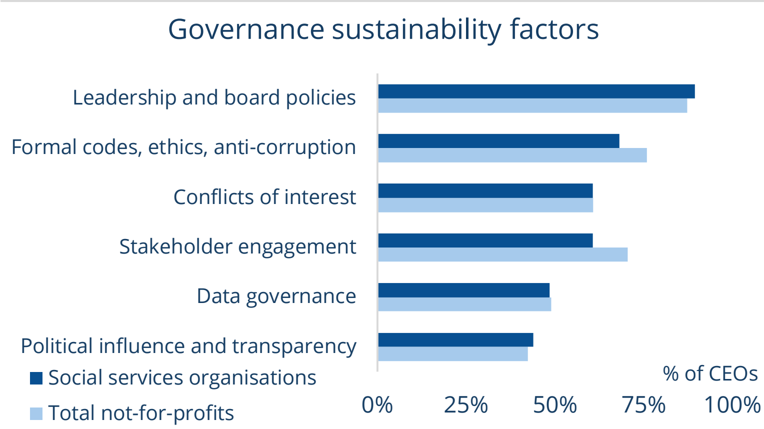
CEOs view product quality and safety (26%) and end-of-life recycling or circularity (21%) as the primary drivers of long-term value. Social services organisations are less likely to view sustainable material sourcing as material.

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

CEOs view employee well-being (94%) and employee health and safety (88%) as the top workforce sustainability value drivers. Social services organisations are more likely to see fair labour practices as material.

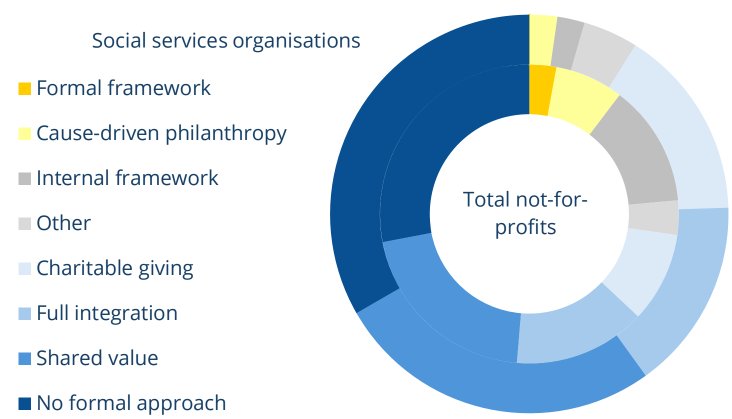
CEOs view community relations (86%) and data security and privacy (79%) as primary social stakeholder drivers of long-term value. Social services organisations are more likely to view data security and privacy as material.

Material governance factors



CEOs view 'leadership and board policies' (89%) and 'formal codes, ethics, anti-corruption' (68%) as the primary governance drivers of long-term value. Social services organisations are less likely to consider 'stakeholder engagement' as material.

Approach to sustainability strategy



The most common approach to sustainability is none: no formal sustainability approach or initiatives (33%).

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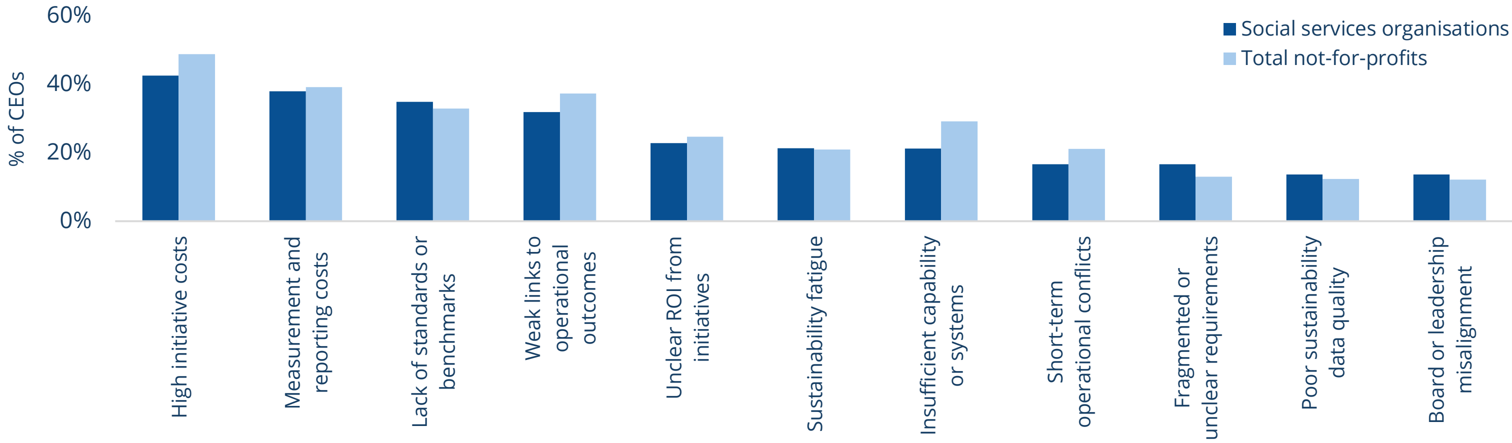
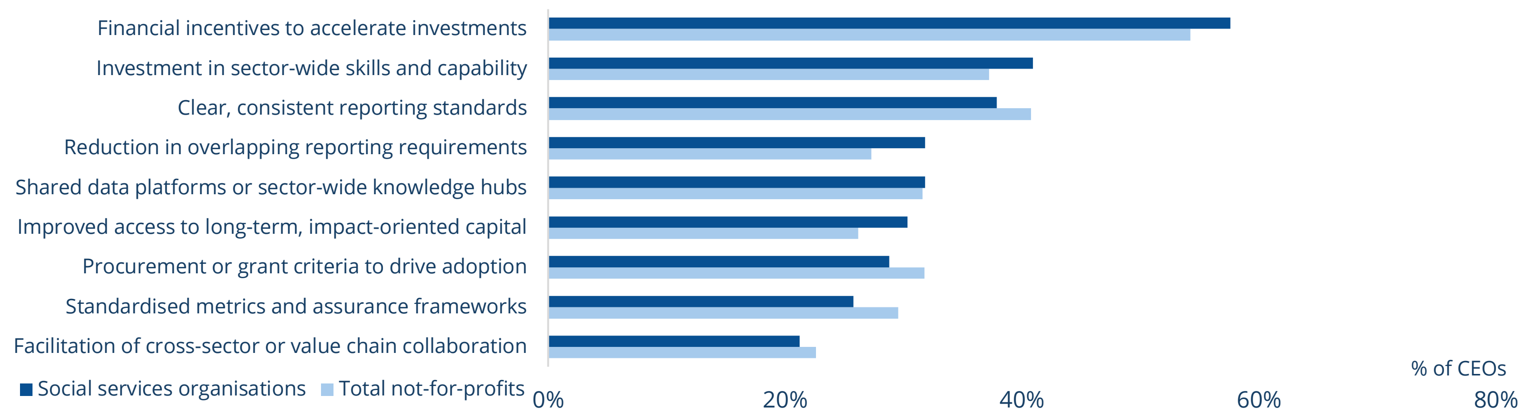
Key barriers to integrating sustainability into strategy and operations



Organisations see high initiative costs (42%) as the most common barrier to integrating sustainability into strategy and operations, followed by measurement and reporting costs (38%) and lack of standards or benchmarks (35%). CEOs in social services organisations were 8 percentage points less likely than total not-for-profits to see insufficient capability or systems as a barrier.

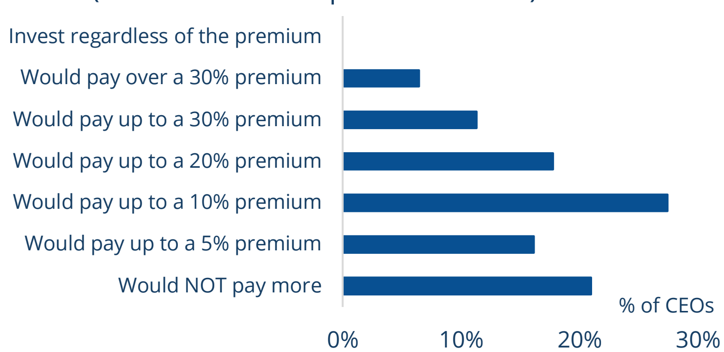
Government or industry body actions that most support sustainability goals



Based on selection frequency, CEOs identify financial incentives to accelerate investments (58%) 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 clear, consistent reporting standards (38%). CEOs in social services organisations were 5 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

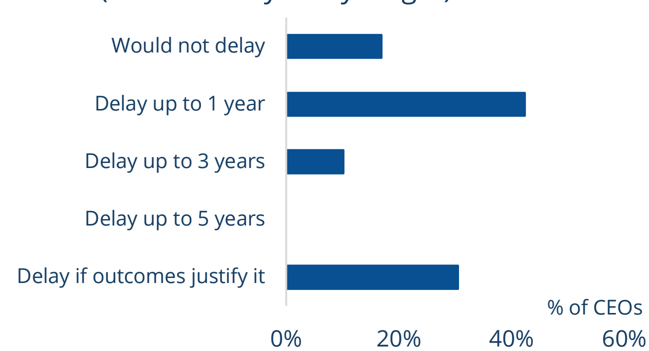
Greener versus conventional options (% of CEOs across premium levels)



44% of CEOs would pay a moderate premium (5%–10%) for greener technology: 35% would pay a premium of over 20%, while 21% would not pay more. CEOs in social services organisations were 5 percentage points more likely than total not-for-profits to say they would pay over a 30% 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: 42% up to 1 year, 10% up to 3–5 years, and 17% would not delay. CEOs in social services organisations were 4 percentage points less likely than total not-for-profits to say they would not delay.

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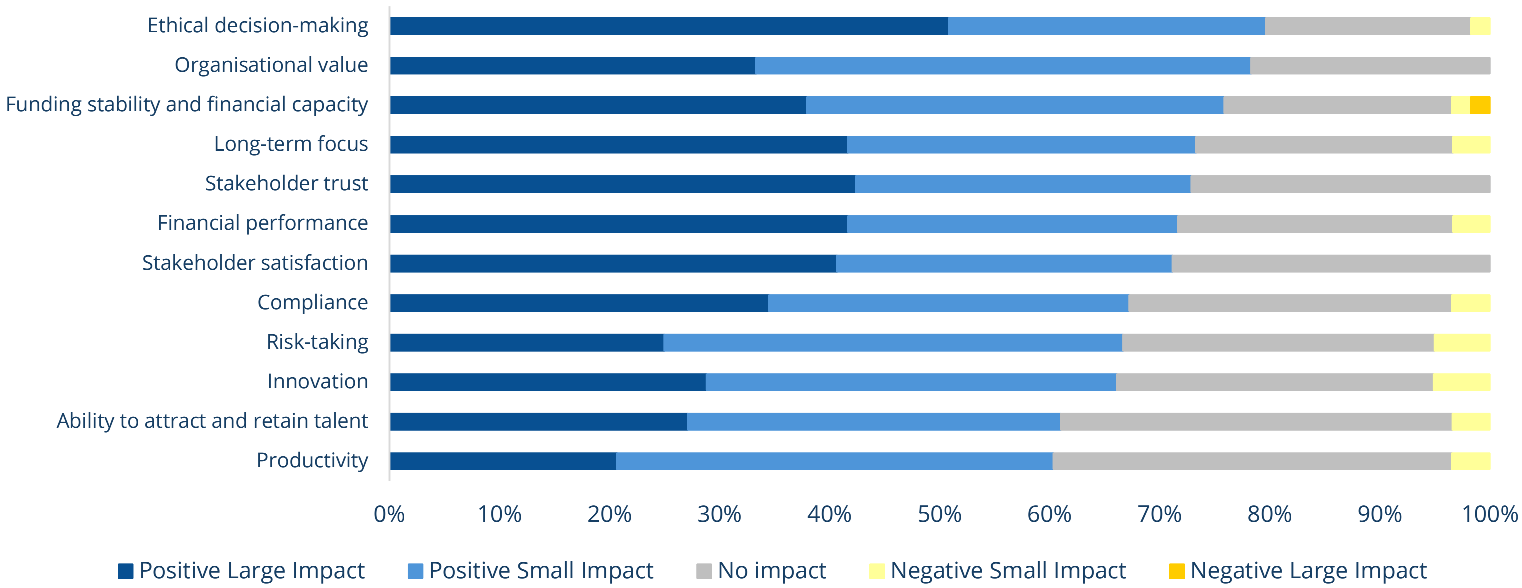
Summary: Overall influence on long-term organisational performance

Impact of environmental, social and governance sustainability on factors

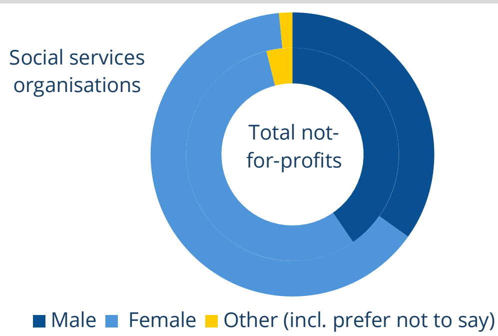


ESG sustainability positively impacts long-term performance, particularly ethical decision-making and value creation. CEOs in social services organisations were 8 percentage points less likely than total not-for-profits to say their ESG approach positively impacts innovation.

Demographics: CEOs and Boards

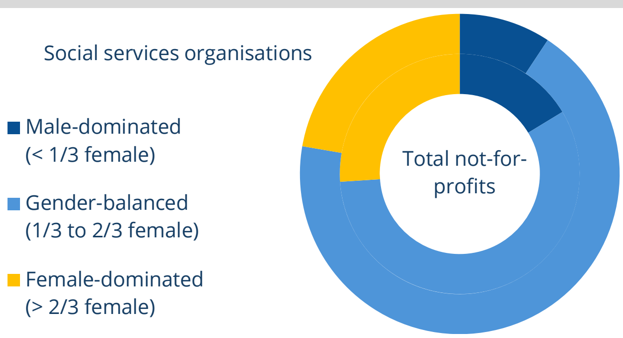
Number of employees

CEO gender identity

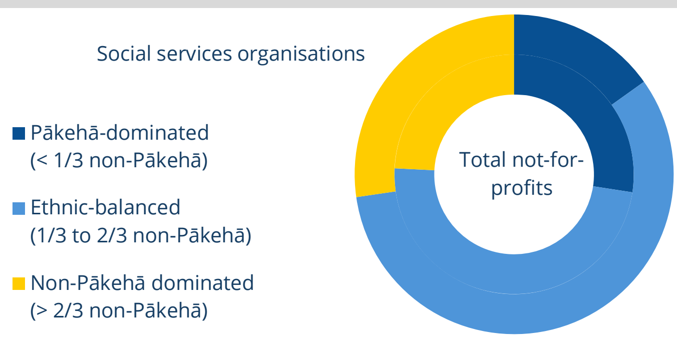


For-profit / not-for-profit

Female board representation



Ethnic board representation



Women comprise 47.4% of the NZ workforce (Household Labour Force Survey, June 2023). 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.

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