

# 2026 Board Performance Benchmark Report



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## Why Benchmarks Matter

Boardrooms today are navigating a governance agenda that looks very different from what it did just a few years ago. New technologies, shifting geopolitical realities, evolving stakeholder expectations, and an increasingly complex risk landscape continue to expand both the scope and demands of board oversight.

Against this backdrop, the 2026 Boardspan Benchmark Report provides a unique view into how boards are responding.

Drawing on data collected through the Boardspan Board Performance Assessment over the past five years, the Benchmark tracks board performance across more than 60 governance dimensions.

Because Boardspan is the only organization that benchmarks board evaluation results against a broad peer dataset, it offers a rare opportunity to observe emerging patterns and shifts across the broader board community.

This year's findings reveal an encouraging trend: despite increasing complexity and rising expectations, boards are, on balance, becoming more effective.

The findings that follow explore where that progress is most evident, where challenges persist, and how governance practices continue to evolve as boards adapt to a rapidly changing environment.



# The Complexity Paradox

## How the hardest governance challenges are producing the best boards

As we analyzed the numbers we crunched for this year's Benchmark Report, we were delighted to draw an important conclusion: even as boards are tasked with a growing list of responsibilities and manage greater complexity, the benchmarks suggest that boards are becoming more effective at governance.

In recent years, we have often said that the job of the board is hard and getting harder. We have all experienced the immense waves of change wrought by geopolitical uncertainty, rapid technological advances, globalization, capital market gyrations, and numerous other dynamics. Businesses have had to move fast to adapt to new competitors and technologies, supply chain disruptions, shifting consumer behaviors, dramatic swings in legal and regulatory issues, and more. Along the way, the work of the board has expanded and then expanded some more. More than ever, board members are helping companies navigate profound changes while overseeing an increasingly broad and complex set of issues. Their remit has evolved to include heightened expectations around cybersecurity

oversight, AI governance and risk management, new compliance standards, and visible shareholder engagement, including activist investors—all of which require greater expertise, attention, and time both in and out of the boardroom.

As demanding as this era may be, boards are clearly rising to meet the challenge. Over the past five years, the Boardspan Benchmark data shows that boards have collectively improved their performance across the full range of 60+ topics covered in Boardspan's Board Performance Assessment, with modest exceptions such as AI oversight, where boards candidly report they are still building their governance muscles. From 2021 to 2026, scores have improved by an average of 3 percent across all assessment topics, with the biggest gains seen on issues where boards were determined to make progress, such as ESG oversight (+11%) and management succession planning (+8%).

The results underscore the responsive nature of effective boards: They resist relaxing into the status quo and instead respond proactively to evolving demands. In this environment, we see them recruiting new talent to meet emerging needs, rethinking board and committee structures, strengthening their relationships with management, being willing to more assertively hold each other and executive leadership accountable, and holding a mirror up to see where they need to do better.

# Three Benchmarks That Reveal Meaningful Progress

## 1. Making Headway on Management Succession Planning

Management succession planning is one of those governance responsibilities that is universally acknowledged as important yet persistently difficult to execute. A strong succession process helps ensure leadership continuity, reduces organizational risk, and gives the board confidence that the company can continue to execute its strategy through both planned and unexpected leadership transitions. For years, however, it languished among the lowest scoring topics in the Boardspan Benchmark. It is now undeniably on the upswing and registering notable gains.

In 2021, the Benchmark score for this critical topic was equivalent to a C letter grade. By 2024, boards had made some progress, but had only brought the average score up to a C+, and the topic still registered among the bottom 5% of the more than 60 topics covered in the assessment. For the 2025-26 period, the benchmark score for management succession planning equates to a solid B and, for the first time since we began benchmarking assessment data, its score sits above the bottom 10% of all topics.

Diving deeper into the data, we find that management succession planning scores have risen a total of 8 percent over the past five years. There is a notable gap between the scores of the High Performers, whose average overall score puts them in the top 20% and rates their 2025-26 performance on management succession planning the equivalent of an A- vs. that of the Lower Performers, whose average overall score puts them in the bottom 20% and is in the C+ range. Nevertheless, both groups show improvement.

### *What's driving the change?*

We know that in the past, boards felt stymied. They recognized succession planning as a key board responsibility, yet were spending the early 2020s consumed by various crises and disruptions, starting with the pandemic, and didn't assign as much urgency to ensuring leadership continuity, especially if the company had a new and/or successful CEO who had no plans to leave. Low assessment scores, starting around that same time, served as a wake-up call for many, and a wave of CEO exits likely sharpened boards' focus. Record-high numbers of CEO transitions occurred in 2023, followed by higher numbers in 2024 and even higher in 2025. An accompanying wave of senior leadership team transitions eroded bench strength for many organizations.

At the same time, there seemed to be a collective recognition that what had originally appeared to be a finite set of

crisis events was turning into a trend: a new business environment marked by significant uncertainty and disruption, affecting companies and boards on multiple fronts (tech/AI, regulation, geopolitics, and more). Many boards quite literally saw that “business as usual” was a relic of the past and commenced adopting a more proactive mindset, placing greater emphasis on planning and preparedness. Executives were opting out for various reasons, or they were no longer the right leaders to bring the organization to the next frontier. As boards focused in on succession planning, some also came to realize their organizations lacked a disciplined process for identifying and developing future leaders and sought to remedy that. This is not to say that all boards were ignoring management succession planning during this period. Nonetheless, many of those already paying attention to this important topic are just now starting to see the measurable results from their efforts.

### *What Effective Boards Do Differently*

Boards that excel at succession planning tend to approach it as an ongoing governance process rather than a future event. They create accountability by clarifying roles, setting expectations, and establishing a regular cadence for reviewing succession plans. They hold candid conversations about leadership continuity with their chief executive, even when those discussions are uncomfortable, and they engage key partners—particularly the CEO and CHRO—to gain visibility into the organization’s leadership talent and devel-

opment needs. They also seek regular exposure to executives across the leadership team and often one level below to better understand their capabilities and help evaluate their future potential.

High-performing boards prepare for multiple scenarios, from emergency transitions to long-term succession, while cultivating both internal and external candidates. Above all, they recognize that effective succession planning is not about predicting the future, but knowing the players, developing talent, and being prepared through a thoughtful process that supports the organization when leadership change inevitably occurs.

*Effective succession planning is not about predicting the future.*

*It is about knowing the players, developing talent, and being prepared when leadership change inevitably occurs.*

## **2. Trust Has Become a Strategic Advantage**

Boards are reporting higher levels of trust in their organization’s management teams and more positive interpersonal dynamics that encourage candor and information sharing. The

benchmark score for board and management relations increased notably in the last year, moving from a B+ to the A range. Average scores for this topic previously registered declines in the 2023-24 and 2024-25 periods, when they fell below the median for all assessment topics; during the 2025-26 period, they rebounded to the 68th percentile, a gain of more than 20 percentile points.

### *What's driving the change?*

Boards are increasingly aware that effective oversight depends on transparency, and therefore a relationship with management that fosters open discussion of expectation management, risks, and emerging issues. As industries respond to rapidly evolving competition, regulations, and technological advancements, directors need to partner more intentionally to access management's expertise and insights to understand business impacts and how a company can stay on par with or ahead of these changes. At the same time, many management teams have become more attuned to the value their board adds through strategic guidance, pattern recognition, challenging assumptions, and independent perspective. As a result, both groups may have a greater appreciation for the importance of cultivating strong working relationships.

Further to this point, management teams are especially appreciative of having board members who can relate to their challenges, have been in similar positions, and are seen as particu-

larly well-suited to provide guidance. Beyond pattern recognition, which has its place, true empathy and shared lived experiences are resonating more now than they have in the last five years. We see this clearly in how boards discuss their composition, skills analysis, and succession planning.

As the board's relationship with management strengthens, organizations benefit from a governance culture in which information flows freely, and differing viewpoints can be discussed productively. Greater trust and high mutual respect make it easier for boards to speak frankly and hold management appropriately accountable without risk of misunderstanding or emotional reaction. In other words, the better this relationship is, the easier it is for the board to successfully provide oversight and add value. Many boards have come to view strong board-management relationships not as a soft governance issue, but as a strategic capability that improves decision-making, strengthens oversight, and helps organizations respond more effectively to an increasingly complex operating environment.

### *What Effective Boards Do Differently*

Effective boards recognize that a culture of trust doesn't develop automatically; it is built through intentional communication and regular interaction. Many create opportunities for directors and executives to engage outside of formal board presentations—whether through casual conversation at a board & management dinner, collaborating in

an annual strategic offsite, or engaging between meetings on committee initiatives. Directors and executive leadership are encouraged to spend time together and develop deeper relationships. High levels of trust are particularly valuable in periods of uncertainty or rapid change, so those who have already invested in trust building reap the rewards when the unexpected happens, something that is more common lately.

Effective board chairs and lead directors play a critical role in establishing a constructive tone in the boardroom, encouraging healthy dialogue, and ensuring that constructive challenge is delivered in a way that strengthens rather than undermines trust. Many place greater emphasis on providing management with specific feedback on what information is/isn't needed, and, importantly, why. This helps open lines of communication and fosters a better understanding of how the two groups can support one another—a much preferred alternative to management dutifully spending enormous amounts of time preparing data that the board politely receives but doesn't find valuable.

The most effective board-management relationships strike a careful balance between partnership and accountability, creating an environment in which it's clear that everyone is on the same team, supporting the organization's success, and yet each has a specific role to play. When directors and executives have

confidence in one another's intentions and capabilities, management is more likely to raise emerging issues and opportunities early, acknowledge a setback or change in direction candidly, and welcome constructive inquiry. Directors, in turn, are better positioned to provide strategic counsel informed by timely, unfiltered information. Together, they create the conditions for stronger engagement, more informed discussions, and a greater chance of success as they navigate complex challenges.

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### 3. CEO Reviews Pay Performance Dividends

Boards report a more robust commitment to consistent and objective performance reviews for the chief executive, bringing the average score here up to a solid B+. This topic has seen steady gains over the past five years: In 2021-22, it scored in the bottom fifth of all 60+ topics covered in the assessment, and fulfilling this core responsibility now stands roughly at the median, an increase of more than 25 percentile points.

## *What's driving the change?*

A performance review of the CEO (or Executive Director) has long been recognized as a core board responsibility, but in the past, many boards took an informal approach—perhaps the board chair made a round of calls to solicit director feedback, then presented what they felt was most important. Or the “review” was simply an accounting of progress toward financial targets to determine compensation. Too often, the chief executive operated in something of a vacuum—if they were hitting their numbers or close, they got backslaps and bonuses while no one mentioned what were seen as minor irritants in their leadership style. However, as soon as financial performance slipped, even for reasons out of their control, a CEO’s long-accepted flaws took center stage and might even be used as evidence of poor leadership.

Now, as CEO leadership becomes ever more consequential in a volatile operating environment, and as boards continue to hone their governance skills, an objective, fulsome annual performance review has become best practice. Boards are placing greater emphasis on structured qualitative feedback that fosters ongoing development, which is combined with measurable scores that help articulate relative performance and allow for annual comparisons. Furthermore, boards are getting better at setting and communicating clear expectations across a wide range of leadership attributes, which paves the way for measuring progress toward them. In a world where re-

tention of top talent, communication with the market, and other “softer” leadership skills are as important as a brilliant strategic vision or execution strategy, boards increasingly recognize the value of a regular, comprehensive performance evaluation.

## *What Effective Boards Do Differently*

High-performing boards treat the executive performance review as an essential tool of governance, an opportunity to confirm that their leader is effective across the multiple dimensions that characterize success, including culture, communication, and team building, as well as financial performance. They recognize, too, that an objective review process is not simply an exercise in accountability. A true 360 review is a mechanism for strengthening alignment among the board, the CEO, and the executive team. With a regular review process, the board and chief executive reaffirm their shared understanding of priorities, performance expectations, leadership strengths, and development opportunities.

*The strongest boards use executive reviews not only to evaluate performance, but to reinforce priorities, expectations, and leadership development.*

Effective boards make a point of celebrating successes, offering constructive

feedback, and following up to ensure that feedback is acted on. Many set annual goals not only for metrics that may be used to determine compensation, but also for critical areas of personal development. Examples include delegating more responsibility or holding team members more accountable to improve communication with the board, investors, or other important stakeholders. Once set, boards have the remit to evaluate performance toward those goals, alongside broader leadership competencies.

As the expectations of chief executives expand, so does the value of a thoughtful review process. Boards that approach executive evaluation with discipline, intentionality, and objectivity are better equipped to build trust with their CEO, support leadership development, reinforce organizational priorities, and ensure the entire enterprise benefits.

## Two Areas Where Benchmarks Expose Challenges

### 1. AI: Always On, Never Done

In the 2025-26 period, the lowest scores on the Boardspan Benchmark are for topics concerning AI oversight, both of which continue to receive the C- letter grade they've held since we

introduced these assessment topics in the 2024-25 period. In conversations with boards, we often hear that they are making good progress and embracing their responsibilities in governing in the brave new world of AI. However, unless the company is AI-native, many board members find it challenging to relate to how quickly the technology is moving and the ever-changing implications on the business, both internally and especially externally.

Most boards are unquestionably focused on providing robust AI oversight and developing a healthy governance framework for their organization, albeit at different levels of urgency. This often starts with defining what effective oversight means in the context of the company's business model and identifying the best governance structure to support it. As boards become increasingly comfortable with first-order questions about how the organizations they govern use AI, they naturally turn to understanding the risks it introduces. It follows that they lean into whether management has the right capabilities, controls, and on-the-ground oversight in place.

Nonetheless, while those governance questions remain essential, they are no longer sufficient. As AI moves from experimentation to enterprise-wide adoption, the board conversation will quickly expand from "Are we governing AI appropriately?" to "How is AI reshaping the business we govern?" In essence, conversations increasingly center on how customers, suppliers, and competitors use AI and what an

organization must do to avoid falling behind, let alone get ahead.

Thus, we see the lower scores here as a healthy signal that boards remain self-aware that AI oversight will be a work in progress for quite some time. To wit, governance practices will need to keep evolving alongside the technology and its applications, both now and in the foreseeable future.

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## 2. Unruly Competitive Landscapes Create Challenges & Opportunities

The Benchmark data addressing the board's familiarity with the competitive landscape and where the entity fits into it indicates that this vital topic hovers near the bottom of all scores. The average score suggests boards are not entirely dissatisfied with the information they receive, giving the topic a respectable B-, but their expectations are rising.

Boards are looking for management teams to provide more and better analysis, enabling effective stewardship of organizations that, in many cases, are being rocked by changes throughout the competitive environment. Disruptive technologies, new entrants into once stable corners of the market, novel business models, and other radical changes require a more rigorous approach to understanding the external forces impacting a company.

Most boards now recognize that effective oversight of strategy, risk, capital allocation, and long-term positioning depends on understanding not only the company's current competitors, but also emerging threats and opportunities across adjacent markets. As a result, they seek greater context and analysis, and many want management teams to show how proposed strategic objectives or initiatives will meet or beat the competition or be a true differentiator. Competitive intelligence is increasingly viewed not as a reporting requirement but as a strategic governance imperative. Boards cannot meaningfully oversee strategy without a current understanding of the forces reshaping the competitive landscape.

*Effective oversight increasingly depends on understanding not only today's competitors, but tomorrow's threats and opportunities.*

# Use These Findings In Your Boardroom

The findings in this year's Benchmark Report offer an encouraging perspective on modern governance. At a time when boards face expanding responsibilities, increasing complexity, and a rapidly changing operating environment, the data suggests that many boards are adapting. Progress is visible in areas that have long challenged boards, including succession planning, executive performance reviews, and board-management relationships. At the same time, newer governance demands such as AI oversight continue to evolve, while rising expectations around competitive intelligence remind us that effective governance is never static.

The Boardspan Benchmark is built on data collected through the Boardspan Board Performance Assessment, which evaluates board effectiveness across more than 60 governance dimensions. The Benchmark provides valuable context when a board tracks progress over time, identifying strengths and blind spots, and better understanding how governance expectations are evolving. Because Boardspan is the only organization that benchmarks board evaluation results against a broad peer dataset, it offers a unique perspective on how boards are responding to an

increasingly complex governance landscape.

We acknowledge that there is one inherent bias in these results: this data has been collected anonymously across Boardspan's universe of board clients, those who have chosen to invest in governance and ask themselves tough but reasonable questions about their own effectiveness and performance. Needless to say, we think they're onto something!

Whether or not your board has completed a Boardspan assessment, these findings can serve as a useful catalyst for discussion. As you reflect on the themes explored throughout this report, the following questions may help guide conversations about your board's strengths, priorities, and opportunities for continued improvement.

## 1. Management Succession Planning

If our CEO announced tomorrow that they planned to leave within the next 12 months, how confident would we be in our ability to execute a successful transition?

## 2. Board-Management Relationships

Does the level of trust between the board and management enable difficult issues, emerging challenges, and new opportunities, even if risky, to be surfaced early and discussed productively?

### **3. Executive Performance Reviews**

Does our CEO review process create genuine alignment around expectations, performance, and leadership development—or is it primarily an exercise to make compensation decisions and let people feel they had their chance to weigh in?

### **4. AI Impact**

What gives us confidence that we are employing an optimal approach to AI governance that is fit for purpose for both internal oversight and external influence as the technology, risks, and opportunities continue to evolve?

### **5. Competitive Intelligence**

Do we have sufficient insight into current and emerging competitors, disruptive forces, and changing market dynamics to confidently oversee and contribute to long-term strategy and value creation?

At Boardspan, we believe that effective governance is about being agile and begins with a willingness to ask relevant questions and adapt to changing dynamics. The challenges facing boards will continue to evolve, as will the expectations placed upon them. The most effective boards recognize that governance excellence is not achieved once and maintained forever; it is the result of ongoing attention, honest reflection, and a commitment to continuous improvement.

We hope this year's Benchmark Report provides a useful lens for those conversations. And if your board would benefit from a deeper exploration of its performance, priorities, or growth opportunities, we would be delighted to continue the discussion. The most effective boards never stop seeking to get better.

# Contact Us

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## Benchmark Your Board

Want to find out what a data-informed assessment can do for your board and its stakeholders?

Contact Boardspan to learn more about benchmarking, assessments, and other board governance solutions

[info@boardspan.com](mailto:info@boardspan.com)

## About Boardspan

We help boards raise the bar on their governance initiatives by combining cutting-edge digital capabilities with high-touch consulting services. Boardspan is a leader in board assessments, individual director & CEO evaluations, board succession planning & search, skills analyses, and bespoke advisory work.

Our focus is entirely on boards, delivering deep experience, objectivity, an analytical orientation, and insight-driven recommendations. We work with public, private and non-profit organizations across all industries. Clients include Autodesk, Blue Shield (CA), Colgate-Palmolive, HubSpot, e.l.f. Beauty, Roblox, KKR, the PGA, Salesforce, USOPC, and scores more.

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