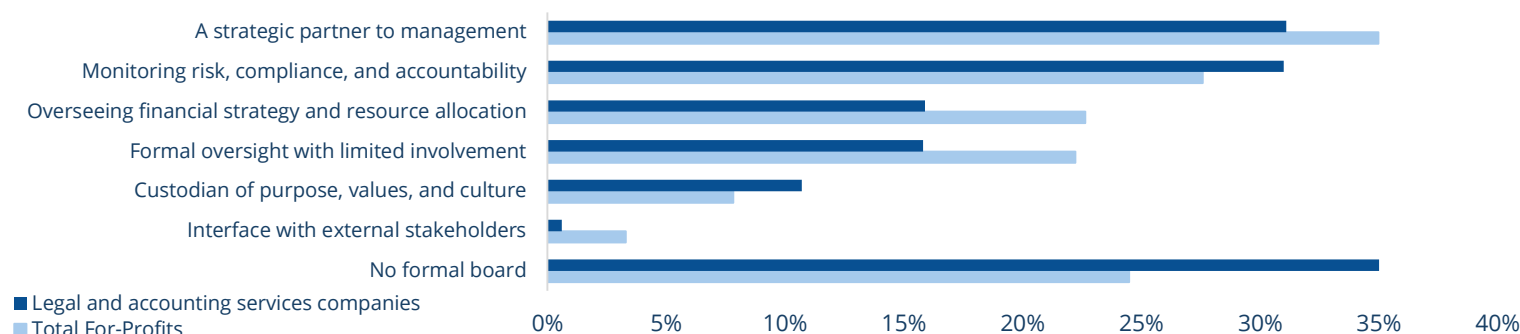


Section 1: Purpose-led Governance and Board Leadership

Primary Purpose of Board



CEOs most frequently identify their board's primary purpose as a strategic partner to management (31%), followed by monitoring risk, compliance, and accountability (31%). CEOs could select up to two roles, as boards may have more than one primary purpose (total selections >100%). Legal and accounting services companies were 7 percentage points less likely than total for-profits to report overseeing financial strategy and resource allocation 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.

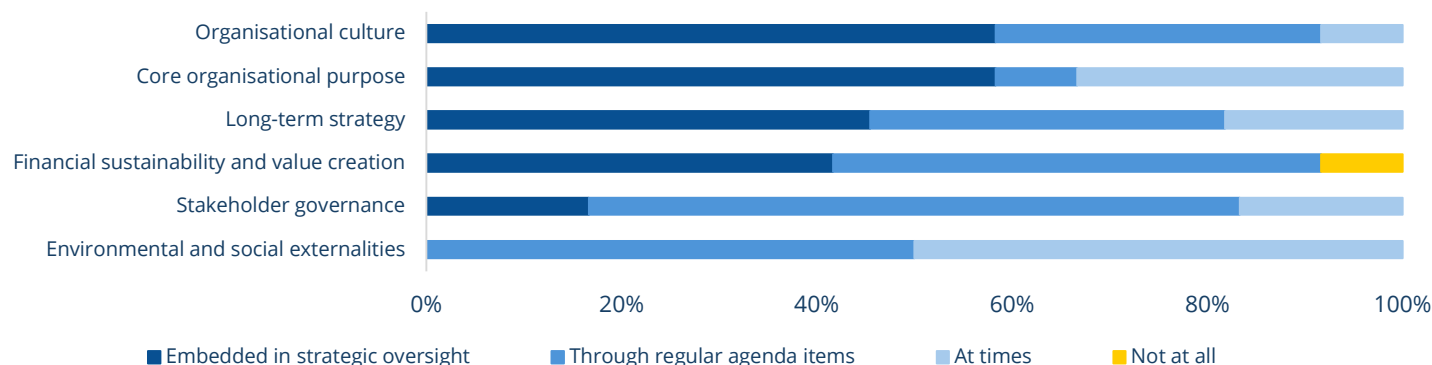
Board structure and composition for effective governance



Boards most commonly report that their structure ensures culture aligns with strategy and purpose (67%) and aligns composition to reflect skills and expertise for long-term strategy oversight (67%). In contrast, fewer report that their board structure oversees performance metrics on sustainability (8%) and oversees performance metrics on culture (0%), highlighting an opportunity to strengthen how board structures support broader organisational priorities. Legal and accounting services companies are 35 percentage points more likely to report that their board fully 'ensures culture aligns with strategy and purpose'.

Legal and accounting services: 20 CEOs

Extent of formal board oversight across key areas



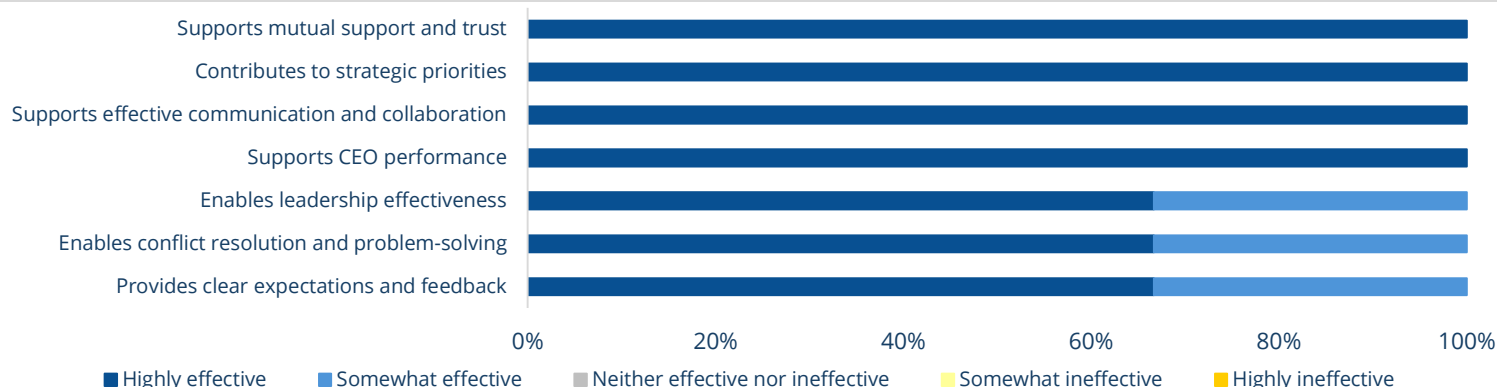
Many boards embed oversight of organisational culture (58%), core organisational purpose (58%), and long-term strategy (45%) within strategic oversight. However, fewer boards embed financial sustainability and value creation (42%), stakeholder governance (17%), and environmental and social externalities (0%), highlighting an opportunity for organisations to more consistently integrate factors that influence strategy, risk, and long-term value. Legal and accounting 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 48% relying on informal or ad hoc discussions and 40% using facilitated board discussions or workshops, many boards have an opportunity to strengthen oversight and better enable organisational performance by adopting more formal, objective evaluation methods. Legal and accounting services companies are less 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 very strong: 100% of CEOs rated the chair "highly effectively" 'supports mutual support and trust', 'contributes to strategic priorities', 'supports CEO performance' and 'supports effective communication and collaboration'. The lower ratings for 'enables leadership effectiveness', 'provides clear expectations and feedback', and 'provides clear expectations and feedback' indicate opportunities to enhance the CEO's ability to lead optimally.

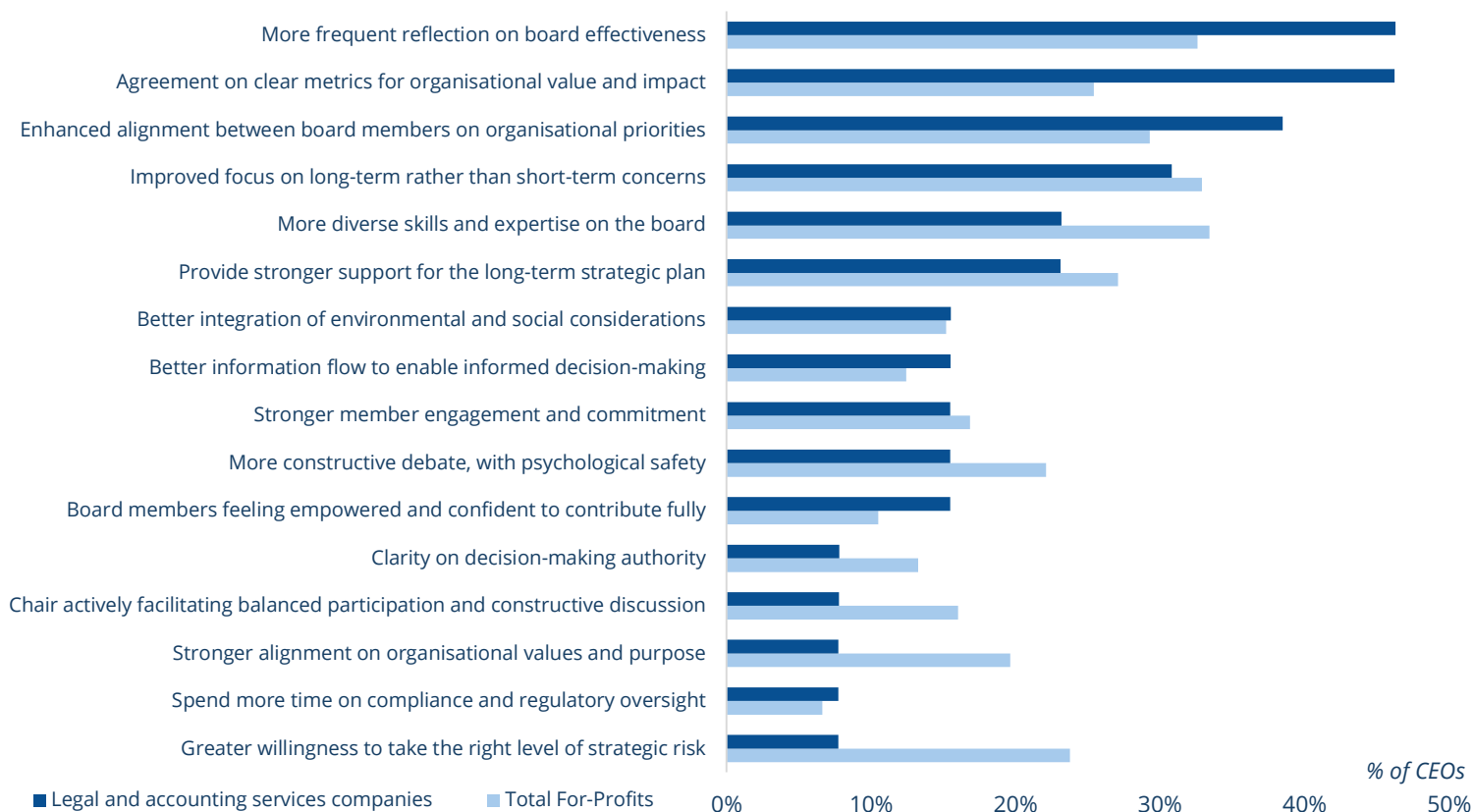
Legal and accounting services: 20 CEOs

Board effectiveness in enabling organisational purpose



Even some of the strongest boards have room for improvement: 33% of CEOs rate their board as 'highly effective' in supporting oversight of compliance and organisational risks, followed by 25% in supporting alignment of organisational culture with purpose and strategy, and 25% in supporting constructive board culture and dynamics. More than 67% 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. Legal and accounting services companies are less likely than total for-profits to rate highly on 'supporting long-term orientation' in enabling organisational purpose.

Areas the board could more effectively support and enable leadership

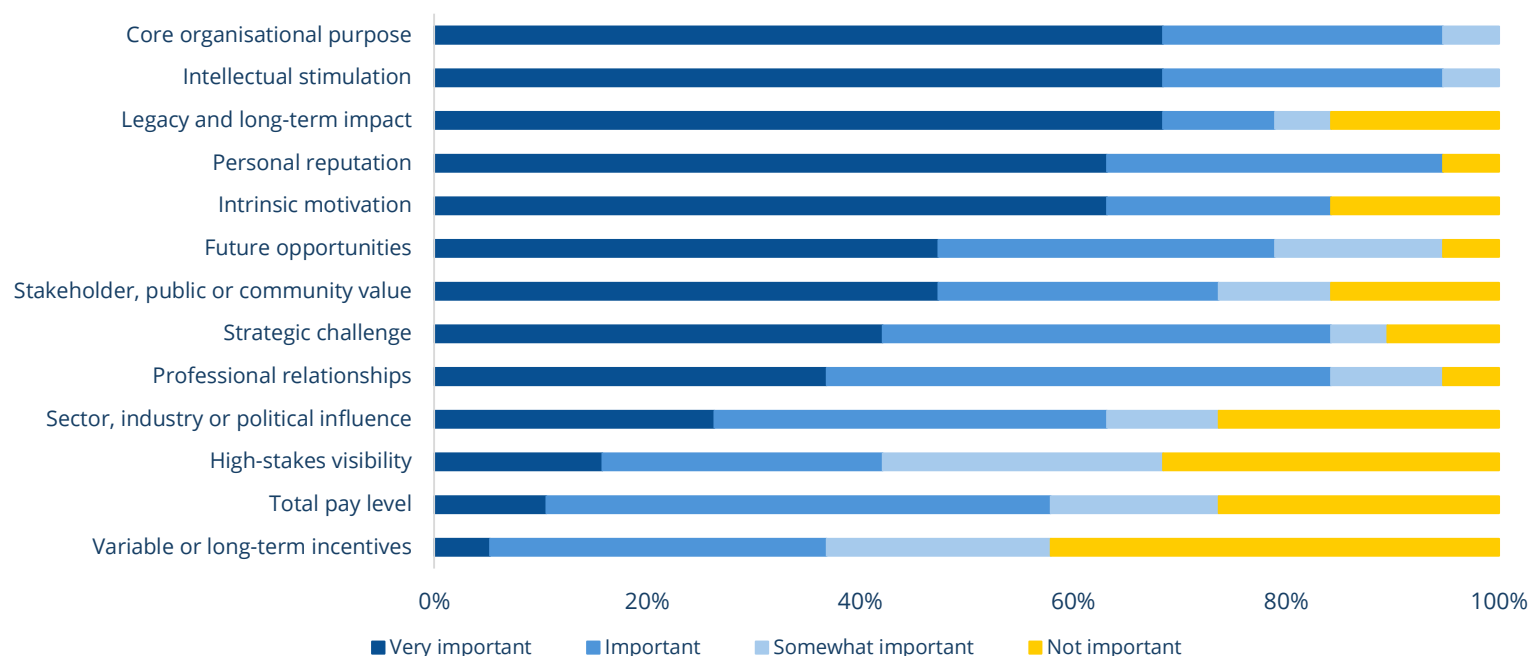


CEOs view board effectiveness as an important contributor to organisational performance. CEOs identify that boards could more effectively support and enable leadership, with 46% highlighting more frequent reflection on board effectiveness, 46% agreement on clear metrics for organisational value and impact, and 38% enhanced alignment between board members on organisational priorities. Legal and accounting services companies are 21 percentage points more likely than total for-profits to identify 'agreement on clear metrics for organisational value and impact to enable organisational purpose' as a way to enhance organisational performance.

Legal and accounting services: 20 CEOs

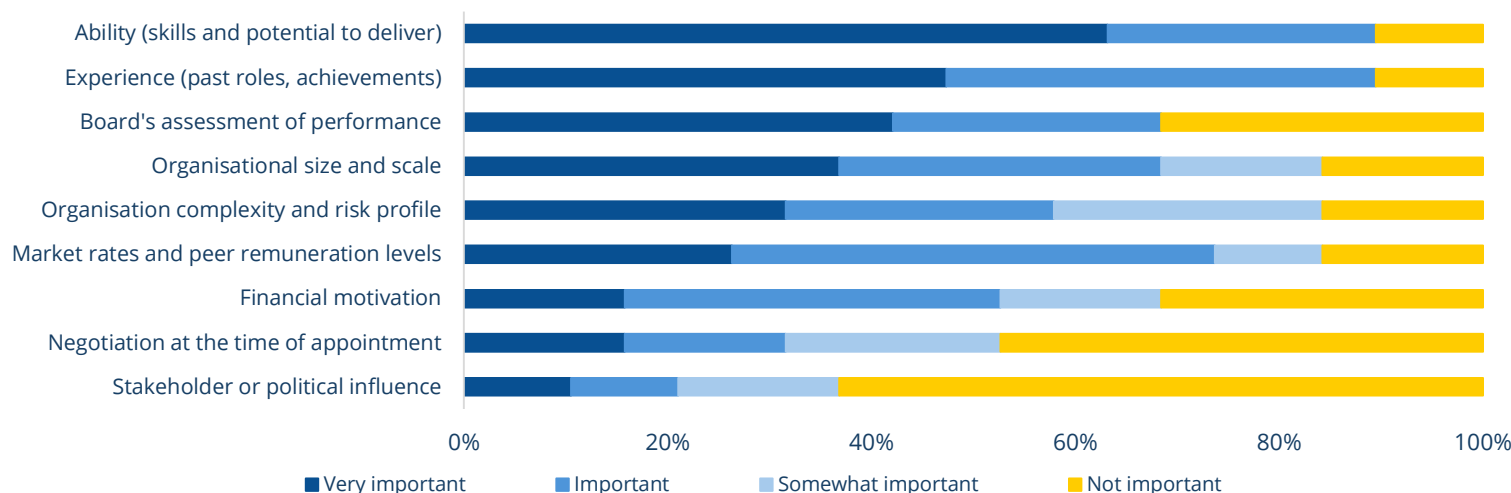
Section 2: CEO Personal Motivation, Values, and Alignment

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 intrinsic and purpose-driven motivations rank highest, followed by reputation-related motivations, while financial or visibility-related factors are least prominent. Specifically, 68% of CEOs rated core organisational purpose as very important, followed by intellectual stimulation (68%) and legacy and long-term impact (68%), whereas only 11% rated total pay level and 5% rated variable or long-term incentives as very important motivators.

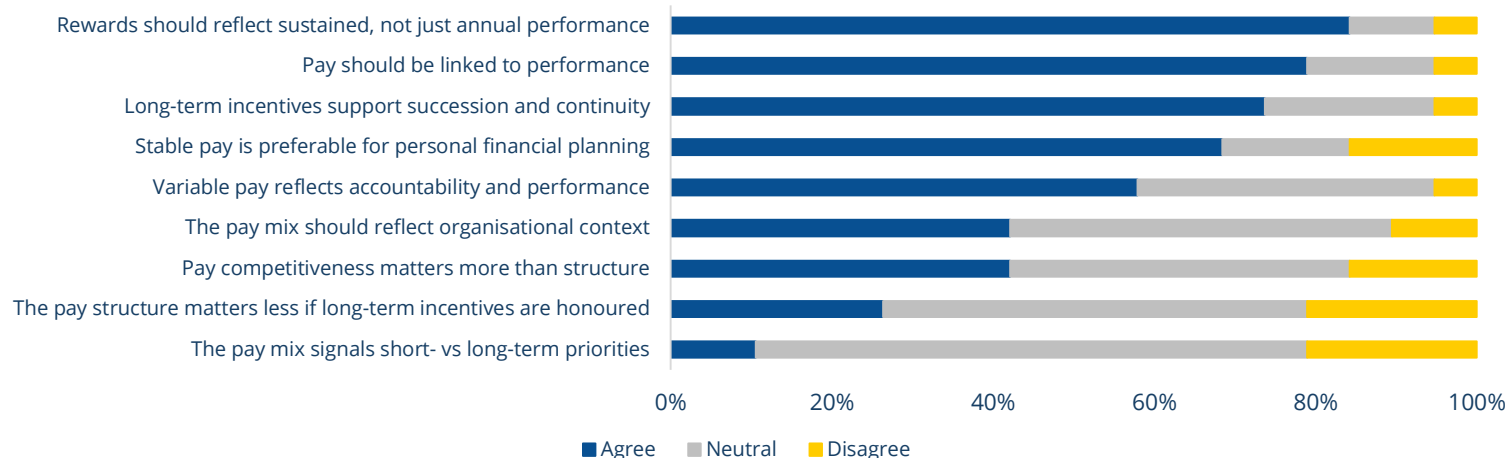
Key factors CEOs view as determinants of their pay



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, 63% rating ability (skills and potential to deliver), 47% experience (past roles, achievements) and 42% board's assessment of performance as very important determinants of pay, compared with 16% for financial motivation, 16% for negotiation at the time of appointment and 11% 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. Legal and accounting services companies are 9 percentage points more likely than total for-profits to consider the organisational size and scale as a key determinant.

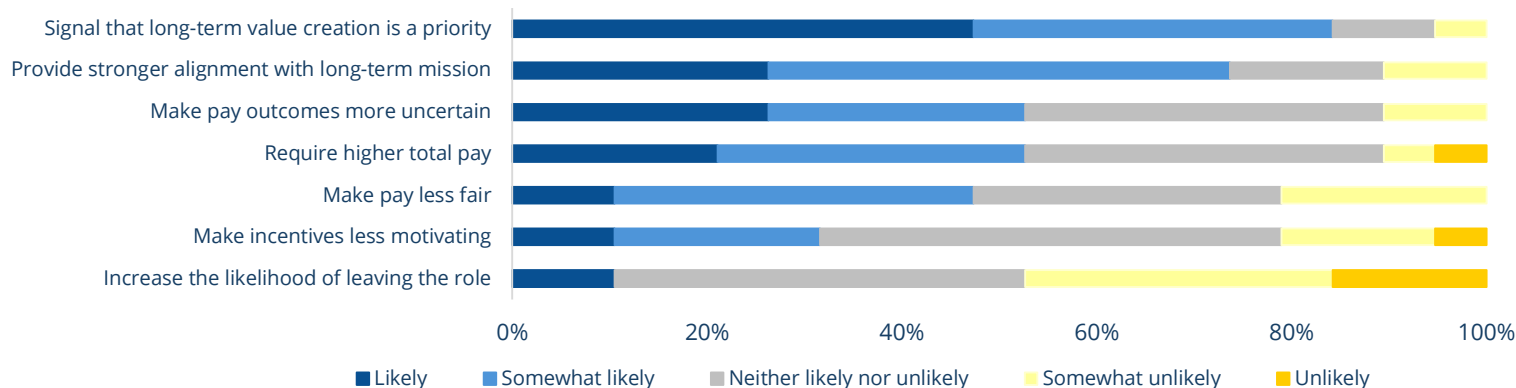
Legal and accounting services: 20 CEOs

CEO's views on fixed and variable pay



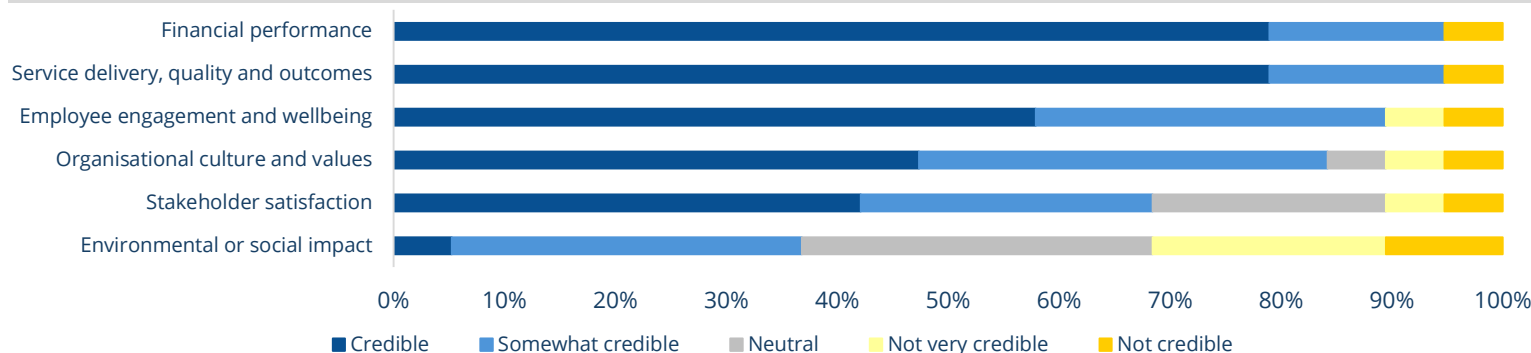
Most CEOs agree that 'rewards should reflect sustained, not just annual performance' (84%), that 'pay should be linked to performance' (79%), and that 'long-term incentives support succession and continuity' (74%). In comparison, CEOs are most neutral on 'the pay mix signals short- vs long-term priorities' (68%) and on whether 'the pay structure matters less if long-term incentives are honoured' (53%), 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' (84%) and 'provide stronger alignment with long-term mission' (74%). Despite academic research suggesting executives prefer more immediate pay, CEOs are most neutral that they 'make incentives less motivating'. 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

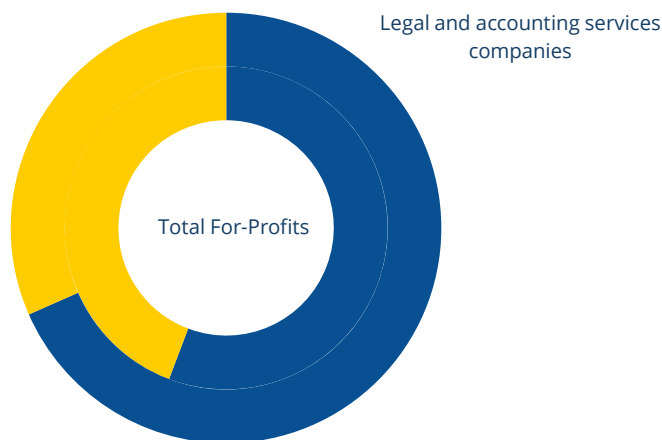


CEOs believe that pay-linked KPIs are most credible for 'financial performance' (79%) and 'service delivery, quality and outcomes' (79%), moderately credible for 'employee engagement and wellbeing' (58%) and 'organisational culture and values' (47%), and least credible for 'stakeholder satisfaction' (42%) and 'environmental or social impact' (5%). Many see these measures as somewhat credible, with very few rating any measure as not credible. Legal and accounting services companies are 11 percentage points more likely than total for-profits to agree that stakeholder satisfaction is a credible and fair way to assess CEO performance.

Legal and accounting services: 20 CEOs

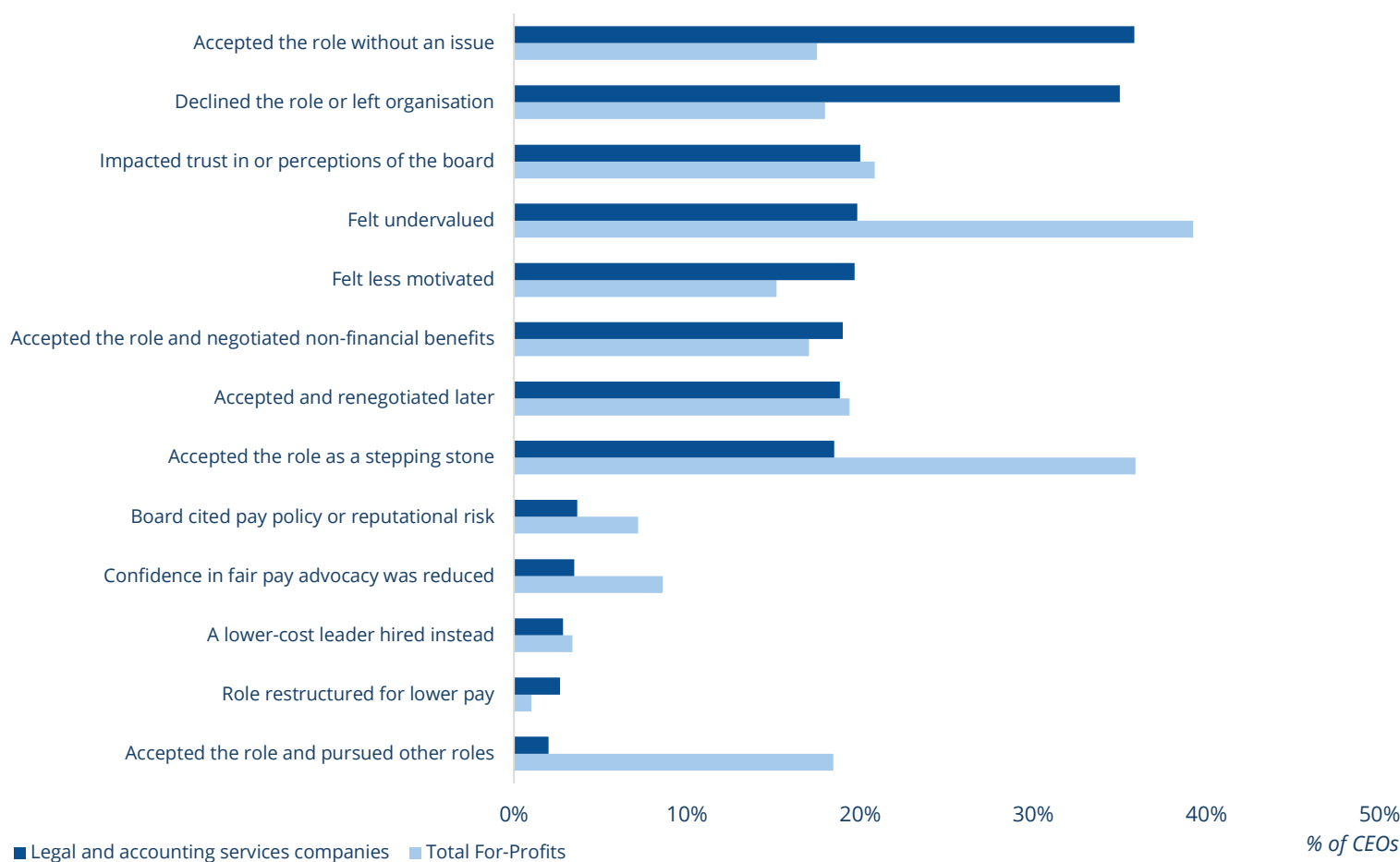
CEOs offered below-expected remuneration during their time in leadership

- 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, 30% of CEOs reported experiencing total pay offers below what they felt was appropriate, often leading to career-management responses, whereas 65% did not. CEOs in legal and accounting services companies were 14 percentage points less likely than total for-profits to have been offered below-expected pay.

Leader consequences of lower-than-expected pay offers

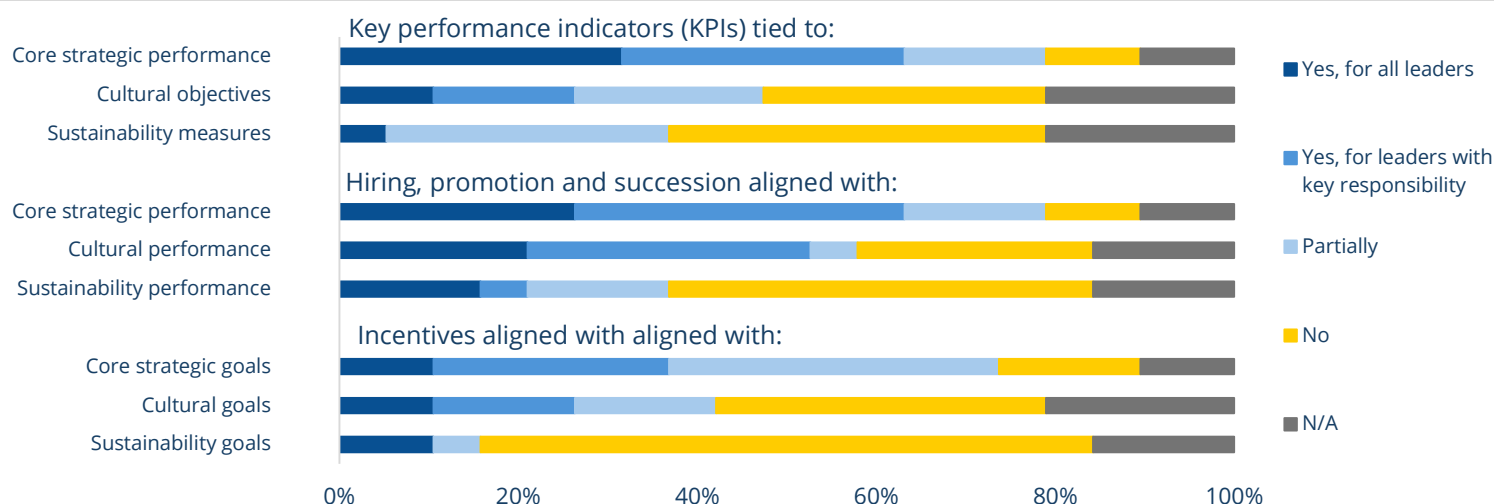


Boards risk weaker leadership quality, poorer strategic continuity, and reduced ability to attract and retain capable CEOs when pay is set below appropriate market levels. The most common responses for CEOs who received lower than expected pay offers included that they accepted the role without an issue (36%) and declined the role or left organisation (35%), 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 legal and accounting services companies were 19 percentage points less likely than total for-profits to have felt undervalued.

Legal and accounting services: 20 CEOs

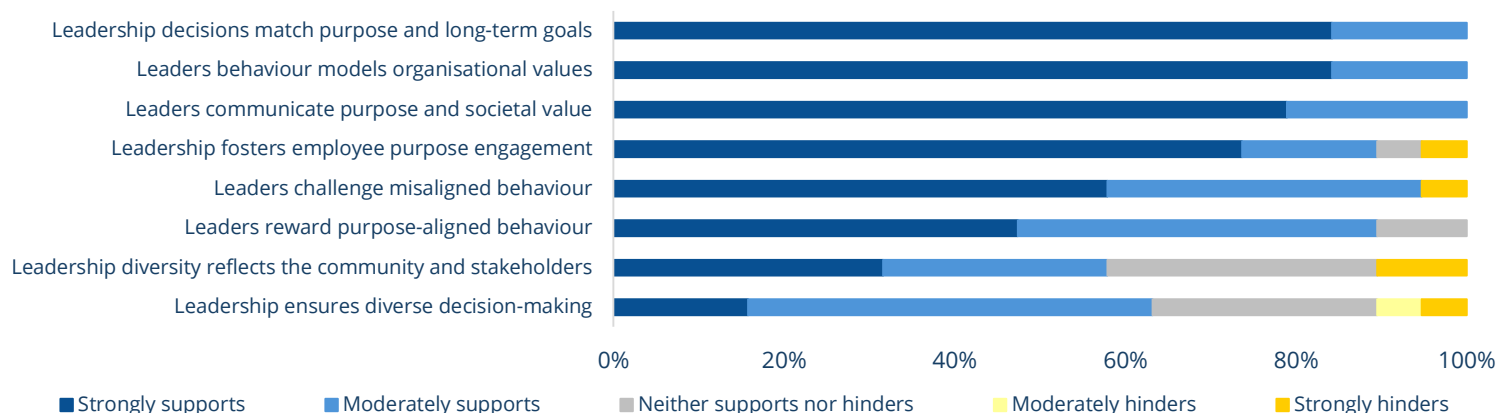
Section 3: Executive and Senior Leaders Signals, Pay and Incentives

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



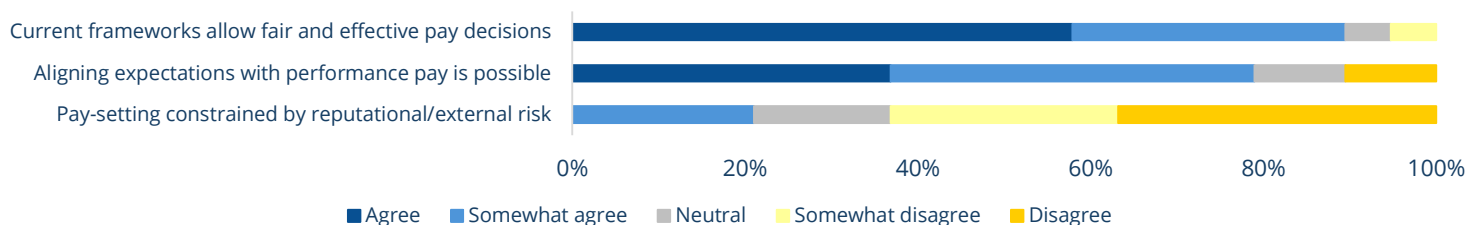
Leadership incentives, KPIs and succession decisions aligned with sustainability, culture and strategy are social and governance mechanisms as they determine how effectively leadership behaviour is shaped, monitored and held accountable for delivering organisational purpose and sustained value creation. 63% of CEOs integrate core strategic performance into executive hiring, promotion, succession and KPIs, compared with 26%–53% for culture and 5%–21% 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 47% and 84% of CEOs report that senior leaders strongly support organisational purpose through communication, modelling, decision-making and behavioural reinforcement. In comparison, only 32% believe leadership diversity reflects the community and stakeholders, and 16% say leadership ensures diverse decision-making, highlighting an opportunity to align behaviour and structural inclusivity.

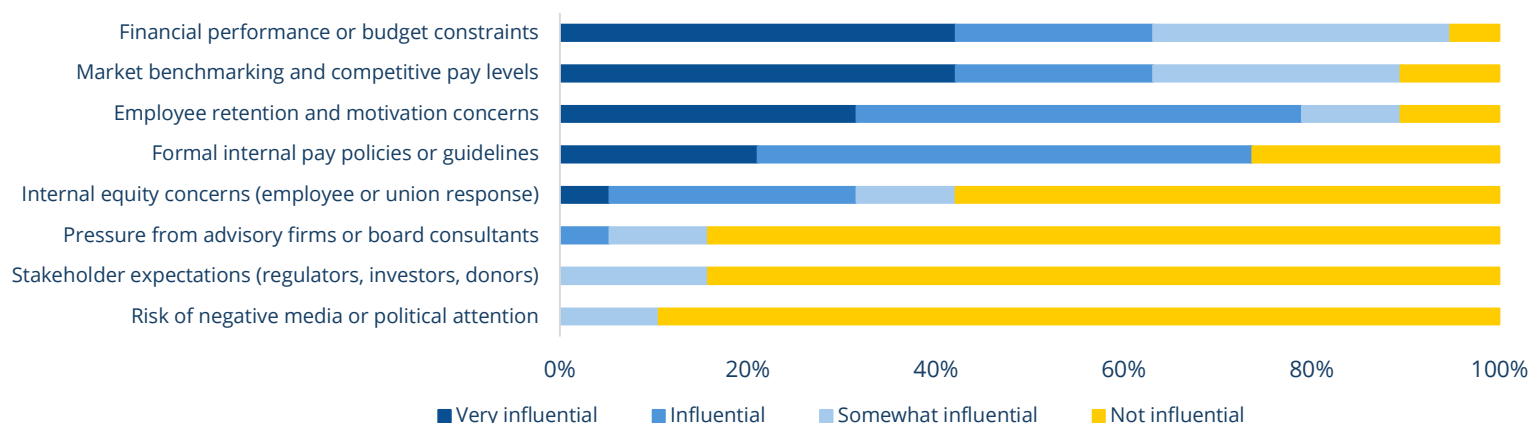
Executive remuneration framework effectiveness



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. 89% of respondents agree or somewhat agree that current frameworks support fair and effective pay decisions, and 79% agree or somewhat agree that expectations can be aligned with performance pay. In contrast, 21% perceive pay-setting to be constrained by reputational or external risk.

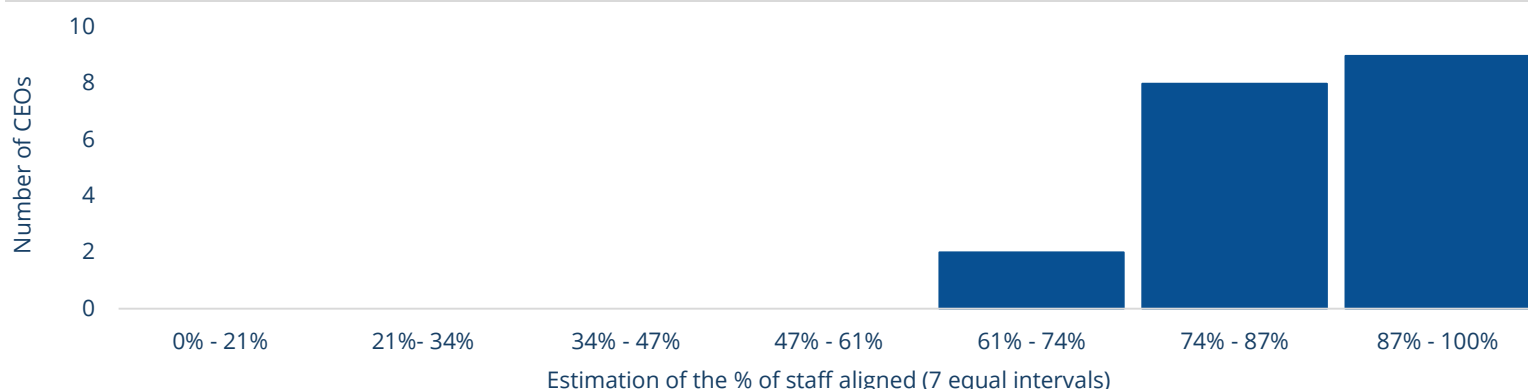
Legal and accounting services: 20 CEOs

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 legal and accounting services companies were 11 percentage points more likely than total for-profits to cite market benchmarking and competitive pay levels.

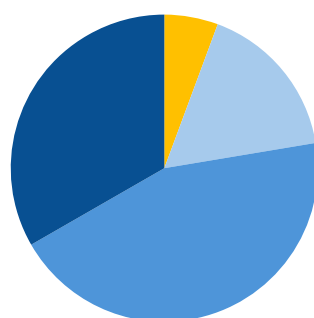
Percentage of staff motivated by sustainability goals



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 84% 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. 78% of organisations are willing to pursue cultural change to support sustainability goals, with 44% favouring structured change and 33% 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 legal and accounting services companies were 4 percentage points less likely than total for-profits to be moderately open to change with structured plans.

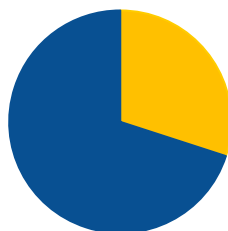
Legal and accounting services: 20 CEOs

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 (70%) believe investing in environmental and social practices enhances their organisation's value, while 30% 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 legal and accounting services companies were 11 percentage points less likely than total for-profits to believe these practices add value.

Reasons sustainability adds value



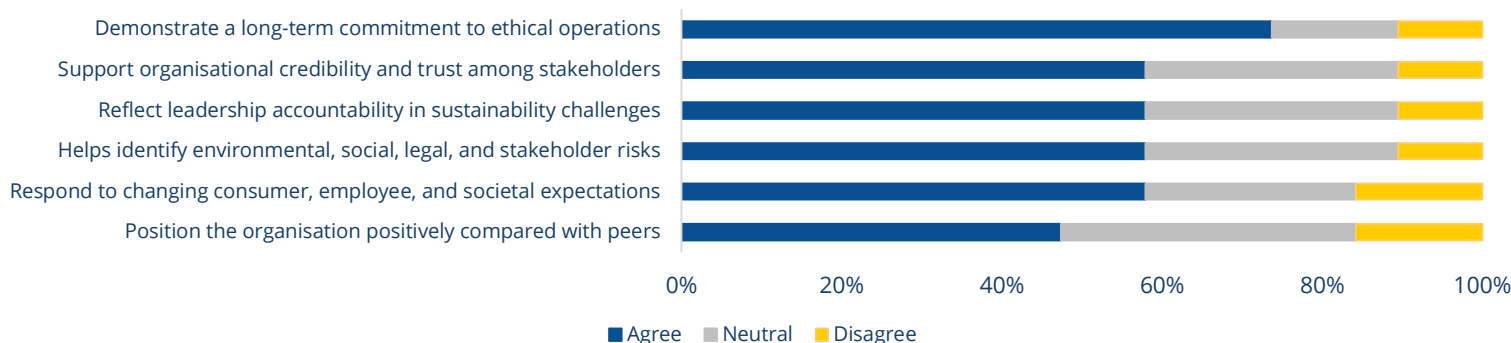
70% of CEOs say sustainable practices enhance their organisation's value, primarily due to ethical responsibility (79%) and alignment with employee values (72%). CEOs in legal and accounting services companies were 30 percentage points less likely to believe these practices have a material impact on value and performance.

Sustainability does not add value due to:



30% of CEOs do not believe that sustainable practices enhance organisational value, primarily due to low priority despite stakeholder preference (83%) or lack of data to measure impact (67%). Legal and accounting services companies are less likely to have doubts that investments deliver value.

Agreement with statements on sustainable business practices

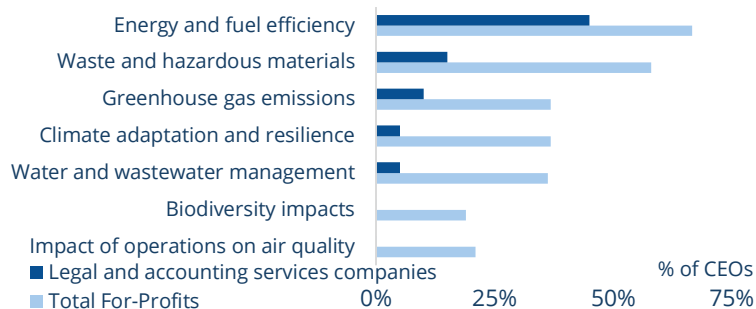


The majority of CEOs agree that sustainable practices demonstrate a long-term commitment to ethical operations (74%), support organisational credibility and trust among stakeholders (58%) and reflect leadership accountability in sustainability challenges (58%). Sustainable business practices are viewed as an integrated driver of competitiveness, stakeholder trust, and risk management, rather than a peripheral activity.

Legal and accounting services: 20 CEOs

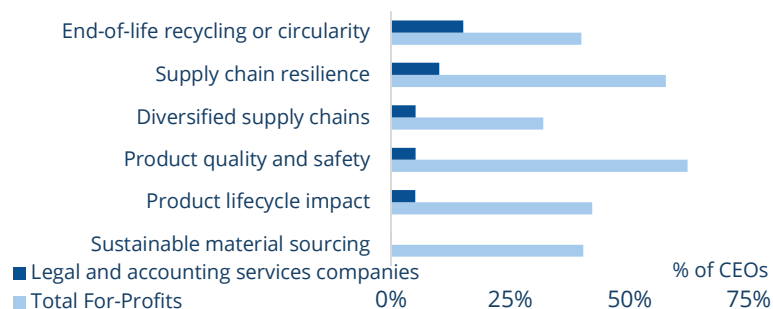
Material **environmental** factors driving strategic priorities and long-term value

Environmental sustainability factors



CEOs view energy and fuel efficiency (45%) and waste and hazardous materials (15%) as the primary drivers of long-term environmental value. Legal and accounting services companies are less likely to view waste and hazardous materials as material.

Product and supply chain sustainability factors



CEOs view end-of-life recycling or circularity (15%) and supply chain resilience (10%) as the primary drivers of long-term product and supply chain value. Legal and accounting services companies are less likely to view product quality and safety as material.

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

Workforce sustainability factors



CEOs view employee well-being (85%) and talent development and retention (75%) as the primary workforce sustainability value drivers. Legal and accounting services companies are less likely to consider fair labour practices as material.

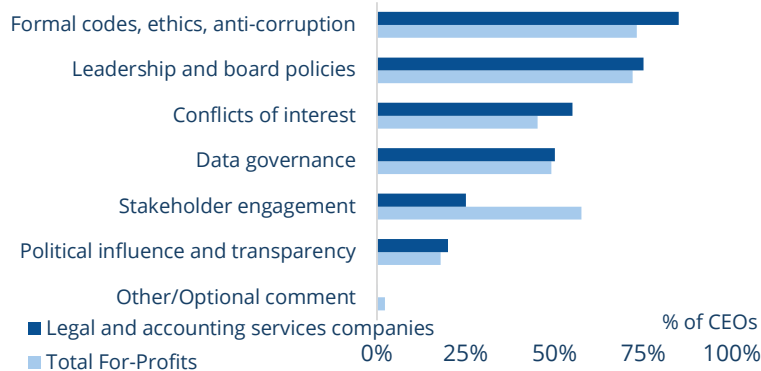
Stakeholder sustainability factors



CEOs view data security and privacy (55%) and community relations (55%) as the primary social stakeholder drivers of long-term value. Legal and accounting services companies are less likely to view customer sustainability satisfaction as material.

Material **governance** factors

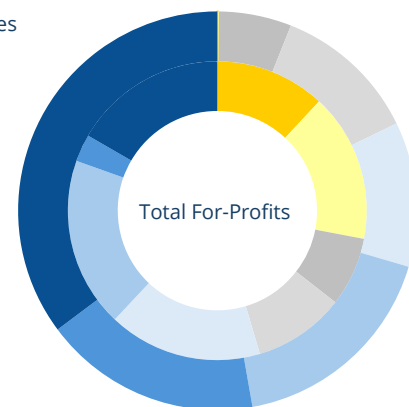
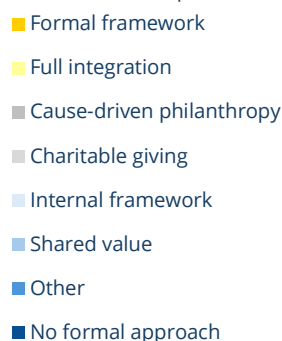
Governance sustainability factors



CEOs view 'formal codes, ethics, anti-corruption' (85%) and 'leadership and board policies' (75%) as the top governance drivers of value. Legal and accounting services companies are less likely to consider 'stakeholder engagement' as material.

Approach to sustainability strategy

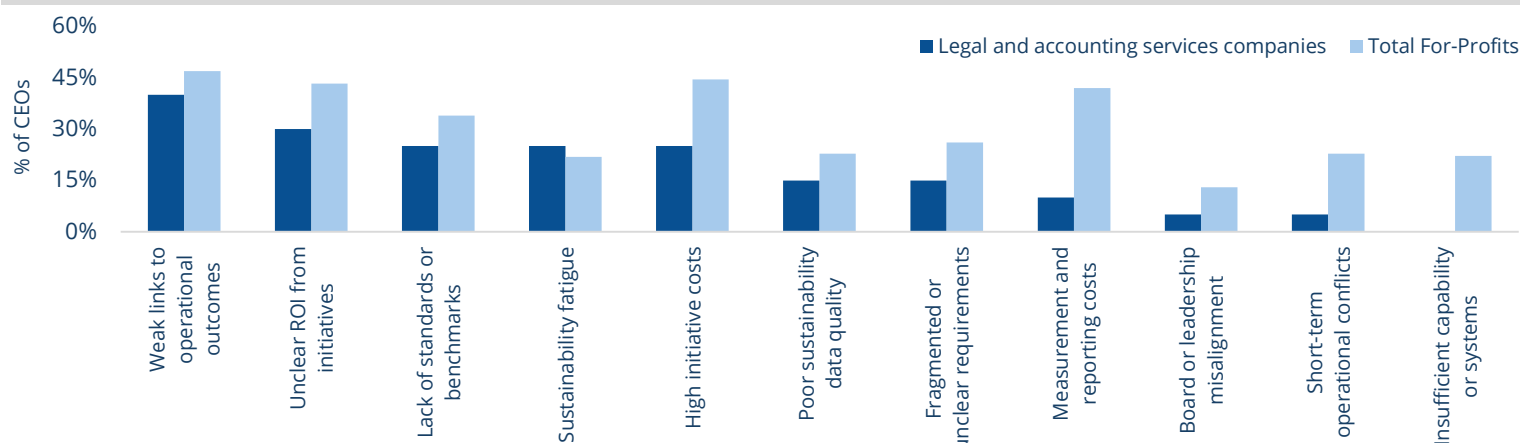
Legal and accounting services companies



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

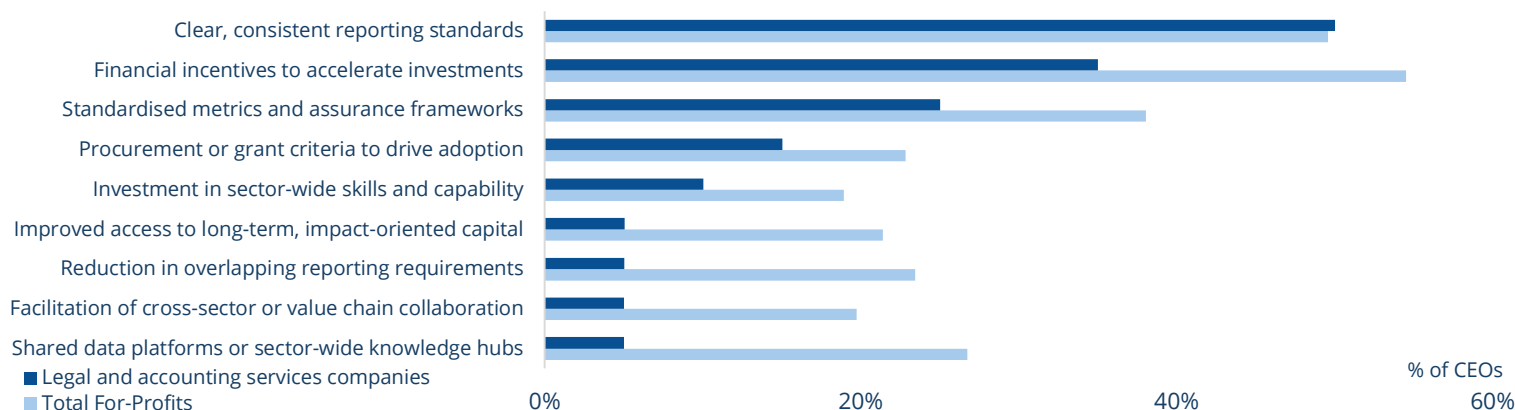
Legal and accounting services: 20 CEOs

Key barriers to integrating sustainability into strategy and operations



Organisations see weak links to operational outcomes (40%) as the most common barrier to integrating sustainability into strategy and operations, followed by unclear ROI from initiatives (30%) and lack of standards or benchmarks (25%). CEOs in legal and accounting services companies were 32 percentage points less likely than total for-profits to see measurement and reporting costs as a barrier.

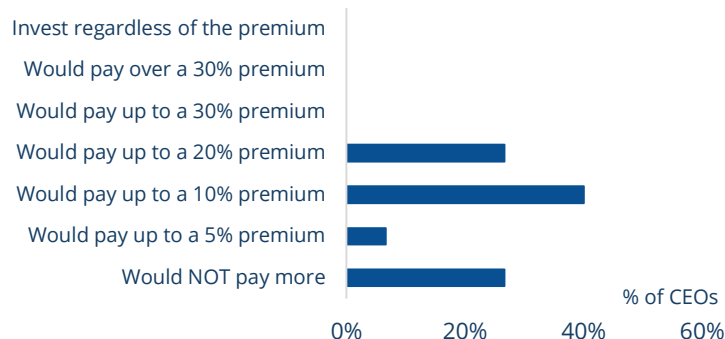
Government or industry body actions that most support sustainability goals



Based on selection frequency, CEOs identify clear, consistent reporting standards (50%) and financial incentives to accelerate investments (35%) as the most important actions government or industry bodies can take to support sustainability goals, followed by standardised metrics and assurance frameworks (25%). CEOs in legal and accounting services companies were 22 percentage points less likely than total for-profits to see shared data platforms or sector-wide knowledge hubs as important.

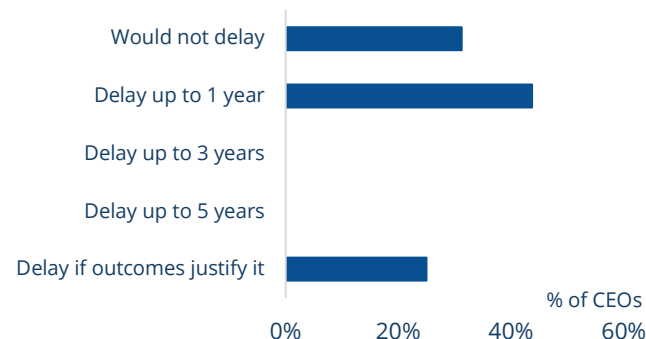
Willingness to pay for greener outcome Tolerance for sustainable project delays

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



47% of CEOs would pay a moderate premium (5%–10%) for greener technology: 27% would pay a premium of over 20%, while 27% would not pay more. CEOs in legal and accounting services companies were 11 percentage points less likely than total for-profits to say they would pay up to a 5% premium.

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

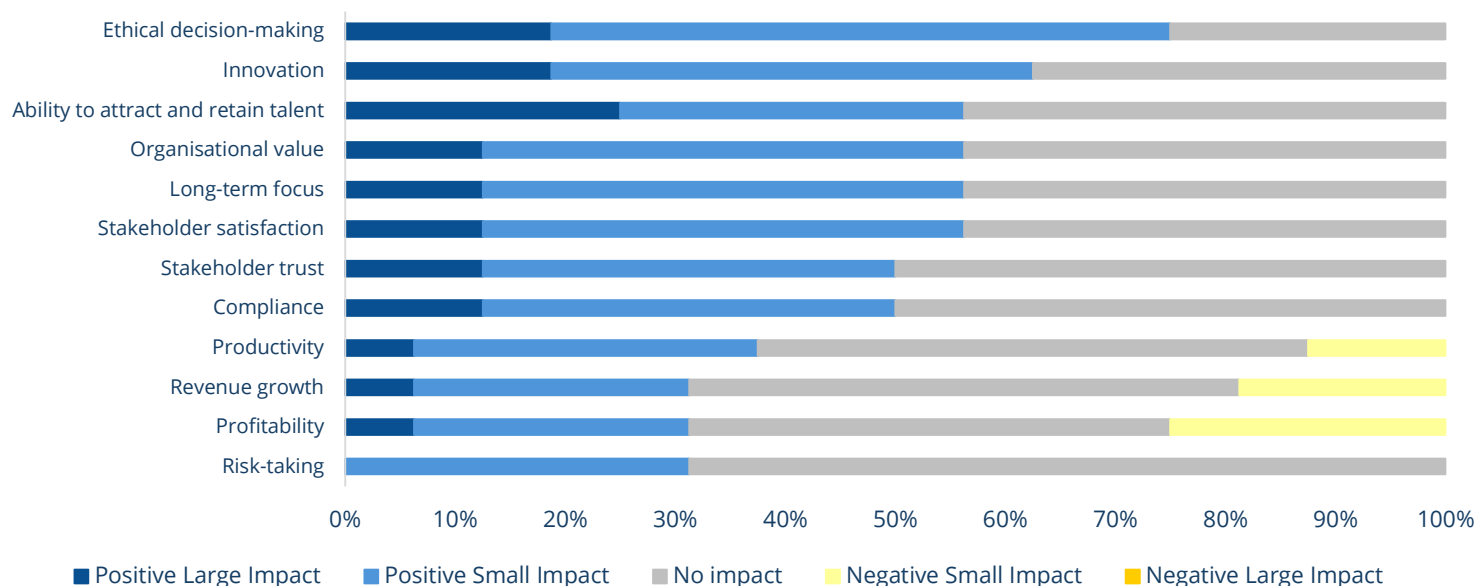


Most CEOs tolerate short delays for higher environmental or social gains: 44% up to 1 year, 0% up to 3–5 years, and 31% would not delay. CEOs in legal and accounting services companies were 15 percentage points more likely than total for-profits to say they would delay up to 1 year.

Legal and accounting services: 20 CEOs

Summary: Overall influence on long-term organisational performance

Impact of environmental, social and governance sustainability on factors



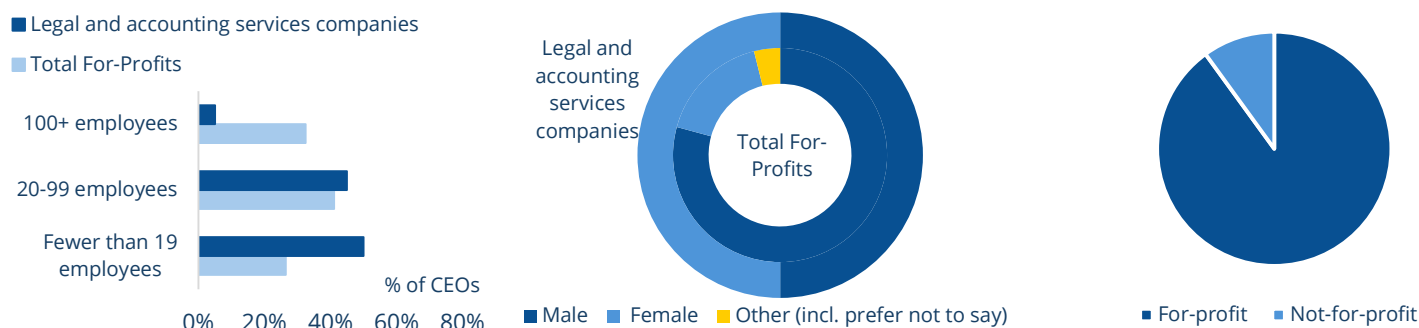
ESG sustainability positively impacts long-term performance, particularly ethical decision-making and innovation. CEOs in legal and accounting services companies were 28 percentage points less likely than total for-profits to say their ESG approach positively impacts revenue growth.

Demographics: Legal and accounting services CEOs and Boards

Number of employees

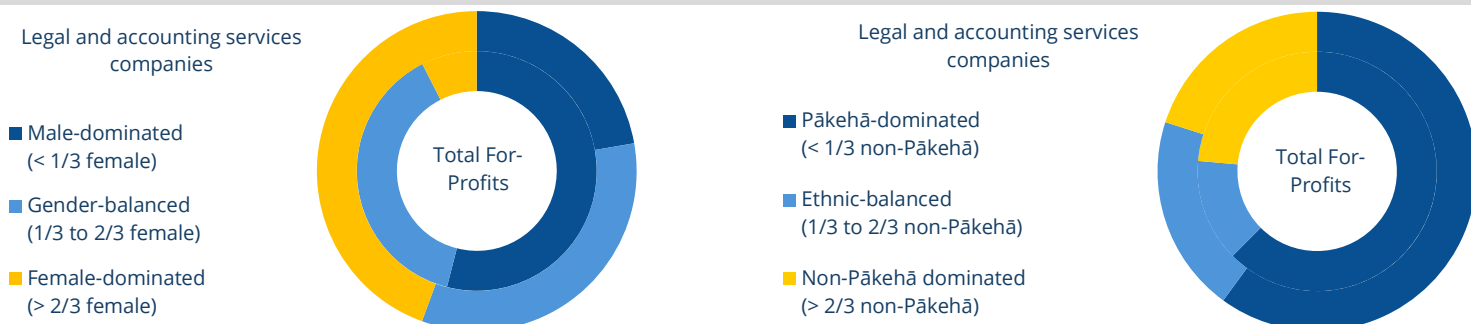
CEO gender identity

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.