Governance Insights Center

2025 Annual Corporate Directors Survey

Driving a culture of accountability in the boardroom

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Foreword

For nearly two decades, PwC's *Annual Corporate Directors Survey* has provided critical insights into the evolving dynamics within US boardrooms. Over this period, we've charted the shifting priorities, expectations and pressures facing directors. Our 2025 survey reveals an unprecedented inflection point that underscores a profound and pressing need for greater accountability within boards.

Directors increasingly recognize that their effectiveness — and, by extension, their ability to provide effective oversight — hinges significantly on confronting underperformance head-on. To that end, directors must embrace candid self-assessment, challenge complacency and proactively refresh their boards to help align with strategic goals, stakeholder expectations and rapidly evolving market dynamics.

This year, our report not only highlights areas where boards tell us they are falling short but provides practical pathways for directors and executives committed to change. It is our hope that this report serves as a roadmap, enabling boards to take decisive action toward driving sustained corporate success.

Ray Garcia
Partner, Governance Insights Center Leader

Introduction

The role of a corporate director has never been more challenging — or more critical. 2025 has continued to usher in a wave of disruptive forces, ranging from an uncertain regulatory environment and geopolitical instability to artificial intelligence (AI) transformation. The complexity of board responsibilities is only expanding under the weight of these external pressures, demanding a deeper commitment and more active participation from directors to provide effective oversight.

As this complexity has grown, so has a sense of dissatisfaction among directors about the boardroom experience. For the first time, PwC's *Annual Corporate Directors Survey* reveals that more than half of directors believe at least one fellow board member should be replaced. What is fueling this perception of underperformance? Is it a lack of commitment or specialized expertise? Or is it symptomatic of deeper cultural barriers that limit open, candid dialogue in the boardroom?

Our survey of over 600 public company directors suggests that simply relying on current practices or maintaining the status quo is no longer sufficient. Just as executives and employees have continually reinvented themselves to stay relevant, board members must adapt and evolve for the success of their companies.

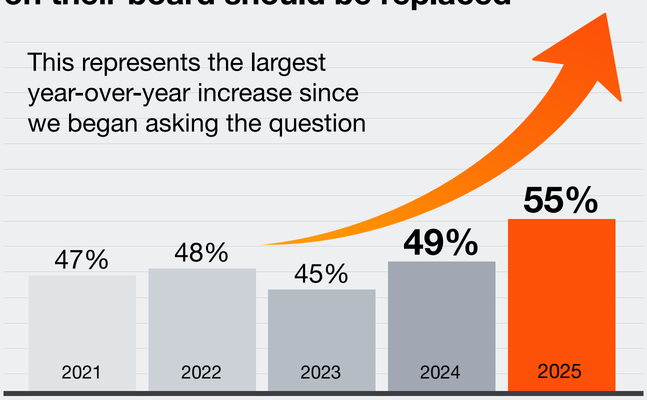
Encouragingly, directors overwhelmingly agree they have the capacity individually to drive board improvement through enhanced education, stronger interpersonal relationships, and a greater willingness to speak up and challenge prevailing norms. Nonetheless, many boards appear hesitant to directly address individual underperformance.

In fact, directors tell us there's a clear need for a transformative shift in how boards operate and how directors hold one another accountable. The cost of inaction is too great, not only in financial terms but in possibly eroding the confidence of key stakeholders.

By shining a light on and providing practical guidance to tackle these issues, we hope our *Roadmap for accountability* empowers directors and executives to champion a culture that elevates boardroom performance.

Key findings

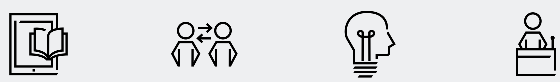
More than half of directors think someone on their board should be replaced



Directors agree they can take specific actions to improve board effectiveness

88% of directors say they can take at least one action to improve their boards' effectiveness

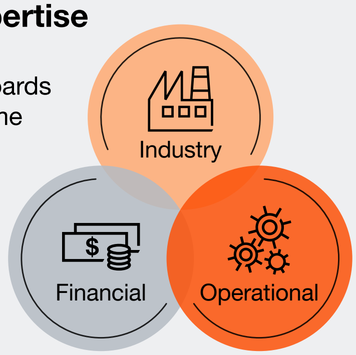
The most common actions cited are:



45%	33%	25%	24%
Seek additional education or training on key topics	Strengthen relationships with fellow board members	Encourage more diverse viewpoints or innovation	Be more willing to speak up during discussions

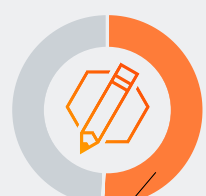
Board appointments still largely focus on traditional expertise

Directors say their boards intend to add the same top three areas of expertise they have prioritized historically



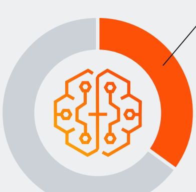
Most directors don't believe their boards' assessment process generates meaningful insights

78% of directors do not believe their boards' assessment process provides a complete picture of overall board performance



51% say their boards are insufficiently invested in the assessment process

Few directors say their boards are currently using AI and GenAI

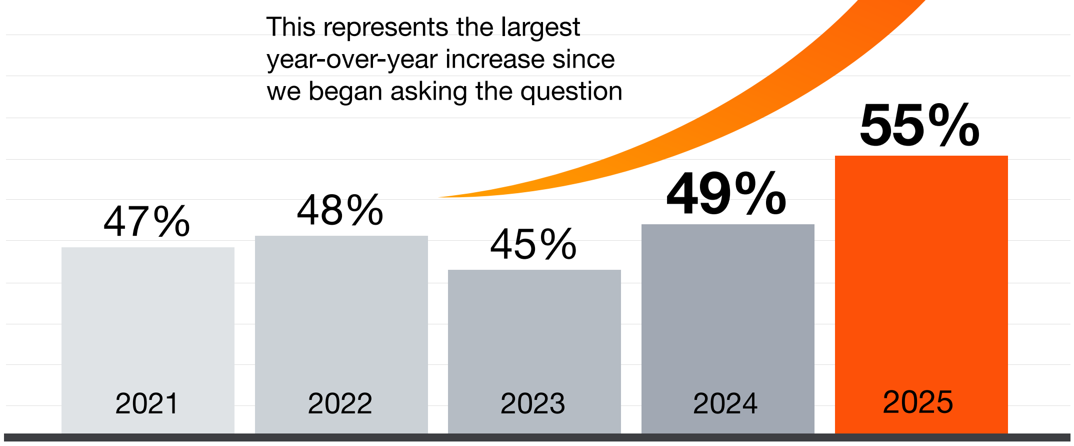


Only 35% of directors say their boards have incorporated AI and GenAI into their oversight roles

Are boards avoiding tough conversations on performance?

More than half of directors think someone on their board should be replaced

Percentage of directors who want to replace at least one member of their board



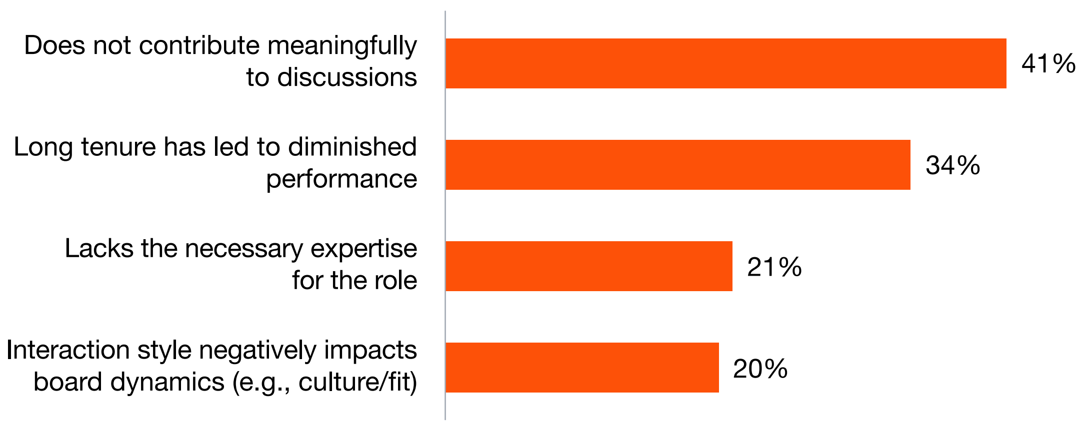
Q2a. In your opinion, how many directors on your board should be replaced? (select one)
Base: 841 (2021); 693 (2022); 614 (2023); 524 (2024); 633 (2025)
Sources: PwC, *Annual Corporate Directors Survey,* 2021-2025.

Frustration in the boardroom is mounting, and directors are increasingly acknowledging it. This year's survey reveals discontent with peer performance is at a record high: 55% of public company directors surveyed believe that at least one of their board colleagues should be replaced, up six percentage points from last year. This suggests that directors are becoming more candid about underperformance among their peers. It may also reflect a greater understanding that directors are looking for more from each other in today's dynamic business environment. Indeed, the most common concern fueling this point of view is a lack of meaningful contribution to board discussions.

Fit, function and friction: the anatomy of director underperformance

Of those directors that believe a director should be replaced, 41% say it is because they don't contribute meaningfully to discussions — the top reason cited. When directors say that a peer is failing to contribute meaningfully, the critique often goes beyond attendance or technical qualifications, reflecting a broader concern about alignment, engagement and boardroom dynamics. In many cases, they believe that long tenure can lead to diminished performance, with directors becoming less engaged or falling behind evolving governance expectations. In fact, 34% of those who say they want to replace someone also cite long-serving board members as contributing to underperformance.

Top reasons directors want a colleague to be replaced



Q2b. If you answered one or more to Q2a, do you believe that any of your fellow board members should be replaced for the following reasons? (select all that apply)

Base: 332

Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

Additionally, 21% of those directors mention a lack of the necessary expertise for today's board roles. As companies navigate new strategic priorities, some directors may find that their experience no longer aligns as closely with the demands of the business — making it more difficult to offer forward-looking, value-added contributions.

But performance isn't about only hard skills or knowledge gaps. It's also shaped by interpersonal dynamics. A director's interaction style can significantly affect boardroom culture, and 20% of those directors say that certain members negatively impact discussions or decision-making. In boards in which a few strong personalities dominate or informal hierarchies persist, quieter or less tenured directors may feel discouraged from speaking up. Even highly qualified directors can appear disengaged if they routinely defer to more vocal colleagues or choose to keep their insights to themselves.

When collegiality halts progress

Despite the growing consensus on the need for board refreshment, many directors say their boards are reluctant to act. Collegiality remains the most cited reason for inaction, with 25% of those directors saying that the desire to maintain harmony discourages tough conversations.

Practical obstacles also play a role. One in five of those directors (21%) cite the process of replacing a peer as too awkward or time consuming, especially on tightly knit boards in which relationships span years or even decades. And 19% of those directors say the board has chosen to wait out a member's remaining term due to their proximity to mandatory retirement, effectively postponing action until it's required by policy rather than initiated by the board itself.

Top reasons why directors feel the board hasn't taken action to replace underperforming board members

Q2c. If you answered one or more to Q2a, why do you think the board hasn't taken action to replace board member(s)? (select all that apply)
Base: 331
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

Together, these dynamics create an environment in which underperformance is acknowledged but often left unaddressed. A culture of respect and civility is critical to effective governance. But when it becomes an obstacle to change, it can prevent a board from seizing on opportunities to bring in fresh perspectives, align skills with strategy, respond to risk with agility and model the behavior it expects from management.

What will it take to move forward?

Our **Roadmap for accountability** offers practical steps — from participating in individual director assessments to planning structured overlaps in board leadership — for directors to address underperformance.

Board improvement starts by looking inward

Directors agree they can take specific actions to improve board effectiveness

88% of directors say they can take at least one action to improve their boards' effectiveness.

The most common actions cited are:

45% Seek additional education or training on key topics

33% Strengthen relationships with fellow board members

25% Encourage more diverse viewpoints or innovation

24% Be more willing to speak up during discussions

Q13. What actions could you take to improve your board's effectiveness? (select all that apply)
Base: 562
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

Board members are self-aware: the vast majority (88%) of directors say they can personally take steps to make their boards more effective. This recognition is an encouraging sign that directors are ready to drive their boards toward greater accountability.

Interestingly, directors' responses fall into two distinct but complementary categories: nearly half (45%) cite expanding their expertise through additional education or training as a priority, while others emphasize strengthening interpersonal dynamics and boardroom culture. This includes building better relationships with fellow directors (33%), encouraging diverse viewpoints or innovation (25%), and being more willing to speak up during discussions (24%).

As boards face increasingly nuanced decisions, directors may be realizing that subject matter knowledge alone is not enough. They also need stronger connections, more open exchanges, and a boardroom environment that encourages challenge and debate.

Self-development, shared results

What directors do as individuals matters; greater effectiveness starts with the mindset and actions of each member. Directors who pursue ongoing education and training on emerging topics are likely better equipped to contribute meaningfully to complex discussions. Likewise, strengthening interpersonal relationships fosters greater trust and candor, both of which are critical to tackling challenging topics and holding one another accountable.

Encouraging diverse viewpoints — whether in the form of new ideas, dissenting opinions or unconventional approaches — can also help unlock fresh thinking and avoid groupthink, especially when navigating uncertainty. And when collaboration is key, a director who is willing to speak up and engage constructively can shift the tone and quality of dialogue for the entire board. Individual initiative doesn't just enhance personal performance — it elevates the board as a whole.

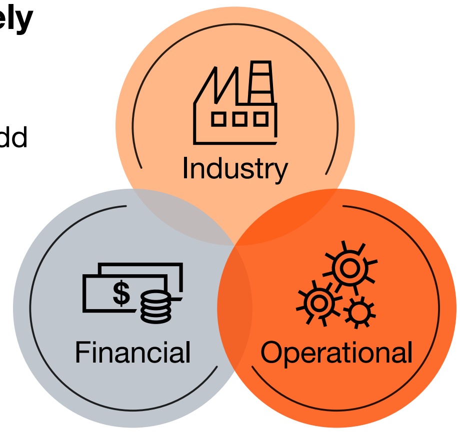
What will it take to move forward?

Our **Roadmap for accountability** offers practical steps — from peer mentoring to informal check-ins with colleagues — for directors to elevate their contributions and transform the collective dynamic in the boardroom.

Expectations are evolving, but board skills may not be keeping pace

Board appointments still largely focus on traditional expertise

Directors say their boards intend to add the same top three areas of expertise they have prioritized historically



Q1. Over the next 12 months which of the following skills/attributes does your board plan to add? (select all that apply)
Base: 631
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

Despite shifting strategic demands and intensifying oversight responsibilities, boards continue to focus on familiar territory when adding new directors. This year, the top three areas of expertise boards plan to add remain unchanged: industry knowledge (34%), financial acumen (27%) and operational experience (22%).

These preferences raise an important question: do these capabilities fully reflect what companies will need moving forward?

Only **32%** of executives believe their boards have the right expertise.

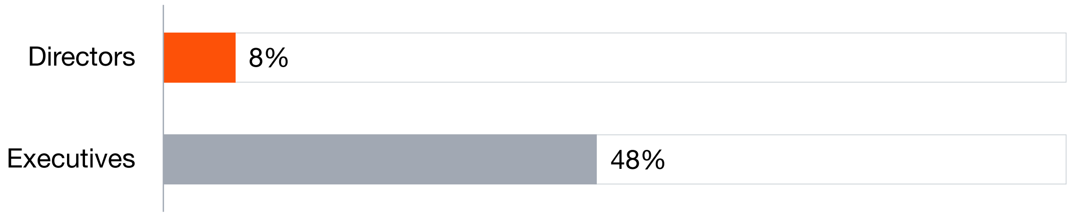
Source: PwC and The Conference Board, *Board effectiveness: A survey of the C-suite,* May 2025.

For example, executives often view board priorities through a different lens, one shaped by daily operational challenges and long-term strategy execution.[1]

The contrast is telling. Currently, less than one-third (32%) of executives say their boards have the right mix of skills, underscoring a growing disconnect between boardroom composition and executives' perceptions.

That misalignment is apparent in the demand for international expertise. Executives ranked it as the number one skill they want added to their board, yet only 8% of directors say their boards plan to add it in the year ahead. This gap is particularly surprising given that 52% of directors express significant concern about the impact of geopolitical instability on their companies.

Few directors say their boards are adding international expertise but nearly half of executives want it on their boards



Q1. Over the next 12 months which of the following skills/attributes does your board plan to add? (select all that apply); Q. What top three areas of expertise should be added to your board within the next 12 months? (limit to only three)

Base: 631 (Directors); 519 (Executives)

Sources: PwC, *2025 Annual Corporate Directors Survey,* October 2025; PwC and The Conference Board, *Board effectiveness: A survey of the C-suite,* May 2025.

1. To better understand how well board composition aligns with business needs, we also look beyond the boardroom, drawing insights from PwC and the Conference Board's *Board Effectiveness: A Survey of the C-Suite*.

The pull of familiarity, the risk of not evolving

Core competencies like financial literacy, operational experience and industry insight are rightly viewed as foundational to board oversight. But this focus may also be limiting innovation. Directors often gravitate to skillsets that have historically delivered results, creating a bias toward what's tried and true over what's emerging or untested.

This tendency is reinforced by familiar recruitment patterns. Boards frequently source new members from established networks, which can unintentionally limit the pool of expertise and perspective. While broad business acumen is essential, recruitment should reflect the company's strategic direction and risk profile. In some cases, that may mean adding specialized knowledge; in others, it may mean prioritizing adaptive leadership, global insight or transformational experience. Directors may also believe that specialized skills gaps can be filled through briefings or advisors rather than recruiting a director with that expertise. But as the external environment and board oversight both grow more complex, that may no longer be sufficient.

Time to reassess...and resist backsliding

21% of directors who want to replace a peer cite a lack of necessary expertise as the reason

Q2b. If you answered one or more to Q2a, do you believe that any of your fellow board members should be replaced for the following reasons? (select all that apply)
Base: 332
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

A board that does not evolve — by continuing to favor the same skills and voices — risks stagnation and may fall short of its accountability to the stakeholders it serves.

Without a broader re-evaluation of board skills, the pipeline risks reinforcing the status quo, leaving the company underprepared for the pressures it's already facing. And as the board reassesses its competencies, it should not lose sight of the importance of demographic diversity, which remains critical for helping companies effectively serve employees, customers and communities.

Is board diversity at a crossroads?

Following year-over-year increases in gender, race and ethnic representation on boards, there are early signs that we may see a slowdown. This year, the percentage of directors who say their boards are planning to add gender diversity dropped to 9% from 21% in 2024, and plans to add racial or ethnic diversity fell to just 6% from 13% in 2024.

Fewer directors say their boards are adding gender/ethnic diversity

	2024	2025
Gender diversity	21%	9% ↓
Racial/ethnic diversity	13%	6% ↓

Q1. Over the next 12 months which of the following skills/attributes does your board plan to add? (select all that apply)
Base: 526 (2024); 631 (2025)
Sources: PwC, *2024 Annual Corporate Directors Survey,* September 2024; PwC, *2025 Annual Corporate Directors Survey,* October 2025.

What will it take to move forward?

Our **Roadmap for accountability** offers practical steps — from expanding the skills matrix to revising interview protocols — for boards to refresh their skills to keep pace with a dynamic business landscape.

Getting the full picture from board assessments remains elusive

Most directors don't believe their boards' assessment process generates meaningful insights

78% of directors do not believe their boards' assessment process provides a complete picture of overall board performance

51% say their boards are insufficiently invested in the assessment process

Q4. Which of the following statements do you agree with related to your board's performance assessment process? (select all that apply)
Base: 580
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

For a tool that is central to board effectiveness, the board assessment process remains surprisingly ineffective in the eyes of many directors. This year, most directors (78%) say their boards' assessment does not provide a complete picture of overall performance, and more than half (51%) say their boards aren't sufficiently invested in the process. This suggests that many directors view the board assessment process as a compliance exercise that may satisfy governance requirements but fails to drive real change.

The consequences are significant. Board assessments should offer clarity, spark growth and promote mutual accountability. But if directors don't view the process as credible or constructive, it's unlikely to facilitate the kind of introspection and action boards need.

A process in need of reinvention

Several dynamics are contributing to directors' skepticism. Only 22% of directors say their boards currently use an external facilitator to lead the assessment process, raising questions about independence, objectivity and professional rigor. Without third-party involvement, assessments may feel too insular to produce meaningful insights, especially on tight-knit boards where candor is often restrained in favor of preserving collegiality.

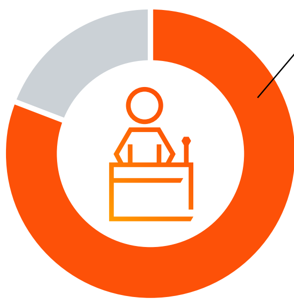
Only **22%** of directors say their boards use an external facilitator for board assessments

Q4. Which of the following statements do you agree with related to your board's performance assessment process? (select all that apply)
Base: 580
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

Boards also rarely assess directors individually — a missed opportunity. Nearly three-quarters (73%) of directors say their boards do not conduct individual assessments, which may limit a board's ability to identify individual directors' specific strengths, underperformance or development needs. Even when individual feedback is invited, directors may feel uncomfortable offering or receiving candid critiques. And in the absence of a clear follow-up plan, even well-intentioned assessments can fall flat.

Yet there’s reason for optimism: boards that use external facilitators are very likely to view the assessment process as effective.

Perceived effectiveness of board assessments is high with external facilitation



81% of directors whose boards use an external facilitator for board assessments say their process is effective

Q4. Which of the following statements do you agree with related to your board’s performance assessment process? (select all that apply)
Base: 580
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

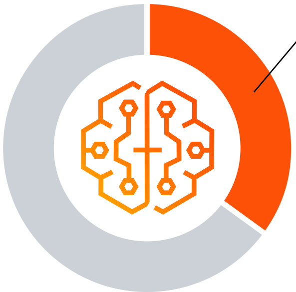
To be a catalyst for stronger performance, board assessments must move beyond routine formalities and become tools for continuous improvement. That means embracing individual assessments, periodic independent facilitation and actionable follow-through.

What will it take to move forward?

Our **Roadmap for accountability** offers practical steps — from engaging an independent, experienced facilitator every few years to tying assessment outcomes to performance conversations — for boards to reimagine the assessment process as a strategic tool to drive genuine improvement.

Directors are starting to explore AI in the boardroom

Few directors say their boards are currently using AI and GenAI



Only **35%** of directors say their boards have incorporated AI and GenAI into their oversight roles

Q11. How is your board currently using AI and GenAI in its oversight role? (select all that apply)
Base: 556
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

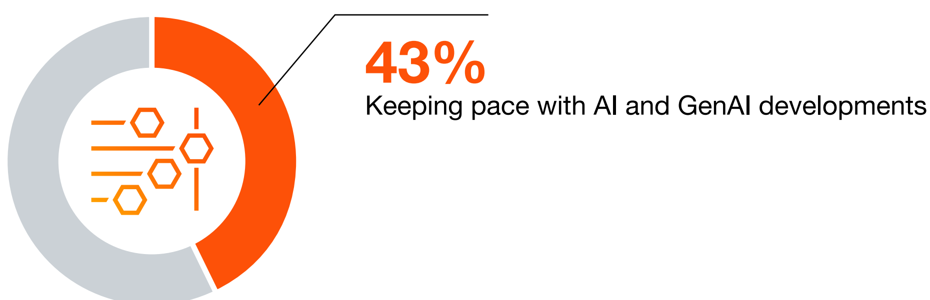
Few developments are reshaping the business landscape as quickly or profoundly as AI and generative AI (GenAI). And yet most boards are still figuring out how to engage with it meaningfully. This year, approximately one-third (35%) of directors say their boards have incorporated AI into their oversight roles.

As adoption accelerates across the market, this finding raises an important question: how quickly will we see boards fully embrace AI in their own processes?

Lack of familiarity is slowing boardroom engagement

Several factors may be contributing to this trend. First and foremost is unfamiliarity. Over one-third (38%) of directors believe their boards do not receive sufficient education on AI developments; nearly half (43%) say their top concern on AI is keeping up with the pace of change, highlighting a knowledge gap that requires more attention amid such rapid evolution. This sense of uncertainty may be influencing not just how boards oversee the company's AI strategy but how individual directors engage with the technology themselves. While some directors may be curious about how the technology could enhance their own workflows — such as potentially summarizing board materials or identifying relevant trends — others may hesitate to experiment with tools they are not yet familiar with.

Directors' top concern about AI and GenAI



Q10. What is your top concern about AI and GenAI at your company? (select one)
Base: 567
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

Meanwhile, some directors may not yet see a clear place for AI within their existing governance approach. Potential applications like external research or scenario planning highlight practical ways a board may be able to incorporate the technology into its oversight role. But if current processes appear sufficient or if the risks are not fully understood, the incentive to integrate them may feel limited.

A new frontier for fiduciary risk

There are also broader concerns at play. Directors are increasingly mindful of the potential legal implications of AI use in the boardroom, particularly as the technology's applications expand into high-stakes areas such as strategic planning, customer interaction and workforce management. The risk is not just poor implementation but oversight missteps that could expose directors to scrutiny or liability, especially if AI is misused or creates unintended consequences. To navigate these challenges proactively, boards should formally include AI use as a recurring agenda item — creating space for thoughtful discussion about how directors might start leveraging AI to support their oversight responsibilities, how its use might mature over time, and how the board and management can align on a strategic approach.

The impact of AI is already reshaping strategy, risk and innovation. Ultimately, integrating the technology into effective oversight starts with education and dialogue; it requires a responsible AI framework that supports director accountability and upholds core fiduciary duties.

What will it take to move forward?

Our **Roadmap for accountability** offers practical steps — from personal upskilling to targeted education from management — for directors to more confidently harness the power of AI in the boardroom.

Roadmap for accountability

Throughout our research, one message has emerged: directors are operating in a more complex, more demanding environment, and board accountability must rise to the occasion. Directors recognize the need for change, whether it's improving individual performance, reassessing board composition or creating space for more open and honest dialogue. But recognition alone isn't enough.

The path forward requires more than structural adjustments. It calls for a cultural shift, one that begins with individual directors, is reinforced by collective board action and is supported by the executives who partner with them. The following roadmap outlines clear steps each of these parties can take to cultivate a board culture defined by shared ownership and responsibility.

Part 1:

The individual director

- Initiate informal check-ins with colleagues
- Engage in peer mentoring
- Commit to personal upskilling
- Advocate for individual assessments

Part 2:

Board leadership

- Plan for leadership transitions
- Have difficult conversations with empathy
- Build an inclusive culture

Part 3:

The full board

- Reimagine board assessments
- Redesign the board recruitment process
- Invest in onboarding and reboarding
- Adopt thoughtful refreshment practices

Part 4:

The executive team

- Improve clarity of board information
- Offer targeted education
- Create opportunities for relationship-building

Part 1: The individual director

Every high-functioning board starts with highly engaged individuals. Directors set the tone, not just in what they say but in how they prepare, show up, ask questions, and hold themselves and others to high standards. In today's governance landscape, individual directors must take the initiative to stay relevant, speak up and foster constructive boardroom dynamics. Here are key steps individual directors can take:

- **Initiate informal check-ins to build trust and strengthen engagement**

  Relationships among directors are critical to fostering candor, collaboration and mutual accountability, yet they often receive little intentional attention. In particular, newer directors should take the lead in getting to know their peers, as they're more likely to view relationship-building as a lever for improving board effectiveness. A quick one-on-one conversation outside the boardroom — whether in person or over a call — can go a long way toward building rapport and encouraging open dialogue during meetings.

- **Engage in peer mentoring to bridge experience gaps and strengthen cohesion**

  Longer-tenured directors can also play a powerful role by proactively supporting newer members, helping them navigate board culture, protocols and personalities. In return, newer directors can offer fresh perspectives and often raise the types of questions that challenge assumptions or prompt reflection. Whether through onboarding conversations, issue-specific guidance or reverse mentoring on topics like AI or sustainability, peer mentorship helps create a culture in which directors feel more empowered to contribute.

- **Take ownership of personal upskilling beyond the boardroom**

  Directors shouldn't wait for formal programs to drive their learning. Staying relevant today means proactively seeking out knowledge and direct, hands-on experience. As an example, directors can experiment with AI on their own to uncover its expansive possibilities. Engaging personally with the tool may help demystify its potential, spark new ideas for board-related applications and equip directors to oversee how AI is being adopted and applied across the business. This kind of self-motivated learning strengthens engagement and prepares directors to bring fresh thinking to the boardroom.

- **Advocate for and participate in individual director assessments**

  Board assessments are only as effective as their ability to identify real opportunities for improvement, and that requires going beyond collective assessments. Directors should support the implementation of individual assessments (self, peer or chair-led) and fully engage in the process with openness and reflection. Assessments can help uncover blind spots, surface performance concerns early and reinforce ongoing development.

For more information

- Why good boards make bad decisions: Four factors undermining board effectiveness
- Individual director assessments

Part 2: The role of board leadership

While every director plays a role in driving board effectiveness, board leaders — chairs, lead independent directors and committee chairs — hold unique influence. Their actions can shape board culture, enforce standards and guide transitions that improve performance over time. Here's how board leaders can lead by example:

Plan for board leadership transitions

Smooth transitions strengthen continuity and institutional knowledge. Yet many boards lack structured overlaps in leadership for outgoing and incoming committee chairs. Board leaders should establish succession plans that allow for shadowing, mentoring and staggered transitions. By reducing disruption and building leadership bench strength, board leaders can promote accountability by signaling that every leadership role comes with defined responsibilities.

Have difficult conversations with empathy and clarity

Leadership must set the standard for performance. This means setting clear expectations, offering timely and constructive feedback, and normalizing candid, respectful dialogue when a director is not performing. But these conversations are far more effective when built on strong interpersonal relationships. Board leaders who invest in deepening these connections are better equipped to engage in honest dialogue when it matters most.

Build a culture in which every voice is heard

Board leadership is uniquely positioned to shape the tone and culture of boardroom dialogue. That includes creating an environment in which all directors not only feel safe contributing, challenging assumptions and offering dissenting views — regardless of tenure, background or communication style — but are also confident their input will be considered. Ultimately, culture isn't set by governance policies alone. It's reinforced in how meetings are led, who gets invited into the conversation and how disagreement is handled. When board leaders prioritize psychological safety and inclusion, they unlock better decision-making and more effective oversight.

For more information

- Effective board leadership
- Unpacking board culture: how behavioral psychology might explain what's holding boards back

Part 3: The full board

While individual director action is essential, it's not sufficient by itself. True accountability takes root when the full board embraces shared responsibility for performance, culture and composition. From how directors are recruited and onboarded to how they're assessed and developed, board-level systems and norms are what shape long-term effectiveness. Here are key measures boards can take collectively:

- **Reimagine board assessments as strategic tools for performance, not compliance exercises**

  Too often, board assessments are completed out of obligation rather than used as levers for change. Boards should shift this mindset and approach assessments as a strategic opportunity to enhance effectiveness. Engaging an independent, experienced facilitator periodically can bring a fresh, impartial perspective to the process, enabling more robust feedback, minimizing internal bias and helping translate insights into concrete improvements. Effective assessments should go beyond surface-level commentary: they should generate group-level and individual-level feedback, identify specific actions and include clear progress checkpoints to support follow-through. Most importantly, boards must formally commit to implementing recommendations and tracking outcomes over time. This could include tying assessment outcomes to performance conversations led by board leadership or integrating findings into succession planning and director renomination discussions.

- **Redesign the board's recruitment process to reflect evolving business needs and break from traditional candidate pools**

  To stay relevant and resilient, boards should move beyond traditional sourcing practices and build recruitment processes that prioritize strategic fit, diversity of skills and voices, and leadership potential. Start by revisiting and expanding the board's skills matrix to include not only core competencies but functional and specialized capabilities and even leadership attributes (e.g., adaptability, collaboration, inclusive thinking). Revise interview protocols to assess critical thinking, cultural contribution and the ability to challenge constructively. To broaden the pipeline, consider piloting a board apprenticeship program that allows high-potential internal executives to gain exposure to boardroom dynamics. Not only does this prepare future board talent within the company — it grows board-ready talent across the market.

- **Invest in onboarding and reboarding to maximize every director's contributions**

  Boards should have access to structured onboarding programs that offer new directors exposure to the company's strategy, risk profile, operations and culture, and emerging issues. But development shouldn't stop with new arrivals: longer-tenured directors also benefit from "reboarding" opportunities to refresh their understanding of the business and revisit evolving expectations for board service. To strengthen cohesion, boards can also host facilitated workshops or culture-focused sessions that improve team dynamics and surface unspoken tensions.

- **Adopt thoughtful refreshment practices that balance renewal with continuity**

  Boards should adopt tools and policies that promote ongoing refreshment, including tenure-limiting mechanisms. This demonstrates a commitment to continuous improvement, not just when a crisis arises, but as a standard practice. Importantly, boards should also tie the results of performance assessments directly to refreshment and succession discussions, not just once a year but as part of a broader, ongoing talent strategy. When boards normalize these conversations, refreshment becomes about securing the right people at the table for the company's evolving needs.

For more information

- Conducting effective board assessments
- Board composition: building your dream team
- Elevating board performance: the critical role of director onboarding
- Serving on and chairing the nominating/governance committee

Part 4: The executive team

While boards are ultimately responsible for their own performance, executives play a critical role in enabling director effectiveness. Whether through the information they provide, the culture they help create or the learning opportunities they facilitate, management teams can meaningfully influence the board's ability to govern effectively. Here are key actions executives can take to support stronger, more accountable boards:

- **Improve the quality and clarity of board information to sharpen oversight**

  Executives play a critical role in shaping how effectively boards can engage. That starts with revisiting board packets with a critical eye: Do the materials prioritize decision-useful content? Do they surface risk, uncertainty and forward-looking scenarios? Do they acknowledge challenges and failures, not just successes? Content should be concise, strategically framed and aligned with the board's evolving oversight responsibilities. Leverage executive summaries, visual dashboards and issue briefings that provide clear context and focus directors' attention on what matters most. To monitor progress, solicit regular feedback from the board on the usefulness of materials and track meeting efficiency and the time spent on strategic versus operational topics.

- **Offer targeted educational opportunities that align with evolving oversight needs**

  Partner with subject-matter experts — internal and external — to deliver focused briefings on high-priority topics such as AI and emerging regulatory trends. Consider optional deep dives, table-top exercises or joint management–board sessions that bring oversight challenges to life and connect strategy to risk in practical ways. Tailor the content to the board's strategic context and individual director backgrounds so that sessions are both accessible and impactful.

- **Create opportunities for relationship-building between directors and company leadership**

  Executives can play a key role in fostering trust and shared understanding by facilitating informal and intentional opportunities for directors to build relationships, both with each other and with leadership. Consider hosting board dinners, strategy offsites or cross-functional briefings that offer time for connection outside the formal meeting environment. Structured interactions such as "fireside chats" with functional leaders or roundtables with rising executives can help directors better understand the business while providing leadership exposure. These moments deepen engagement, build mutual respect and lay the groundwork for more open, candid dialogue in the boardroom.

For more information

- Mastering boardroom communication: five essentials for executives
- Board effectiveness: A survey of the C-suite
- Being prepared for the next crisis: the board's role

Conclusion

Boards today face rising expectations, and the greatest risk is failing to adapt. Across these findings, one theme is clear: accountability isn't just about oversight of others — it starts within the boardroom itself. Unlike most organizational structures, boards operate without a traditional hierarchy. Directors are responsible for holding one another accountable in an environment in which peer oversight — not top-down authority — is the norm. This is what makes culture, relationship-building and self-discipline so essential. Without a strong internal commitment to performance improvement, even the most well-structured boards can fall short.

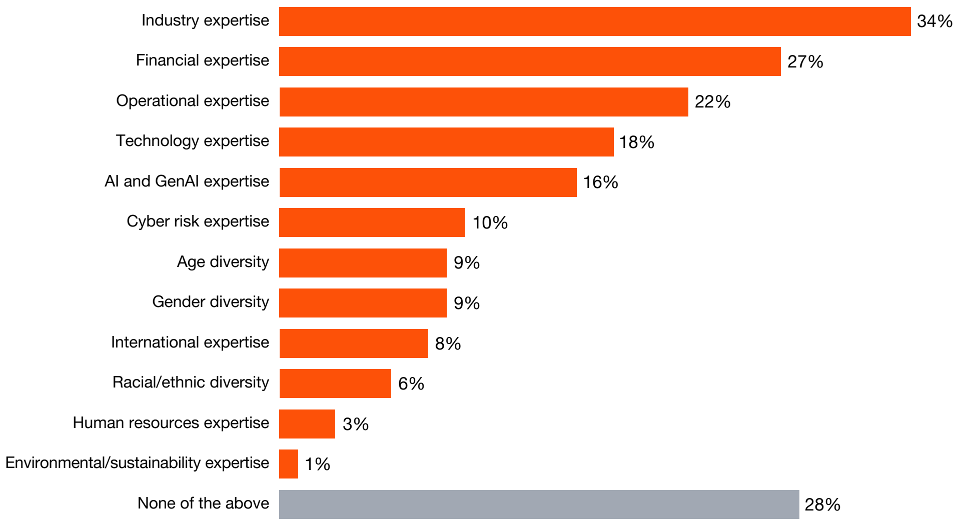
Whether through individual growth, collective reform or stronger board–management partnerships, directors and executives have a clear opportunity to lead by example. With commitment and a shared sense of purpose, the boardroom can evolve to meet the moment and set the tone for the future of governance.

Appendix: Complete survey findings

Note: Due to rounding, some charts may not add to 100%

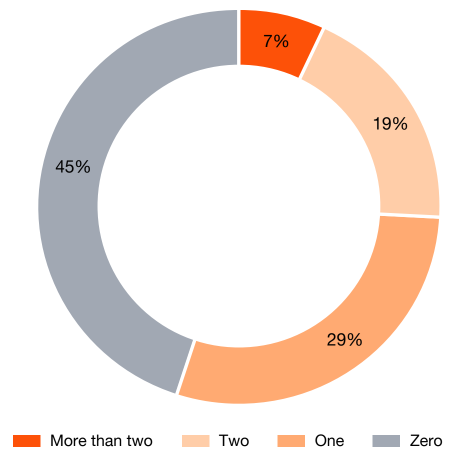
Board composition

1. Over the next 12 months which of the following skills/attributes does your board plan to add? (select all that apply)



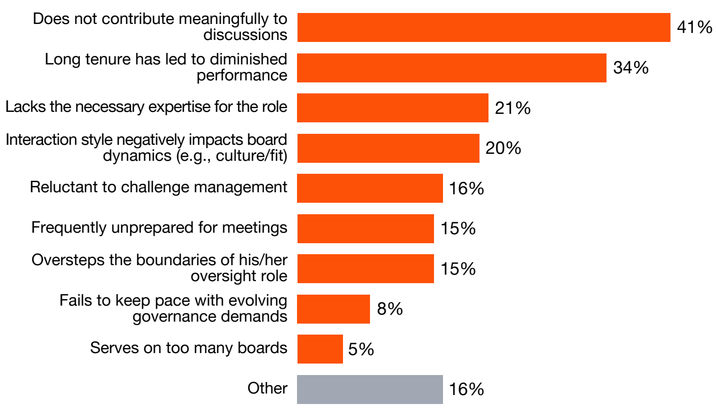
Base: 631
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

2a. In your opinion, how many directors on your board should be replaced? (select one)



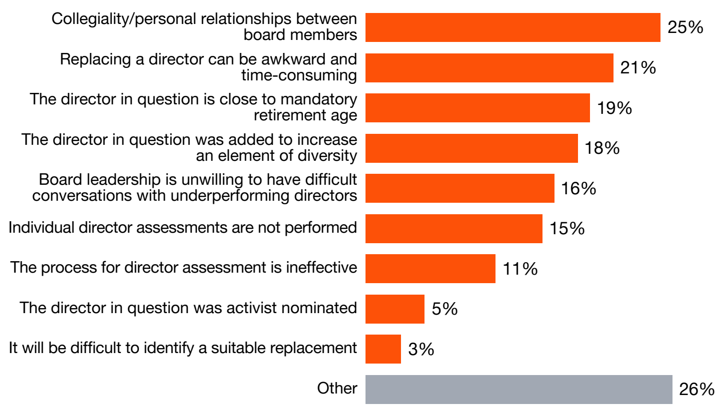
Base: 633
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

2b. If you answered one or more to Q2a, do you believe that any of your fellow board members should be replaced for the following reasons? (select all that apply)



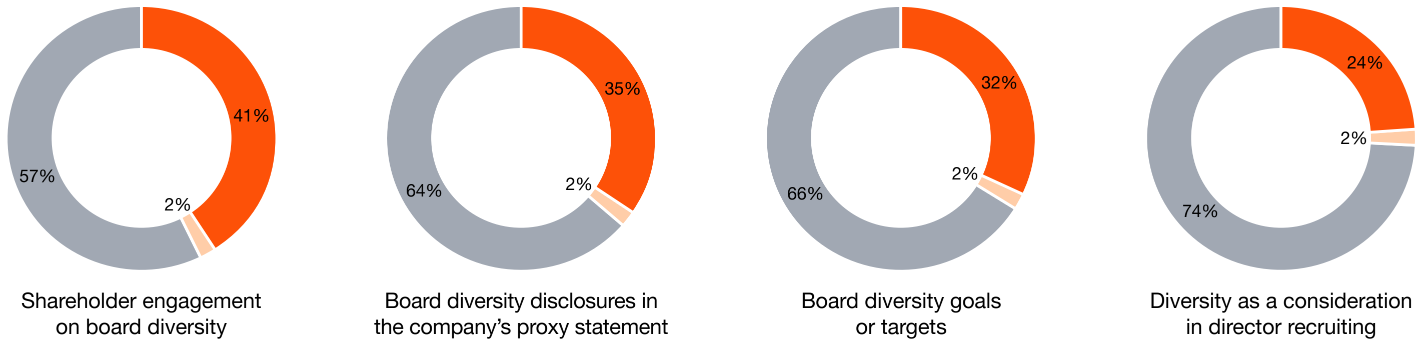
Base: 332
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

2c. If you answered one or more to Q2a, why do you think the board hasn't taken action to replace board member(s)? (select all that apply)



Base: 331
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

3. How do you expect your board's priorities related to board diversity to change over the next 12 months?



Base: 597-601
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

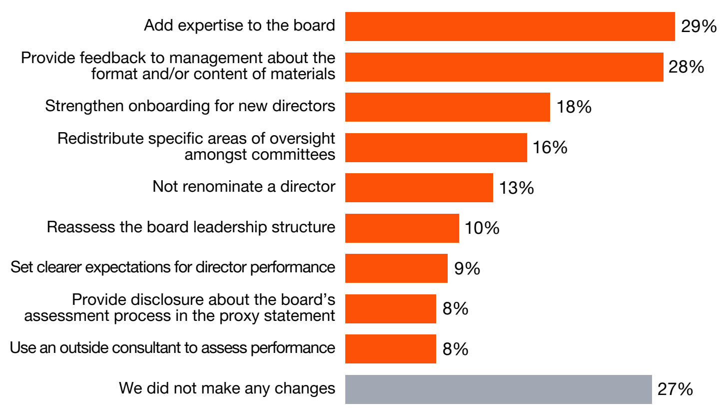
Decreased focus Increased focus No change

Board practices

4. Which of the following statements do you agree with related to your board's performance assessment process? (select all that apply)

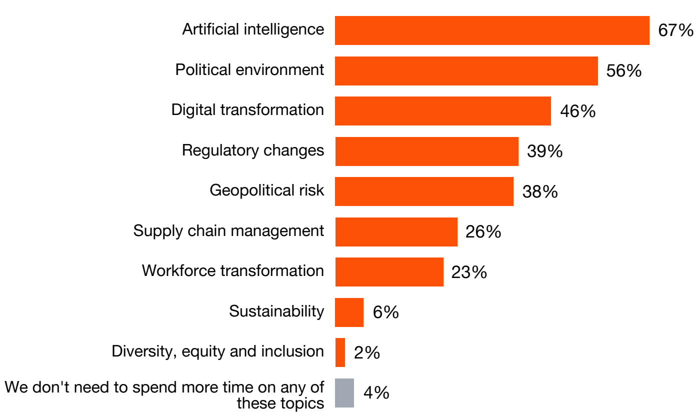
Base: 580
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

5. In response to the results of your board's last assessment process, did your board decide to do any of the following? (select all that apply)



Base: 577
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

6. Which of the following topics should your board spend increased time on over the next 12 months? (select all that apply)

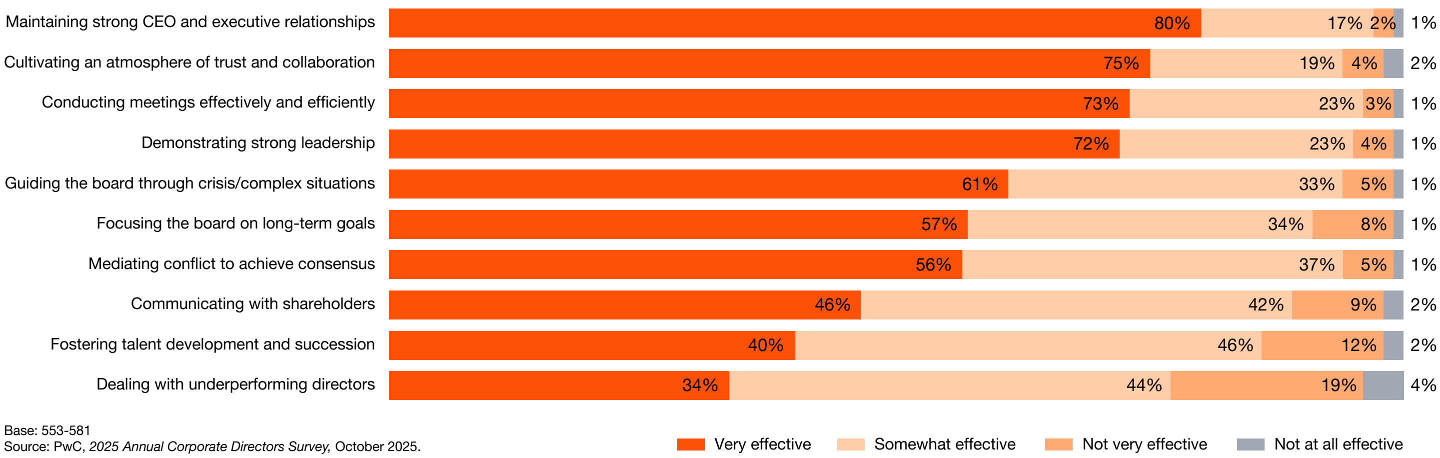


Base: 582
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

7. Has your company conducted tabletop exercises on the following issues in the past 12 months? (select all that apply)

Base: 473
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

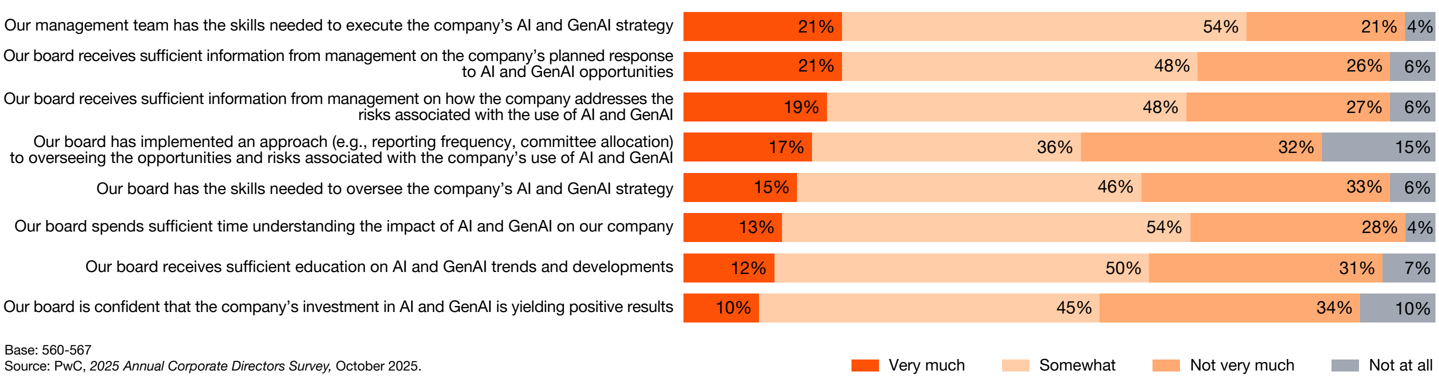
8. How effective is your board leadership (chair/lead director) in the following areas?



Base: 553-581
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

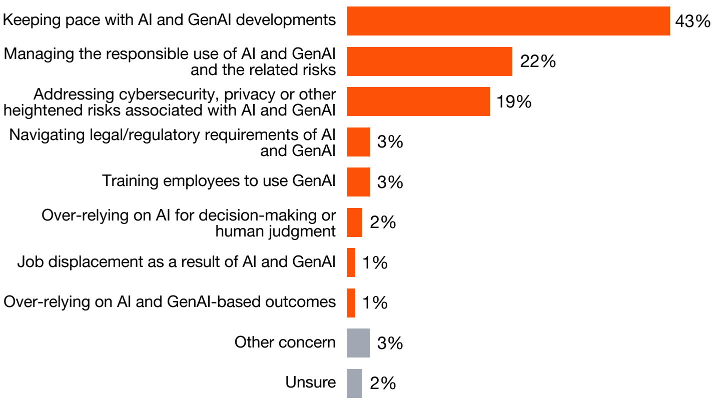
AI and GenAI

9. To what extent do you agree with the following regarding AI (including GenAI)?



Base: 560-567
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

10. What is your top concern about AI and GenAI at your company? (select only one)



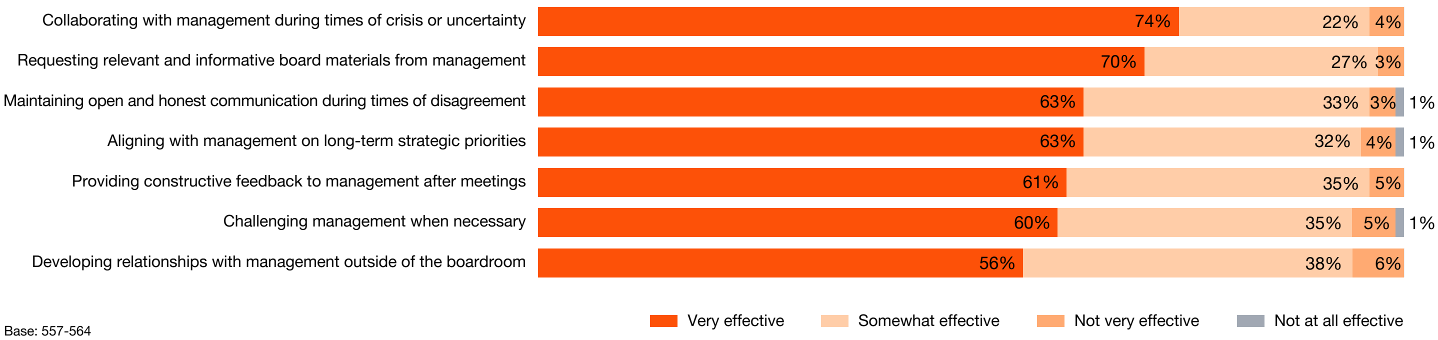
Base: 567
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

11. How is your board currently using AI and GenAI in its oversight role? (select all that apply)

Base: 556
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

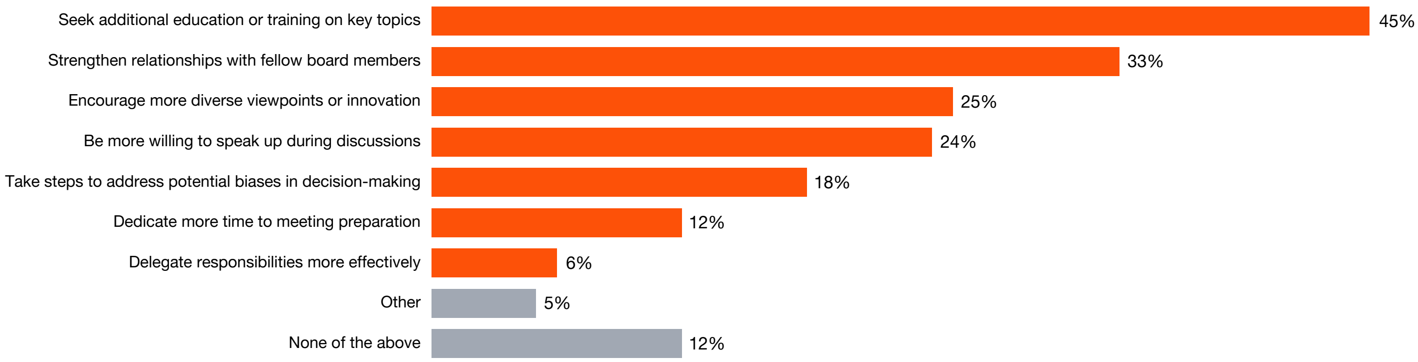
Board culture

12. When it comes to your board's interactions with management, how effective do you think the board is at:



Base: 557-564
Source: PwC, *2025 Annual Corporate Directors Survey*, October 2025.

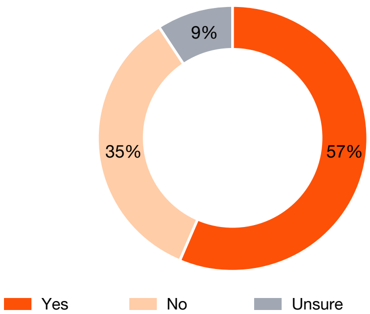
13. What actions could you take to improve your board's effectiveness? (select all that apply)



Base: 562
Source: PwC, *2025 Annual Corporate Directors Survey*, October 2025.

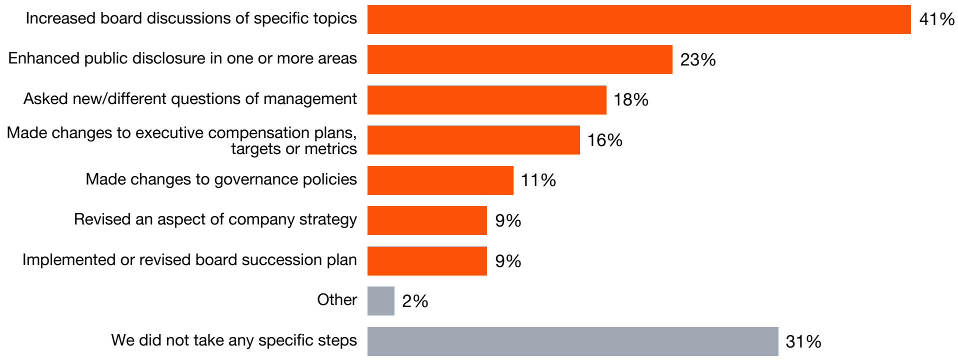
Shareholder communication

14a. Has a member of your board (other than the CEO) had direct engagement with investors during the past 12 months?



Base: 564
Source: PwC, *2025 Annual Corporate Directors Survey*, October 2025.

14b. If you answered YES to Q14a, which of the following steps did your board take as a result of that engagement? (select all that apply)



Base: 318
Source: PwC, *2025 Annual Corporate Directors Survey*, October 2025.

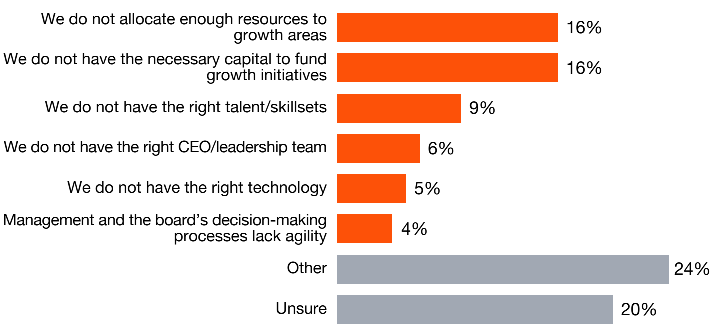
14c. If you answered YES to Q14a, have you observed any of the following shifts in investor engagement over the past 12 months? (select all that apply)

	Our largest investors	All other investors
Investors are providing less prescriptive feedback on the company's governance and business practices	21%	15%
Investors want to engage with board members less frequently	15%	14%
Investors want to have less granular discussions about key issues that are material to the business	8%	8%
Other	2%	1%
I have not observed any notable changes in investor engagement	69%	77%

Base: 246-287
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

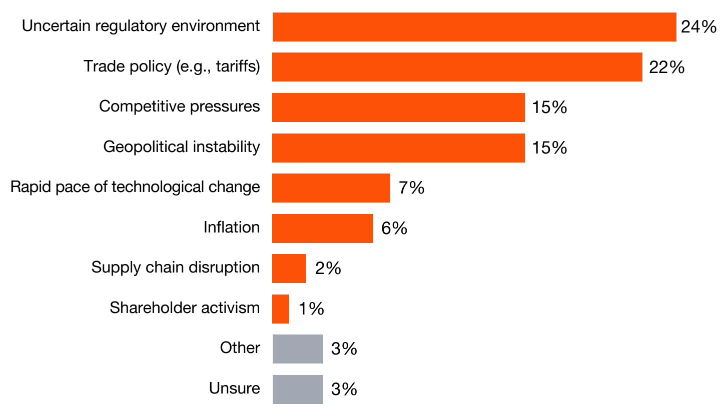
Strategy and risk

15. What is the single greatest internal barrier to growing your business over the next 12 months? (select only one)



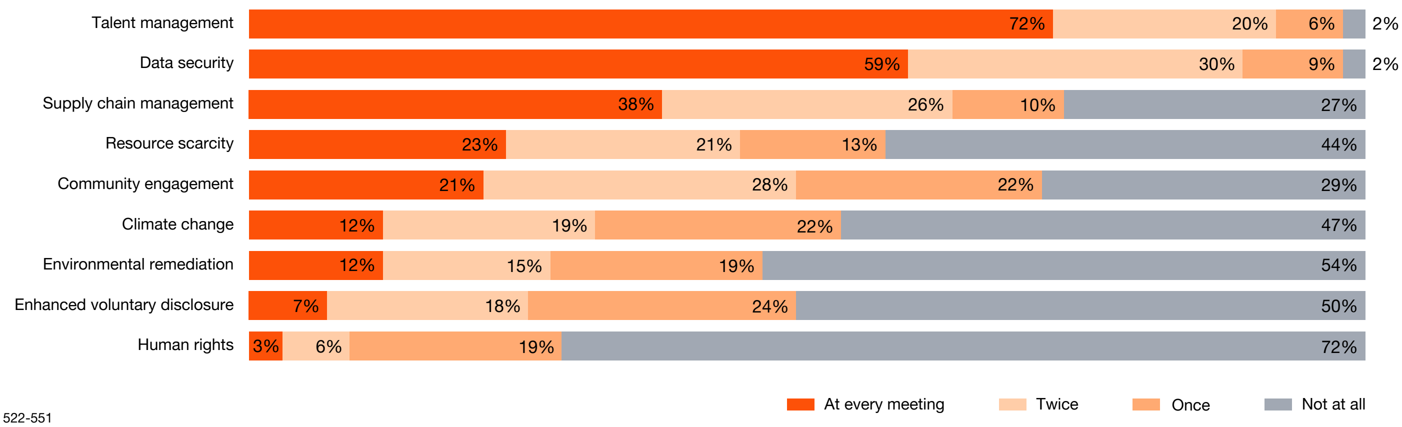
Base: 534
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

16. What is the top external factor that you think is most likely to impede execution of the company's strategy over the next 12 months? (select only one)



Base: 536
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

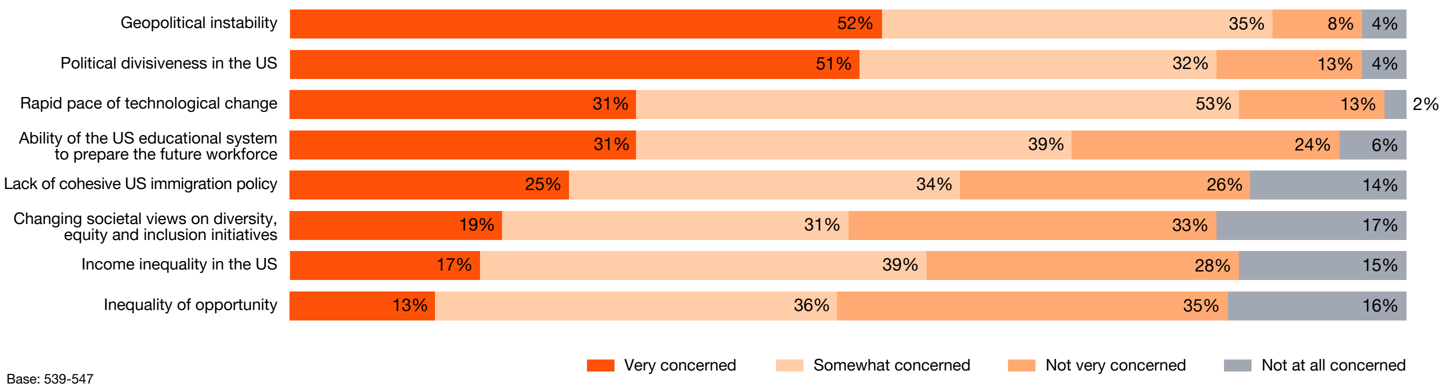
17. In the last 12 months, how often has your board discussed the following sustainability issues?



Base: 522-551
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

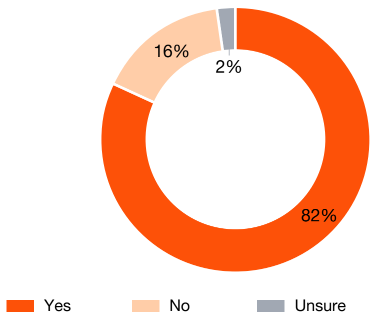
Social and public policy

18. How concerned are you with the impact of the following social and/or political issues on your company?



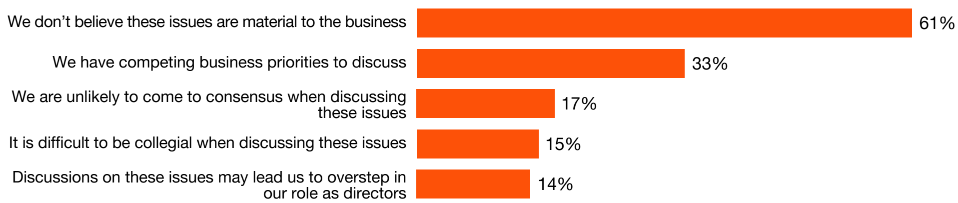
Base: 539-547
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

19a. Has your board discussed social and/or political issues over the past 12 months?



Base: 553
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

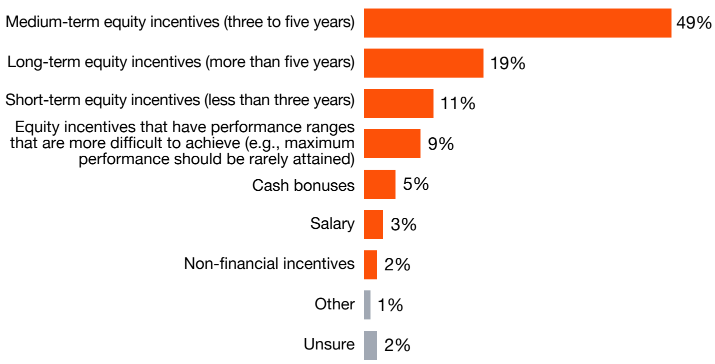
19b. If you answered NO to Q19a, why not? (select all that apply)



Base: 95
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

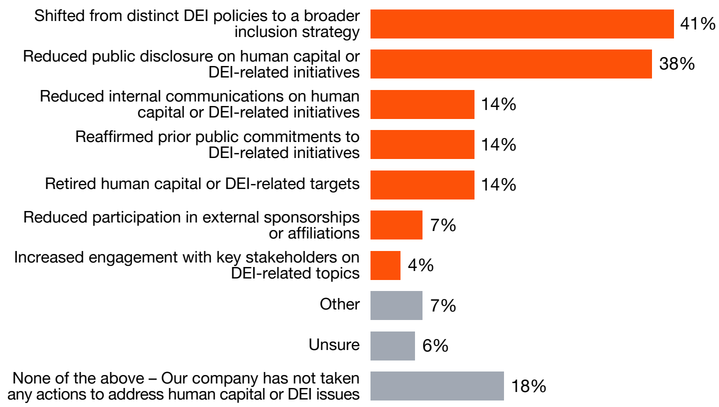
Executive compensation/talent management

20. What incentive structure do you believe is most effective in motivating CEOs to perform? (select only one)



Base: 547
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

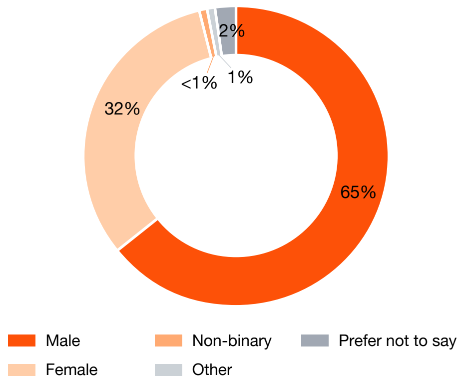
21. Which of the following steps has your company/board taken to address human capital and DEI-related issues over the past 12 months? (select all that apply)



Base: 544
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

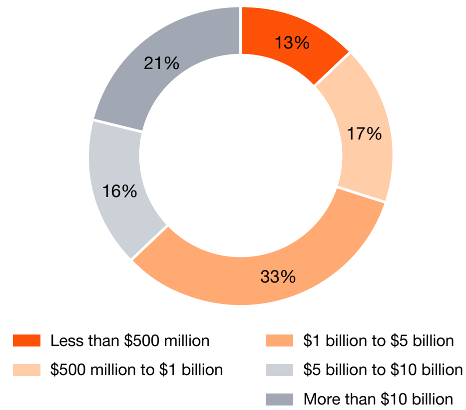
Demographics

What is your gender?



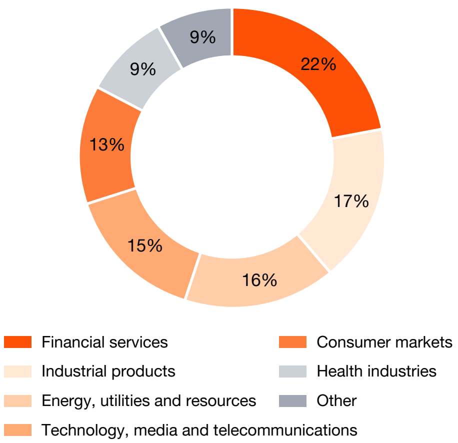
Base: 534
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

What are the annual revenues of the largest company on whose board you serve?



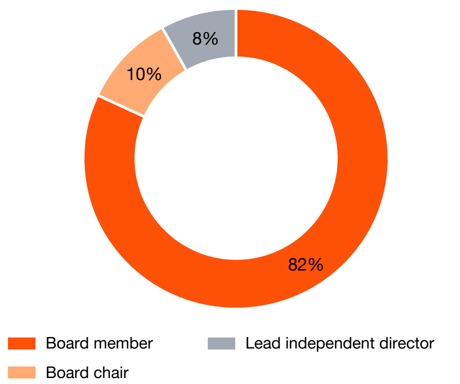
Base: 535
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

Which of the following best describes that company's industry? (select one)



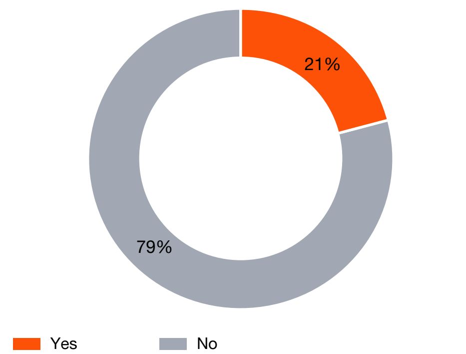
Base: 535
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

What is your current role on this board? (select one)



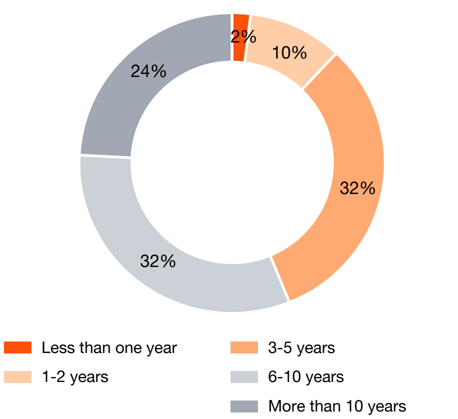
Base: 535
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

Are you a sitting public company executive?



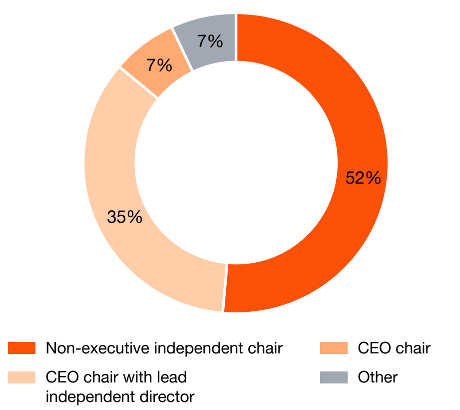
Base: 533
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

How long have you served on this board?



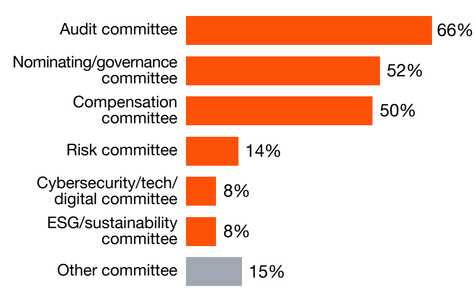
Base: 536
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

Which of the following describes that board's leadership structure?



Base: 535
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

On which committee(s) do you serve? (select all that apply)



Base: 511
Source: PwC, *2025 Annual Corporate Directors Survey,* October 2025.

About the survey

PwC's *Annual Corporate Directors Survey* has gauged the views of public company directors from across the United States on a variety of corporate governance matters for nearly 20 years. In 2025, 638 directors participated in our survey. The respondents represent companies across several industries, 70% of which have annual revenues of more than $1 billion. Sixty-five percent (65%) of the respondents were men and 32% were women. Board tenure varied, but 56% of respondents have served on their board for more than five years.

Contacts

If you'd like to explore how the findings in this report — or the *Roadmap for accountability* — might apply to your board or organization, please reach out to your engagement partner or a member of PwC's Governance Insights Center.

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