



BECHTEL-CONSULTING

RETHINKING  
CORPORATE GOVERNANCE  
IN TIMES OF INSTABILITY

EUROPEAN STUDY

2025-2026

# BECHTEL-CONSULTING

## European Study – Corporate Governance

### Rethinking Corporate Governance in Times of Instability

BECHTEL-CONSULTING conducted a four-month, Europe-wide qualitative study involving CEOs and senior executives, Chairs, Board Directors and Supervisory Board members, Senior Advisors, investors, and General Managers, focused on the following theme:

« Rethinking Corporate Governance in Times of Instability »

#### Study Context and Objectives

In an international environment shaped by political, economic, and social instability, a lack of long-term visibility, and sluggish European growth, corporate leadership bodies are seeing their responsibilities expand—and become increasingly complex.

As a result, the knowledge and capabilities expected of CEOs, Supervisory Board members, and Boards of Directors have evolved significantly in order to address the full range of challenges companies must now navigate.

Against this backdrop, our ambition was twofold. First, to rigorously document the tangible shifts in governance practices observed in the field—beyond theoretical models and formal standards.

Second, to translate these developments into clear “talent” implications: what this changes, in practical terms, in the profiles of the CEO and the Chair, and in Board composition, to strengthen resilience, decision quality, and value creation in times of instability.

#### Methodology and Scope

This qualitative study is based on forty-five confidential, semi-structured interviews, conducted using a shared analytical framework (Q1 to Q4). The verbatims were anonymised, then coded and analysed through a thematic approach, allowing both cross-cutting trends and sector-specific nuances to emerge.

The sample spans a broad range of organisations: domestic and international companies, listed and privately held businesses, family-owned enterprises and large corporates, as well as a diversity of ownership and shareholder structures.

We also ensured the study reflects the variety of European governance models, notably by including Germany, Switzerland, Austria, Liechtenstein, France, Belgium, the Netherlands, Finland, and Sweden.



## Acknowledgements

We extend our sincere thanks to all interviewees who contributed to this study, sharing so generously their insights and convictions—often those of deeply committed leaders, passionate about their responsibilities and about the role corporate governance can play in informing decisions and strengthening organisational resilience.

We would also like to thank our readers for taking the time to engage with this study. The interviews we conducted were particularly stimulating and rich in insights. We have sought to convey their key take-aways as closely as possible to real-life realities, drawing on numerous testimonies and concrete examples. We hope this study will have enriched your thinking, provided new perspectives and deeper understanding, and that you will have enjoyed reading it. Please do not hesitate to share your feedback with us at: [gen@bechtel-consulting.com](mailto:gen@bechtel-consulting.com)

## The BECHTEL-CONSULTING Team

This study was conducted by BECHTEL-CONSULTING, a pan-European Executive Search and Advisory Firm with offices in Cannes, Frankfurt, and Paris.

We partner with CEOs, shareholders, and boards on leadership selection, assessment, and succession, combining a nuanced understanding of governance dynamics with a rigorous approach to leadership in times of instability.



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Founder and Managing Partner of BECHTEL-CONSULTING GmbH, Herbert Bechtel brings more than thirty years of experience in executive search and talent management. He advises Executive Committees, Chairs, and Boards on governance, succession, and leadership team strengthening.

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# THE EVOLUTION OF CORPORATE GOVERNANCE

Professionalisation & rising Board maturity  
Regulatory pressure  
& the risk of “compliance-driven” governance  
Renewed focus on strategy and value creation  
Governing in an uncertain environment  
Culture, leadership, diversity, and ethical accountability  
A more involved Board  
Investor-oriented governance

## A Board and CEO Perspective

## Part 1: The Evolution of Corporate Governance A Board and CEO Perspective

A clear majority of interviewees converge on the same view: corporate governance has broadly shifted from a largely formal framework to a more strategic and dynamic lever—better suited to steering performance, managing risk, and strengthening resilience in an increasingly complex environment.

### 1 Professionalisation and rising Board maturity

Corporate governance has become markedly more professionalised: Board composition is increasingly skills-based; appointment processes are more structured; and governance routines are more formalised (committees, decision rituals, agendas). Director selection is now more frequently supported by Executive Search firms, which help define target profiles, assess capabilities, and broaden the candidate pool. Co-optation dynamics and informal practices are gradually giving way to more demanding standards. Overall, this shift strengthens the quality of debate, oversight capacity, and Board credibility—while raising expectations of Directors in terms of expertise, independence, and commitment.

### 2 Regulatory pressure... and the risk of “compliance-driven” governance

Board agendas have become significantly heavier under the combined impact of regulatory requirements, sustainability expectations, reporting obligations, and tighter internal control. Training and the formalisation of governance mechanisms have proven necessary to strengthen organisational robustness and reinforce stakeholder confidence.

However, the risk is a drift towards “tick-the-box” governance—prioritising compliance over substance. The challenge now is to turn this normative rigour into competitive advantage: maintaining a high standard of discipline while keeping the Board focused on value creation, innovation, and high-impact strategic trade-offs.

### 3 Renewed focus on strategy and value creation

The Board’s role is expanding: beyond oversight, it is expected to develop a deeper understanding of the economic drivers, competitive landscape, and performance levers of the business. Boards are increasingly judged on the quality of their strategic challenge, their risk interpretation, and their ability to influence key trade-offs (capital allocation, portfolio choices, growth

priorities).

Governance is becoming more business-driven—asking the right questions, at the right level, at the right time—with the aim of making a tangible contribution to the value creation trajectory.

### 4 Governing in an uncertain environment: resilience, agility, and scenario planning

Economic and geopolitical instability is driving the need for more agile strategy: a clear direction, combined with the ability to adjust rapidly. Boards are increasingly promoting scenario-based steering, challenging underlying assumptions, and continuous adaptation. Budgets are shifting from fixed plans to steering frameworks, with heightened expectations around responsiveness. Resilience is becoming a core criterion of performance and long-term sustainability.

### 5 Culture, leadership, diversity, and ethical accountability

Several interviewees highlight the need to evolve governance through culture—exemplary leadership, diversity, international openness, and strengthened ethical standards. Governance is no longer merely a set of rules, but an active lever for transformation and internal coherence. Top-down alignment is essential to embed expected behaviours sustainably across the organisation. The Board is increasingly expected to act as a guardian of core values as much as of performance.

### 6 A more involved Board: coaching and sparring partner to management

Since the Covid crisis, the pace of change has accelerated: governance mechanisms have been refined, stakeholder involvement has broadened, and recourse to external expertise has increased. Boards are more often acting as a “sparring partner” to the CEO and the leadership team—particularly when historical reference points no longer provide sufficient guidance. The objective is to elevate decision quality in a fast-moving context, without encroaching on execution. This posture strengthens anticipation capabilities and reinforces leadership robustness.

### 7 Investor-oriented governance: structured information and informed decision-making

The diversity of shareholders—institutions, private investors, family offices, and banks—requires highly

structured governance, focused on decision-relevant information. Regular, in-depth meetings enable robust discussion of performance, capital allocation, value creation, and key risk areas. In business models exposed to volatility (pricing, timing, regulation, climate), agility often matters more than predictable trajectories. In this context, governance becomes a platform for alignment and arbitration across investors' differing horizons and priorities.

## 8 Continuous refinement: an incremental dynamic rather than a step change

Governance is increasingly viewed as a living system: it must be reviewed regularly to remain aligned with evolving standards and business challenges. Adjustments typically address Board composition, how governance bodies operate, transparency, reporting, and control mechanisms. Change tends to occur through progressive maturation, supported by recurring reviews and self-assessments. Governance quality depends as much on this discipline of continuous improvement as on the formal structures themselves.

## 9 Deliberate continuity: stability of the governance model

A minority of interviewees point to the absence of major transformation, placing priority on strategic continuity and a long-term view. For some, corporate governance was already structured in a way that meets today's expectations. For others, external risks are addressed through monitoring, anticipation, and analysis—without “breakthrough” decisions—while maintaining a clear course. Finally, several note that changes remain targeted (gender diversity within governance bodies, broader diversity and inclusion) and consistent with a business perimeter that is largely local. This stance reflects a mature, stable, and resilient governance model, oriented towards sustainable performance.

## Corporate Governance: National Specificities and Talent Implications

Across the testimonies, a clear pattern emerges: governance can no longer remain merely “formal.” Under the pressure of instability—markets, geopolitics, supply chains, and technology—Boards are expected to sit at the heart of value creation choices, with a sharper understanding of the business and a stronger ability to challenge strategic options. **However, how this is achieved varies significantly across national governance models.**

## A shared shift: from “statutory” oversight to “substantive” governance

Board members describe a clear rise in expectations: a deeper understanding of the company, its economic drivers and competitive environment, and a more **substantive influence on strategy**.

This pushes organisations beyond “box-ticking” governance (budgets, appointments, compliance) towards more interpretative governance—raising a central question: how far should the Board go? Does it truly engage in the critical trade-offs?

## Germany: a stable two-tier framework, with rising expectations around “strategic proximity”

Germany's two-tier model is not being questioned: it is seen as a proven framework (a clear structural separation between management and oversight, and the presence of external members on the Supervisory Board).

However, interviewees converge on one evolution: in a harsher and more uncertain environment, the Supervisory Board is expected to engage more deeply with strategy—without encroaching on day-to-day operations.

In practical terms, this translates into :

- Higher expectations of business understanding among Supervisory Board members ;
- Deeper working formats: strategy workshops, smaller working groups, competitive analyses, and discussions on value drivers ;
- A tighter balance to strike: close collaboration with the Management Board, while avoiding micromanagement.

**German specificities** : The strict separation between the Supervisory Board and the Executive Team has historically made strategic involvement less “natural” in Germany. As a result, the shift is primarily cultural and practical: increasing the intensity of interactions, professionalising the substance of exchanges, and strengthening sector-specific expertise.

One interviewee commented : « *Germany's two-tier governance model is not being questioned: it is a proven framework. The challenge today lies in how it is applied. In an environment characterised by high volatility, close collaboration between the Supervisory Board and the Management Board is essential to accompany, support and, where appropriate, endorse strategic decisions—while clearly respecting management's operational responsibility. The balance to strike is to stay close enough to the issues without slipping into micromanagement.* » Supervisory Board Chair

Interview synthesis — focus on Boards' strategic involvement

Governance architecture and observed dynamics

**National specificities:** Boards are increasingly expected to demonstrate a granular understanding of value drivers, competitive dynamics, and strategic trade-offs in an unstable environment. How this is achieved varies significantly across national governance models.

Germany

- **Two-tier:** strict separation between oversight and management (Supervisory Board vs. Management Board).
- **Shift underway:** the Board is expected to engage more deeply in strategy—without drifting into micromanagement; deeper working sessions with management.
- **Supervisory Board Chair:** an “orchestrator,” able to create substantive working formats with the Management Board (workshops, site visits, ad hoc committees) while maintaining clear role boundaries.
- **Board members:** strong sector credibility and the ability to challenge strategy (structured questioning, scenarios, risk assessment, competitive dynamics).
- **Balance point:** strategic proximity without micromanagement.

France & Belgium

- **Board typically more accountable for the strategic trajectory;** strategic involvement is more “natural.”
- In France, the **Lead Independent Director** (Anglo-Saxon model) strengthens checks and balances and improves Board effectiveness.
- **Rising expectations:** business understanding and influence on major, structuring decisions.
- **Watchpoint:** clarify role boundaries to avoid blurring strategy and operations.

Finland & Sweden

- **UK/US-inspired approach:** a highly engaged Board in strategy definition and follow-up.
- **Annual mandates in Scandinavia:** directors are reconfirmed each year → strong accountability and engagement.
- **Sweden:** a structuring independent Nomination Committee.

Switzerland

- **One-tier possibility:** CEO/Chair duality may be permitted → potential independence and counterbalance challenges.
- **Recent trend:** growing voluntary separation of the roles.
- **Shift underway:** increased use of external Board members to strengthen objectivity.

Talent implications

**Cross-cutting trend: from “statutory” oversight to “substantive” governance**

- **Non-Executive Director search:** increasing demand for strong sector/business credibility—unit economics, portfolio strategy, transformation, risk.
- **Contribution assessment:** quality of questioning, synthesis capability, ability to challenge a strong CEO, preparation and availability, influence without interference, and an exacting sparring-partner posture in service of value creation.

Chair (or Lead Independent Director)

- **Orchestrates strong strategic involvement** (cadence, workshops). Natural authority, diplomacy, and empathy.
- **Maintains role boundaries** strategic proximity and challenge without micromanagement.
- **Manages power dynamics** (particularly where CEO/Chair duality remains possible).

Independent Directors (NEDs)

- **Business/sector credibility** and the ability to quickly decode value drivers, competitive dynamics, and key risks.
- **Boardroom impact** structuring questions, rapid grasp of complex topics, influence without micromanagement (listening, assertiveness, relational intelligence).
- **Independence and contribution** constructive counterpower, external perspective, freedom of judgement, and a tangible, visible contribution (expected at a very high level in Scandinavia given annual accountability).

CEO / Management Board (Board interface)

- **Strengthen the CEO–Chair–NED relationship** (the Board is not monolithic).
- **Build a high-quality Board relationship** transparency, strong preparation, and the ability to work issues in depth.
- **Co-build strategy with the Board** while retaining full operational accountability.
- **Manage expectations** formal oversight vs. substantive governance (varies by country).
- = } Where some leaders tolerate an underperforming Board, the best CEOs turn it into a demanding, engaged, value-creating body

Source: BECHTEL-CONSULTING — synthesis of interview insights (2025/2026)

## France / Belgium: a more explicitly assumed strategic responsibility

The contrast highlighted by interviewees is clear: in France, Belgium, and in many countries with a more one-tier or more integrated governance model, the Board has traditionally been more involved in strategy.

This does not necessarily mean the Board “runs” operations, but rather that it assumes a more explicit strategic responsibility, with more continuous interaction with executive management.

**Specificity:** higher expectations of the Board’s strategic influence—reducing the risk of purely “formal” governance, but also requiring clear role boundaries to avoid blurring management accountability.

One interviewee commented : *“I consider the one-tier governance model to be significantly more effective, as it allows directors to be more fully integrated into strategic discussions—at the core of their mandate. I see the French system as more relevant than the German model, which I perceive as highly formalised, slower, and constrained by the strict separation of bodies and codetermination. It is true that historically, the French model centred on a combined CEO/Chair (Président-Directeur Général) entailed a risk of excessive dependence on the individual—especially in the case of a poor appointment. However, this risk has been largely reduced over the past ten years thanks to the strengthening of Boards and the introduction of the Lead Independent Director role, inspired by the Anglo-Saxon model. This evolution has also improved the consideration of shareholder interests, notably through a more structured dialogue. I prefer serving on French or UK Boards, which are more effective and more demanding in the quality of exchanges than German Boards.”*  
Non-Executive Director, Chemicals sector

## Scandinavia (Finland, Sweden): an “involved” Board, influenced by the Anglo-Saxon model

Testimonies describe Scandinavian governance as close to UK/US practices: Boards are highly involved in shaping and monitoring strategy, and may at times go close to operational topics when decisions are structurally significant.

Annual mandates (Finland, Sweden): Board members are (re)confirmed each year by the General Meeting. This does not necessarily lead to high turnover, but it creates constructive accountability: Directors are expected to “prove their value” every year. The risk of non-reappointment when contribution is seen as insufficient reinforces engagement.

Sweden: there is an external, independent Nomination Committee that reviews Board composition and mandates annually. As a result, significant emphasis is placed on in-person interactions and continuous as-

essment.

**Scandinavian specificities :** Annual accountability and a more professionalised nomination process create a more “active” Board—more accountable, and often more present in strategy than in the traditional German model.

## Switzerland—where CEO/Chair duality remains possible: independence becomes a central question

In Switzerland, CEO/Chair duality remains permissible. While not systematically problematic, this concentration of roles can create additional challenges around independence and oversight. It is not an issue in principle, but in certain configurations it can prove more sensitive.

It is also worth noting that, in recent years, Switzerland has seen a growing trend towards voluntary separation of these roles—driven by governance considerations and by concrete situations that have highlighted the limitations of combined positions.

**Swiss specificities:** In Switzerland, governance is shaped to a large extent by the architecture of power—role separation, Board independence—and by the quality of checks and balances.

# CORPORATE GOVERNANCE

A man in a blue suit and tie is speaking into a microphone. He is gesturing with his left hand. In the background, several other men in suits are seated, looking towards the speaker. The image is split diagonally, with the top-left portion being white and the bottom-right portion showing the speaker and audience.

How international instability is reshaping corporate governance

Digital transformation as a governance priority

Stronger integration of ESG considerations

Regulation as a major accelerator

Crisis & reputational risk management

Navigating external shocks

## Part 2 — What external factors have led you to evolve your corporate governance?

### How international instability is reshaping corporate governance

Geopolitics is no longer “background noise”: it is reshaping market access rules, supply security, and financial predictability. Corporate governance must therefore move from periodic oversight to a more active posture—centred on **anticipation and resilience**.

In practical terms, this requires shorter strategic cycles, more frequent trade-offs, and greater discipline in capital allocation. The Board becomes the guardian of the business model's robustness in the face of recurring external shocks.

**Strategic intelligence and forward-looking anticipation** Boards can no longer limit themselves to validating decisions: they must organise structured economic and geopolitical intelligence to shed light on country risk, regulatory shifts, and value-chain disruptions. The objective is to anticipate rather than react—through scenario planning, early-warning indicators, and a dynamic reading of exposures (markets, suppliers, currencies). The Board is also expected to challenge assumptions, avoid blind spots, and sustain a long-term perspective despite short-term urgency.

**Management team: decision speed, execution, and alignment** For the Executive Committee, the primary consequence is acceleration: making decisions faster, adjusting strategy without delay, and—above all—executing effectively. This requires more frequent steering routines, strong cross-functional coordination (operations, finance, legal, procurement, sales), and clear communication to keep the organisation aligned. High-performing leadership teams combine agility with rigour: flexibility in options, but discipline in priorities and delivery. Instability becomes as much a test of leadership as a test of strategy.

**Strategic clarity: a clear direction, with options prepared.** In a fast-moving context, strategic clarity becomes a competitive asset: a readable direction, clear choices, and “options” ready to be activated (supply chain reconfiguration, market shifts, pricing adaptation). The organisations that cope best have prepared several credible pathways. The Board therefore expects a “modular” strategy from management—robust on fundamentals, adaptable to external parameters. This clarity reduces internal volatility when the external environment accelerates.

**Risk mastery: from a risk register to operational steering** Risk management must evolve from a documentation exercise to operational steering: a dynamic risk map, clear accountabilities, tested business continuity plans, and rapid trade-offs. Geopolitical risks (sanctions, export controls, tariffs) and macroeconomic risks (currencies, funding) must be managed as performance levers—not confined to a compliance-driven approach. Boards are raising expectations around scenario quality, crisis governance, and transparency of exposures. Maturity is ultimately measured by the company's ability to absorb shocks without losing its strategic direction.

### Sector examples

**Technology sector — testimony** « *One of the most critical factors for us is short-term legislative change. We are a strongly export-oriented company operating in advanced technologies. This means that any change in export rules—for example regarding which technologies may be exported to China—as well as shifts in tariff and trade policies, has a direct impact on our business. In principle, we are able to adapt to such changes. However, when rules change too frequently, it significantly complicates planning and reduces strategic visibility.* » Supervisory Board Chair

**Hospitality market resilience — testimony** “Recent geopolitical factors have not significantly affected tourism demand, particularly from the U.S., which remains robust. The hospitality sector is demonstrating increasing structural resilience: despite more frequent shocks, recovery cycles are shortening. Sustained growth in the number of travellers (c. +10% per year) combined with a more limited increase in hotel capacity (c. ~4% per year) is creating favourable supply tension, supporting occupancy rates and pricing levels over the long term.” Chair, international hotel chain

**Energy transition sector — Management team: decision speed, execution, and alignment - testimony** “In an environment marked by high volatility, the key leadership challenge no longer lies solely in formal governance structures, but in the organisation's ability to decide and adapt quickly. Leadership agility means detecting shifts early, adjusting strategy without delay—and, above all, being able to implement those decisions effectively. Stable structures remain essential, but their primary purpose must be to enable flexibility, speed of execution, and team alignment. It is this combination of stability and agility that has become a critical driver of sustainable performance today.” CEO, energy transition sector

**Industrial automation & robotics sector — testimony** « Today, the overall conditions can change drastically overnight—for example when tariffs on exports to the U.S. are suddenly increased or reduced by 30–40%. Such decisions immediately trigger a cascade of strategic choices, notably on production footprint and across the value chain. This dynamic requires a very high level of responsiveness. Yet current governance and decision-making structures are not always sufficiently adapted to that level of speed and volatility. » CEO

## Digital transformation as a governance priority

Digital transformation has become a strategic priority, driven by the rapid acceleration of technologies (AI, robotics, automation, data management, cybersecurity). These shifts no longer sit solely within the IT perimeter: they are redefining value creation, reshaping offerings, and transforming revenue models. Artificial intelligence, in particular, is becoming a decisive lever for future competitiveness, requiring companies to adapt their business model to the pace of adoption and market evolution.

This dynamic is creating new requirements in terms of capabilities, organisation, and governance within leadership bodies. Governance has therefore had to evolve to preserve a long-term perspective, arbitrate investments with discipline, and ensure that operational urgency does not divert the company from its structural priorities—those that ultimately shape performance, resilience, and sustainable competitive advantage.

**Board – AI & speed:** « Artificial intelligence is neither good nor bad in itself. Everything depends on speed: being faster than the average creates an advantage; being slower becomes a risk. »

**Capabilities within the Board and the Executive Committee** AI and data management require specialised capabilities that many Boards and Executive Committees do not yet fully command. The challenge is not to “create” new governance, but to strengthen decision quality through deeper technological expertise—particularly on AI (opportunities, risks, limitations). This is driving adjustments in the composition of governance bodies, steering routines, and mechanisms for strategic challenge.

“Some topics—such as data protection, data security, or cyber defence—are so specialised that they require external expertise. For the Board, it is essential to be able to properly assess reputational risks, for example in the event of a major data breach. This is why the Board must exercise heightened vigilance. Management has its own advisers, and the Board also engages advisers—sometimes in a coordinated manner.” Board Director, international group — Chemicals sector

**Cybersecurity: a performance and resilience risk** Digitalisation significantly increases exposure to cyber threats (business interruption, data breaches, reputational damage, financial impact). Cybersecurity is becoming a governance topic on par with financial risk: it requires structured oversight, clear investment priorities, tested continuity plans, and regular monitoring by the Board. Management is expected to deliver execution, build a security culture, and respond effectively in a crisis.

“Cybersecurity now sits at the interface of the company’s internal and external challenges and is a major driver of change in corporate governance. It requires strengthened oversight mechanisms—particularly at Board level—to ensure structured steering of exposure and resilience.” Board Director

**Data-driven steering discipline** Decision-making increasingly relies on data analysis, and decision-support tools must now be continuously updated. This dynamic calls for a more “rhythmic” governance model: robust KPIs, data quality, system coherence, and rapid adjustment capabilities. The Board must ensure data reliability, the consistency of the digital architecture, and alignment between technology and strategy.

**Ethical dimension** The rise of AI and the growing use of data are intensifying digital ethics challenges: data protection, responsible use, bias, explainability, compliance, and social acceptability. These topics are engaging leadership bodies far more than they did 12–24 months ago, as they can directly impact reputation, compliance, and customer trust. Governance must frame these risks and secure a sustainable trajectory—beyond short-term efficiency gains.

« When we think about AI, it offers, on the one hand, considerable opportunities to improve efficiency—which may also involve automating certain functions and partially replacing them with AI. On the other hand, when viewed through the lens of shareholder value creation and corporate profitability, these measures must be sustainable and profitable over the long term ». Vice-Chair of the Board

## Stronger integration of ESG priorities

### Performance, financing, reputation: a strategic trilogy

Societal and regulatory pressure is forcing companies to reconcile two expectations at once: delivering profitability while demonstrating a sustainable and responsible trajectory. In this context, ESG is no longer optional or merely a set of technical initiatives—it is becoming a structuring component of strategy, directly engaging executive committees and Boards (Directors/Supervisory Boards) to ensure coherence, transparency, and credibility of the narrative.

Customer and investor expectations—particularly from younger generations—are reinforcing this shift. A structured ESG strategy addresses a threefold challenge: brand reputation, operational efficiency (notably energy-related), and access to financing, as ESG performance increasingly influences debt terms and banking relationships. In some sectors, ESG is becoming a condition of competitiveness: partner requirements (franchisees, principals) and, for businesses exposed to public procurement, a prerequisite to qualify for tenders.

Interviewees emphasise that responsible governance can no longer rely on declarative principles alone; it must translate them into concrete, visible commitments within leadership bodies.

#### **D&I at Board level: credibility, performance, impact**

*“Responsible governance requires strengthening the representation of women leaders and fully integrating cultural diversity within decision-making bodies. These dimensions foster a more inclusive governance style—grounded in listening, empathy, and the quality of dialogue. Beyond stated commitments on diversity and inclusion, it is essential to translate them into concrete, measurable practices embedded in governance processes. Effective implementation is a key lever of credibility, sustainable performance, and societal responsibility.”* Managing Director, hospitality sector

Finally, several leaders highlight a paradox: while compliance obligations (reporting, taxonomy, etc.) are becoming more complex, the visibility of ESG in discussions with certain investors sometimes appears to be declining. ESG therefore requires greater effort—for recognition that is occasionally less explicit—reinforcing the need for prioritisation, impact measurement, and genuine integration into performance steering.

#### **R**egulation: a major accelerator of governance evolution

Interviewees converge on a clear point: the recent transformation of corporate governance has been driven less by operational pressures than by the rising weight of regulation—particularly at EU level. This shift significantly increases the complexity of the CEO role, with responsibilities now extending well beyond business execution. Frameworks such as supply-chain due diligence requirements, the Cyber Resilience Act, and the reporting and audit requirements (CSRD) are creating a growing compliance burden and are reshaping governance agendas accordingly.

Even when interviewees do not always observe entirely “new” rules emerging in their sector, many describe a sense of overload: a proliferation of regulations, time-consuming compliance efforts, and heightened overall pressure. While the impact varies across industries, the direction is clear: governance is progressively expanding to incorporate additional dimensions (ESG, reporting, cyber, due diligence), engaging Boards and top management far more than five or six years ago.

Finally, several leaders point to a competitiveness challenge: in comparison with China and the United States, Europe would benefit from better harmonising its frameworks and striking a balance between over-regulation in certain areas and domains that remain insufficiently clarified—AI is frequently cited as an example. In their view, more coherent and readable regulation is a condition for preserving both the effectiveness of governance structures and the ability of European companies to act decisively.

#### **C**risis and reputational risk management: a major accelerator of governance evolution

Interviews show that crisis management and reputational risk control have become major external drivers of change in corporate governance. In sectors exposed to systemic shocks or restructurings (e.g., steel), the Board—and especially the Supervisory Board—is now far more involved in steering the situation, sometimes down to divisional level. Where crises historically sat primarily with the CEO and CFO, they now require more direct Board mobilisation—both to secure decisions and to maintain strategic direction.

The Covid pandemic illustrates this shift. In consumer goods—particularly textiles, apparel, and fashion—the abrupt shutdown of activity and the threat to business survival triggered a marked convergence between the Executive Board and the Non-Executive Board: near-daily video calls, rapid trade-offs, and organisational adjustments (team models, business continuity, employee protection). These episodes have durably reshaped collaboration patterns and reinforced the idea of a governance system capable of changing pace in exceptional circumstances.

Beyond crisis situations, reputation is becoming a governance issue in its own right. Leaders emphasise the importance of a differentiated approach, tailored to each company’s context, to avoid “standardised” responses and the pull of management fashions.

Reputation is not built through compliance alone: it rests on reliability, consistently high execution quality, and the ability to sustain the customer relationship over time—including after delivery. In both B2B and B2C, modern governance therefore integrates operational robustness, service quality, and long-term responsibility as pillars of trust—and ultimately, performance.



CEO & ExCo role complexity  
Board composition & contribution  
Board/ExCo capabilities  
Committees vs. external experts  
Shareholder expectations & Board dialogue

## **INTERNAL TRIGGERS OF CHANGE**

## Part 3 — What internal factors have led you to evolve your corporate governance?

Several internal factors are driving changes in governance: rising shareholder expectations, the need for specialised expertise, strategic transformations (repositioning, M&A, digitalisation), and expansion into new markets. Beyond this list, one recurring trigger stands out: a misalignment in pace and time horizon between the executive team and the Board. Leadership is naturally absorbed by short- to mid-term priorities, while the Board is expected to bring a long-term perspective that integrates the full set of stakeholders (investors, employees, customers, partners, regulators).

### Impact on leadership: increasing complexity of the CEO and Executive Committee roles

Testimonies point to a rapid increase in the complexity of the CEO role—and, more broadly, of the Executive Committee. The scope of responsibilities is expanding, trade-offs are multiplying, and the Board—especially the Supervisory Board—is intensifying its interactions with the CEO by taking on a stronger support and sparring-partner role, sometimes moving to weekly exchanges covering concrete strategic and operational matters.

Expectations of the CEO have also shifted: they are now required to embody a more demanding combination—empathy and internal collaboration, alongside a highly assertive stance in execution and in managing external stakeholders.

*«Modern leadership requires combining internal empathy and collaboration with firmness and clarity in strategic execution—an increasingly complex dual expectation.»* CEO, Industrial Automation & Robotics

### Structuring tension: short-term performance vs. long-term value creation

Pressure on management increasingly crystallises around a delicate trade-off: delivering short-term financial targets while protecting long-term value creation, sustainable competitiveness, and technological attractiveness. In a volatile environment, immediate performance more frequently clashes with transformation and investment imperatives—raising the decision burden and reinforcing the need for governance that is closer, more responsive, and more engaged.

**Watchpoint: avoiding “paralysing” governance** Some interviewees caution against a potential drift: when Board members and the Executive Committee increasingly prioritise stricter rule- and compliance- driven execution at the expense of strategic thinking focused on what truly underpins the company’s long-term success. The challenge is to fully meet regulatory requirements while preserving decision-making capacity and managerial courage—so that governance remains a framework that enables and secures action, rather than an end in itself.

### Board implications: composition, cadence, and expectations of contribution

The evolution of governance also highlights a Board effectiveness issue. In many companies, a portion of Directors are no longer in operational roles; their reference points were shaped in a more stable environment, which can create a gap when facing today’s disruptions and the decision speed now required. The resulting recommendations are convergent: regularly assess individual contribution against explicit criteria (strategic input, ability to challenge management, engagement, preparation); streamline Board size and embrace a rotation principle; strengthen the Chair’s accountability for group dynamics; and professionalise Board composition around critical capabilities (technology, geopolitics, transformation, sustainability), supported by continuous development and a culture of constructive challenge.

Effective governance relies on lean, capable, and courageous Boards—able to arbitrate at the right level and at the right pace. In this shift, the Chair’s role is decisive: enabling the **Board to move from a formal body to a true strategic engine in service of the company.**

### Capabilities within the Board and the Executive Committee

Overall, the level of capability is sufficient, but not uniform: profiles and areas of expertise differ—which is both normal and, in fact, desirable.

CEO testimony: *Within our Supervisory Board, we have, for example, a union representative. She brings a distinct background, perspective, and sensitivity, without necessarily being an expert on every topic. The point is not for everyone to master everything, but for the Board’s collective capability to be there—and for diversity of perspectives to enrich the debate in a constructive way.”*

Executive testimony - Choosing between an ad hoc committee and external expertise *“When we identify a need, we arbitrate between setting up a committee and engaging external advisers depending on the nature of the topic. We work with experts on a one-off, highly pragmatic basis when we need additional capacity on a specific technical issue or support for a defined project. In some cases, in a targeted way, we also engage consulting firms on strategic matters—particularly when we want to bring objectivity to portfolio growth opportunities. Even when our internal analysis is strong and our view is already well-structured, an external perspective helps test the robustness of the diagnosis, validate the coherence of assumptions, and avoid the risk of self-referential thinking or internal bias.”*

CEO testimony - Greater reliance on a specialised ecosystem of external expertise *“More broadly, the company relies on an ecosystem of external specialists to address punctual, high-expertise needs. When certain capabilities are not required on a continuous basis, they are mobilised through structured partnerships—for instance in international trade (customs expertise) or maritime law. In ship operations, operational complexity makes it unrealistic to internalise every capability. This ecosystem is therefore an essential lever to navigate complex situations, secure decision-making, and sustain a high level of operational effectiveness.”*

## **R**ising shareholder expectations: a dialogue increasingly extending to the Board

Shareholders play an absolutely central role, and the relationship has evolved significantly in recent years. Where historically most of the dialogue was channelled through the Management Board—typically the CEO and CFO—it is now increasingly established that the Board/Supervisory Board, or certain of its members, also engages directly with shareholders.

This shift is increasingly reflected in **“governance roadshows,”** where the discussion is no longer led solely by Executive Management, but by the Board Chair—or, depending on the setup, a Lead Independent Director—engaging directly with investors.

*“Our group is a good illustration of this trend: we have a reference shareholder holding more than 20% of the equity, who regularly engages directly with the Chair of the Supervisory Board. In a volatile environment, this proximity becomes strategic: shareholders are looking less for purely ‘financial’ messaging and more for conviction on the trajectory, the company’s ability to absorb shocks, and how it is concretely addressing the challenges ahead”* Independent Director

## **E**xecutive Search Perspective

### From oversight to value creation: the Board as a strategic lever

A Board’s primary mission is not only to ensure compliance, but to actively support the business and contribute to sustainable value creation—for shareholders and for the broader set of stakeholders.

This ambition requires a rigorous and clear-eyed view of Board composition: the right balance of profiles, capabilities, and behaviours, and each member’s proven ability to contribute over time. It also calls for the discipline to challenge the status quo and, when necessary, to acknowledge that certain contributions no longer deliver the expected value—and to act on that insight responsibly.

This is precisely where Executive Search support becomes critical:

- bringing an external, independent, and demanding perspective on Board composition, operating model, and dynamics;
- helping Chairs and shareholders objectively assess individual and collective contribution;
- supporting sensitive decisions around selection, assessment, renewal, succession, and leadership transition.



CORPORATE GOVERNANCE  
FROM COMPLIANCE  
TO STRATEGIC STEERING

Communication CEO/Board /ExCo

Collaboration CEO/Board/ExCo

Innovation, a priority on Board agendas

Board capabilities

Specialised committees & external expertise

Executive Committee leadership

Risk management

When KPIs speak the customer's language

## Part 4 — What changes have you initiated or supported?

### Improving communication between the CEO, the Board, and the Executive Committee

*“In my view, this is a theme that should be brought to the forefront. The more complex the situation, the more essential the dialogue becomes—this is why I consider it particularly critical. High-quality exchanges, open and grounded in trust, are indispensable. Open communication helps bring everyone to the same level of understanding, establish a common language, and at the very least clarify existing expectations.”*  
Chair of the Board of Directors

### Strengthening collaboration between the CEO, the Board, and the Executive Committee

The Covid crisis has often acted as an accelerator, as one executive highlights.

*«During the Covid crisis, we decided to significantly intensify governance-level interactions. Formally, we hold four meetings per year, but we also introduced an additional informal meeting on a monthly basis.*

*These monthly sessions, without formal minutes, give the Board of Directors or Supervisory Board a regular update on the company’s situation. They bring together representatives of management, shareholders, and Board members. Even if not all members attend systematically, observed participation remains high—between 80% and 90%.*

*This set-up fostered a more open, more direct, and more fluid dialogue between management, shareholders, and the Board. Initially designed as a crisis-management tool, it proved effective enough to be maintained beyond the pandemic period. These regular exchanges also led to tangible organisational adjustments, reflecting their operational impact.”* Supervisory Board Member

Regarding the Board/Supervisory Board’s role as a “sparring partner,” several leaders are unequivocal: this role is not only possible, but has become essential. It should not, however, be reduced to a purely reactive stance—limited to responding to requests from the Executive Committee.

The view expressed is more demanding: the Board/Supervisory Board is expected to adopt a proactive stance—able to raise structuring questions, surface blind spots, and provide additional perspective, for instance by challenging the anticipation of certain risks or how specific issues are being addressed. In this

sense, the Board is increasingly taking an active role in strategic thinking. Early positive effects are already visible, notably in the quality of dialogue and the relevance of strategic decisions.

Some leaders nonetheless express reservations. *“Not all Board members engage with the same intensity in this partnership approach. While some Directors are open, proactive, and foster genuine sparring-style exchanges, others remain confined to a strict oversight posture. In this context, the quality of collaboration appears to depend more on individuals than on the Board’s collective operating model—highlighting the importance of composition, individual behaviours, and relational dynamics within the Board.”* CEO

### Caretaker: a third, often underestimated role that deserves particular attention

*«I am convinced that the role of Boards of Directors and Supervisory Boards is increasingly evolving towards a caretaker function vis-à-vis the Management Board.*

*At times, they must assume a role of support and protection—taking care of leaders in the full sense of to “care”. Executive roles remain profoundly solitary and personally demanding. When a Board adopts an exclusively hierarchical posture or one strictly focused on control, tensions can escalate and weaken the relationship between the Management Board and the Board—ultimately to the detriment of collective performance.”* Supervisory Board Chair, aerospace industry

*“The intensification of responsibilities placed on leaders can weaken leadership continuity, governance effectiveness, and the Group’s sustainable performance. Addressing these issues is part of responsible human capital management and contributes to the Group’s strength and long-term resilience. It notably requires structured onboarding and support mechanisms for leaders, as well as the use of coaching and mentoring programmes.”* Managing Director, Hospitality industry

This evolution of the Board/Supervisory Board’s role is neither obvious nor natural—particularly in the German governance context, historically characterised by a strict separation of responsibilities. Yet it is increasingly necessary. As challenges grow more complex, Boards/Supervisory Boards are being called to strike a finer balance between oversight, strategic support, and human support.

## Innovation as a priority on Board agendas

In a European environment shaped by intensifying competition and major technological disruption, innovation is emerging as a long-term strategic imperative.

As one executive interviewed highlights: *« When I look at the European landscape, innovation is ultimately our only chance to remain competitive—whether through business process innovation, faster product development, or new business models »*

In this context, the Board's role is clearly recognised, yet it is also expected to evolve. To date, Boards have more often acted as receivers of initiatives than as generators of direction. In practical terms, Management develops strategic and investment proposals, which the Board reviews, challenges, and approves. The Board questions, arbitrates, and authorises—but rarely engages upstream in the innovation dynamic itself.

This posture now raises a central question for Boards: *«How do we build the capabilities needed not only to oversee innovation, but to truly understand it and support it effectively? »* Non-Executive Director, Chemicals & Biotechnology sector

Innovation is indeed characterised by a high degree of complexity—both technological and organisational. Understanding it in depth often requires engaging at a very granular level, a degree of involvement that Boards/Supervisory Boards rarely reach in their current operating model. This limitation is likely to be one of the major governance challenges of the coming years.

The question is therefore no longer only how to oversee innovation, but how a Board can strengthen its ability to contribute in a more qualified, informed, and useful way—without drifting into operations. This points directly to Board composition, capability building, working modes with management, and, more broadly, the evolving role of the Board in an environment of permanent innovation.

## Broadening Board capabilities

Historically, Boards were often composed of relatively generalist profiles. Today, that approach has shifted significantly. In many environments, regular reviews of Board effectiveness and composition—most commonly through annual Board self-evaluations—have been put in place to identify capability gaps in a structured way.

Based on these diagnostics, appointment processes have become more professionalised. New Non-Executive Directors are now sourced in a targeted manner, with the explicit aim of addressing identified gaps.

Certain areas of expertise have now become non-negotiable. Strong finance profiles are essential to ensure high-level dialogue with the finance function and to provide the CFO with a genuine sounding Board. Similarly, supply chain, manufacturing, and logistics capabilities need to be represented at non-executive level—particularly in industrial sectors. Marketing and sales expertise, especially around go-to-market strategy, has also become critical.

Internationalisation is another structuring dimension of Board composition. When a company targets meaningful expansion in geographies such as Asia or the United States, having a Director with deep experience of those regions—their markets and business cultures—becomes a major asset.

This evolution reflects a broader rise in expectations. The challenge is no longer simply to add thematic expertise, but to build Boards that combine profiles capable of bringing a robust strategic and sector perspective—with a materially higher level of rigour and contribution.

*«A high-performing Board relies on the right combination of sector expertise, operational experience, and specialised capabilities. Only Directors who truly understand the industry and its challenges can provide effective and sustainable strategic oversight. »* Chair of the Board of Directors

## Creating new specialised committees

**Deeper strategic focus...** In the past, strategy committees did not play a significant role in the Board landscape—many companies did not even have one. This is increasingly changing today. Within a Board, members naturally want to be involved in strategy, but I clearly observe a shift: **the strategic dimension is now being given far greater weight.**

**... and the model's limitations** *«As strategic issues grow more complex, Boards must strike the right balance between structure and agility. While specialised committees can enable deeper dives, targeted use of external expertise is often more effective than multiplying committees when the required capabilities are highly specialised or evolving rapidly. »* CEO, Industrial Automation & Robotics

## Leveraging external expertise: Senior Advisors and Advisory Boards

Board appointments naturally sit within a long-term succession and capability renewal logic. In parallel, the use of external expertise is increasingly seen as a relevant lever to address specific challenges—particularly in highly technical or fast-evolving domains. This is notably the case for ESG, IT, and artificial intelligence, where Boards engage specialised experts through Senior Ad-

visors, Advisory Boards, or ad hoc interventions. Some topics—such as data protection, cybersecurity, or cyber defence—require an especially high level of expertise that is difficult to embed sustainably within a Board.

While the Board may rely on its own advisers, it must also be able to access independent expertise—sometimes in a coordinated way with the Executive Committee—to ensure a complete and balanced assessment of the issues at stake.

## Placing Executive Committee leadership at the heart of governance

It relies on openness, continuous learning, and the ability to draw inspiration from the outside. Rather than trying to reinvent everything, it is essential to adopt proven practices—then adapt and improve them. Encouraging benchmarking, market scanning, and cross-industry exchange strengthens understanding of the competitive landscape and enables greater value creation for customers. This cultural openness is a key lever for sustainable, performance-driven leadership.

## Strengthening risk management

Risk management cannot rely solely on the Executive Team's or the organisation's assessment. The Board also conducts its own independent risk analysis. These two perspectives—executive and non-executive—are then compared and challenged against each other.

This approach is not new in itself; it builds on established practice. However, its importance has increased significantly over the past five to ten years.

### Risk management and compliance: a cornerstone of governance

*“Interactions between the Board and Management have clearly intensified—the situation has changed fundamentally. Today, around a third, and sometimes up to 40%, of my informal exchanges with Management outside the formal Board agenda relate to risk topics. I regularly—very recently as well—reach out to executives to draw their attention to emerging risks.*

*These risks are most often linked to corporate governance and compliance. Sometimes it is simply about flagging that certain decisions or practices may expose executives personally to legal or regulatory risk that they are not always fully aware of. It is not necessarily about cybersecurity, but more broadly about compliance and individual accountability.”* M&A Senior Advisor, Non-Executive Director

This evolution illustrates the Board's growing role as an active partner to management—not only in shaping strategy, but also in anticipating, preventing, and

managing risk.

## When KPIs speak the customer's language

Increasingly, sustainable value creation depends on a company's ability to align its performance indicators with customers' lived reality. Defining key performance indicators (KPIs) is therefore a central lever for steering and governance: they must accurately reflect the company's true economic success.

In B2B activities, this approach is particularly applicable, as the volume of orders is typically manageable. It is therefore possible to systematically capture feedback after each project or assignment, in order to obtain a reliable and representative view of customer satisfaction.

It is also important to set continuous improvement targets for these KPIs—for example, an annual increase of one to several percentage points. These targets must be transparent, measurable, and objectively verifiable.

Only under these conditions can variable compensation or performance-linked incentives for executives be implemented in a credible and fair way. Customer satisfaction and operational excellence are, in this respect, essential pillars of sustainable performance steering.

## Enhancing intelligence and monitoring (markets, regulation)

When market speed outpaces traditional decision-making processes, anticipation becomes a decisive competitive advantage.

In an international context marked by accelerating geopolitical, geoeconomic, and regulatory shifts, trading now evolves at a significantly faster pace. While this activity has always required responsiveness and agility, the intensity and frequency of change now demand continuous adaptation of steering and decision-making mechanisms.

*“In response to these developments, we have adjusted the organisation to stay as close to the markets as possible. We have strengthened intelligence efforts—particularly on market and regulatory topics—combined with analyses that are more short-term oriented. The objective is to have decision-relevant information that enables fast, near real-time decisions, shifting from a reactive to an anticipatory approach—even if that means deciding on the basis of partial information, roughly 70%.”* CEO

## Integration into an international group: challenges and implications

*“The evolution of governance has been driven, to a large extent, by the company’s integration into an international group. While this transformation was not initiated unilaterally by local management, it was propelled by a clear requirement at group level: to reach a high and consistent standard of corporate governance across the organisation. Over recent years, the priority has therefore been to rigorously implement the Group’s governance frameworks within the company. This workstream mobilised significant resources and required sustained investment in time and effort—both in processes and in managerial practices.*

*Today, this structuring phase is largely complete. The company is now aligned with Group standards and firmly positioned on compliance and governance matters, creating a robust foundation to support the next stages of its development.”*CEO, Software Development

# CORPORATE GOVERNANCE

## TESTED BY SECTOR REALITIES

Steel: competitiveness scenario planning

Automotive retail: strategic pivot

Automotive: cost-market trade-offs

IT/Cyber: market-anchored governance

Fashion/Retail : supply-base diversification

Global trading: shocks and trade-offs

Hospitality performance:  
service excellence and frontline leadership



## **G**overnance tested by sector realities (testimonies)

### **1. Steel price volatility: safeguarding competitiveness through scenario planning (bioengineering)**

*“In our case, we are highly dependent on steel prices, as we manufacture many products for the pharmaceutical and chemical industries, which are heavy steel users. Steel prices have fluctuated sharply in recent years due to the war. We therefore have to consider alternatives: should we continue to bet on this segment, or can we adopt different approaches? There are opportunities to replace certain products used in industry with other solutions or materials. In my view, this is an absolutely critical topic.*

*For any company seeking to grow sustainably and remain competitive, it is extremely difficult to secure the business in such an uncertain environment. It requires robust scenario planning, a genuine resilience strategy, and in some cases what we refer to as a “local-for-local” approach. We no longer look only at what others are doing, but at what we can do locally: producing locally, partially localising production, preparing engineering locally, or even ensuring local distribution.*

### **Dedicated training on Artificial Intelligence and international culture**

*The Group operates well beyond Europe, across cultural and managerial environments that differ significantly. To strengthen understanding of local behaviours, ways of working, and regional dynamics—notably in Korea, Japan, and South America—dedicated training programmes have been rolled out.*

*These programmes aim to raise awareness among leaders, both at Board level and within Executive Management, of local cultural specificities—their strengths as well as their limitations. They help leaders better anticipate how cultural differences concretely affect decision-making processes, leadership styles, and collaboration within international teams.”*  
Chair testimony

### **2. When automotive retail rethinks its trajectory**

*“As part of the implementation of its transformation strategy, the Group decided to diversify its business model by developing, alongside its historic automotive retail activity, a second strategic pillar focused on vehicle manufacturing—particularly specialised vehicles, including ambulances and other sector-specific units.*

*This decision was driven by a resilience objective. As automotive retail is inherently cyclical, vehicle manufacturing provides a more stable growth engine, enabling stronger revenue diversification and a more balanced financial profile for the Group.*

*The creation of this second pillar has led to a significant shift in governance requirements. While the distribution business remains largely domestic—particularly in Germany and Switzerland—vehicle manufacturing is inherently international in scope. This evolution made it necessary to integrate new capabilities within the executive body.*

*Accordingly, the Executive Committee was expanded and re-configured to include additional expertise, notably in internationalisation and industrial vehicle manufacturing—capabilities distinct from those required for automotive retail alone. This adaptation of executive governance enabled the decision-making structure to align with the Group’s new strategic and operational priorities.”* CEO

### **3. European competitiveness: balancing innovation in high-wage countries with production closer to end markets (automotive)**

*“From my perspective, the central issue has primarily been competitiveness. We are a Europe-based company, so the key question is: how can we sustainably secure our competitiveness while maintaining the right balance between cutting-edge technologies developed in a high-wage country and, in parallel, a local and regional approach to markets?*

*This notably means developing products for local markets and producing as close as possible to those markets. This is an axis I have significantly advanced in recent years—through the expansion of our software activities in India, increased localisation in China, strengthened product development in the NAFTA region in the United States, and in Europe, particularly in Western European countries.*

*Competitiveness is one of the decisive success factors, especially in the automotive industry. The fundamental question therefore remains: is it possible to design and manufacture in Europe, or must production inevitably shift to low-wage countries? It is fundamentally possible—provided there is a very clear view of which products and technologies are concerned. A proven approach is to transfer established, mature technologies to low-wage countries globally.*

*By contrast, new technologies—still maturing and requiring optimisation—should first be launched in high-wage countries. They can be developed there, stabilised, and brought to sufficient maturity before being transferred to other countries.*

### **4. International governance: bringing key markets into the heart of decision-making (IT, cybersecurity)**

*“We deliberately strengthened the international dimension of our corporate governance. Although our headquarters are in Germany, we expanded our leadership team by formally integrating international profiles. Concretely, Management now*

*includes one representative from North America and one representative from Asia. The objective is to bring together multiple viewpoints and experiences, drawn from different cultural and economic contexts, within decision-making processes.*

*These individuals were already part of the company, but they have been formally integrated into the central management team and steering bodies. This does not involve mandates on the Supervisory Board or Board of Directors, but roles held at divisional leadership committee level.*

*This decision was taken around two years ago. Above all, it aimed to avoid an exclusively European reading of the issues and not to treat the European market situation as representative of the whole business. Given the global nature of our company, it is essential to balance strategic decisions internationally—particularly on investment.*

*Truly international governance makes it possible to steer investments at global level, independently of cycles or wait-and-see phases in certain parts of the world. Having international voices around the decision-making table is a critical lever for balanced, relevant, and globally informed decisions.”*

CEO Commitment — Cybersecurity as a Business Enabler

*“Cybersecurity should not be viewed as a mere regulatory constraint, but as a genuine strategic lever for differentiation and value creation.*

*By anticipating regulatory requirements and achieving key standards and certifications ahead of the market, we turn cybersecurity into a tangible competitive advantage. Approached with the right mindset, it strengthens customer trust over the long term, streamlines and accelerates purchasing decisions, and opens up new growth opportunities*

*Our ambition is clear: to embed cybersecurity at the heart of our business strategy—not only to protect the company, but to enable innovation, secure growth, and build a durable advantage in an increasingly demanding digital environment. »*  
CEO, subsidiary of an international family-owned group

## **5. Disciplined governance : supply-base diversification (fashion/retail)**

*“We have designed our corporate governance so that it consistently meets current requirements. Therefore, in our view, the priority is not to fundamentally redefine governance, but rather to apply greater rigour and consistency in implementing the measures that are genuinely necessary.*

*In practical terms, this means setting clear priorities and translating them into binding actions. By way of example, we decided to reduce certain dependencies—particularly in the interest of shareholders. In the textile sector, one of the major historical dependencies is sourcing from*

*China. We have been working for several years to progressively reduce this dependency. Today, we are pursuing this objective far more decisively, by setting stricter timelines and ensuring rigorous follow-up on execution.*

*In other words, we are not changing the foundations of our corporate governance—we are strengthening its application through more ambitious time-bound targets and higher execution standards.”* Chairman, retail & fashion

## **6. International trading under the strain of global instability**

*“In response to the unpredictability of U.S. trade policy, the company anticipated customs risks by reducing and then suspending its physical commodity trading activities into the United States. We adapted our model by prioritising local trade finance operations, without physical flows of goods—thereby limiting exposure to port disruptions and sudden tariff hikes. Anticipation is a central lever of our approach. Aware of a slowdown ahead in the U.S. and European markets, we diversified our geographies and developed new offerings. This strategy led to a stronger presence in Africa, Latin America, and Asia, as well as the launch of new products, to offset the expected contraction in our historical markets.”* General Manager, international Trading

## **7. When customer experience and human capital redefine performance (hospitality)**

*“The hospitality sector is undergoing a profound transformation, marked by a significant shift in guest expectations and intensified competition driven by the entry of new players. These dynamics require a continuous reassessment of existing operating models and a greater ability to innovate the guest experience.*

*In this context, performance is shaped at two complementary levels: at corporate level, through evolving ways of working and talent retention; on the ground, through managerial proximity and excellence in execution.*

### **Corporate level - Operational excellence starts with proximity leadership**

*“Since the Covid crisis, our corporate organisation has evolved with the introduction of remote working—something that did not exist before. It is now fully embedded in how the organisation operates, with at least one remote-working day per week for all support functions that are not directly operational in the hotels.*

*Remote working has become a management tool in its own right and a key driver of retention. It contributes to the organisation’s overall performance and to achieving—even exceeding—set objectives. However, while it supports this dynamic,*

*it is not, on its own, the primary lever.*

*The decisive factor behind performance and operational excellence remains managerial proximity, attention to teams, and the quality of human relationships within the organisation.”* Chairman, Hospitality Group

**“flagship” level - Field-anchored leadership: participative, customer-led, execution-focused**

*“Our property—the brand’s historic flagship and both an international and institutional showcase—must meet exceptionally high standards of execution and reputation, including for institutional stakeholders whose expectations have evolved significantly.*

*For a flagship unit, managerial governance is structured around one core principle: maintaining a clear short- and mid-term direction while continuously adjusting—resilience becoming a key performance criterion. In practice, this translates into strengthened Executive Committee steering (more frequent routines, stronger cross-functional coordination, faster trade-offs) and structured communication: every strategic or operational decision is explained, contextualised, and shared to secure execution and sustain alignment. Leadership is shifting towards a more participative stance, anchored in the field and in customer reality, combining clarity of execution with demanding benevolence. Long underestimated, managerial empathy is now emerging as a governance capability in its own right—serving cohesion, engagement, and collective performance.”*  
Managing Director, Hospitality Industry

# CEO SUCCESS PROFILE

Strategic clarity under volatility  
a clear direction and actionable scenarios

Fast decisions, disciplined execution  
rapid trade-offs translated into routines and KPIs

Ambidextrous leadership  
internal cohesion with high performance standards

Risk and reputation mastery

Board & stakeholder  
“orchestration”



A broader, more exposed role

## Part 5 — Board Leadership and Effectiveness

### Translating Governance into Talent Implications

**B**ehind every shift in corporate governance lies a leadership question: who decides, with which capabilities, under what checks and balances—and with what execution capacity?

Part Four of this study highlights a series of governance transformations. Our Executive Search perspective brings their immediate consequence into focus: evolving leadership profiles, strengthening the complementarity of executive teams, and reinforcing the robustness of succession plans.

The changes identified—enhanced risk steering, digital acceleration, the rising importance of ESG, the internationalisation of governance bodies—are structural responses to instability. Their effectiveness, however, depends on a decisive factor: the ability of leaders and Boards to embody these shifts, arbitrate at the right level, and ensure disciplined execution over time.

This is why we extend the analysis with a “**Talent Implications**” lens, translating these transformations into concrete requirements in terms of capabilities, profile balance, assessment approaches, and succession architecture.

## **T**alent implications

This lens highlights what these shifts change—in very concrete terms—in the CEO and Chair profiles, in Board composition and evaluation, and in the onboarding, development, and succession mechanisms that underpin resilience in times of instability.

## **C**EO implications: a broader, more exposed role

Interviews highlight a rapid increase in the complexity of the CEO role: more frequent trade-offs, a broader stakeholder landscape, intensified interaction with the Board, and the growing weight of risk, regulation, digital, and ESG topics.

### Key evolutions in the CEO “success profile”

#### **Strategic clarity in a fast-moving environment**

Maintain a clear direction while preparing actionable options (scenarios, trigger points, alternatives).

**Speed and discipline of execution** Decide faster without compromising quality; translate decisions into

robust operating routines.

**Ambidextrous leadership** Combine collaboration with high standards; protect cohesion without diluting performance.

**Risk and reputation maturity** Steer exposure (cyber, compliance, geopolitics) as a resilience and value-creation agenda.

**Board “orchestration”** Help shape a Board with the right capabilities, optimise Directors’ time and effectiveness, and ensure an open, transparent, high-performing operating model. Build trust through regular communication, encourage constructive challenge, and avoid “tick-the-box” governance.

**Individual management of Directors** A Board is not monolithic. Invest in one-to-one relationships—understand each Director’s perspective, priorities, communication preferences, and unique contribution—so every voice can be heard and fully leveraged.

**Connecting the Board to the Executive Committee** Trust increases when the Board has direct access to leadership teams. The executive team plays an active role in meetings, and the CEO invests time in preparing and coaching leaders to engage effectively and credibly with the Board.

### Watchpoints

**Risk of paralysing governance** Excessive compliance can rigidify trade-offs, slow decision-making, and curb strategic boldness.

**Risk of human fragility** Solitude, intensity, and pressure—hence the importance of structured onboarding, targeted coaching/mentoring, and, where relevant, a Board that acts as a stabiliser (without role confusion).

# BOARD PERFORMANCE MUST BE ACTIVELY STEERED

Designing Board interactions and cadence  
structure fit-for-purpose formats

Facilitating debate and productive challenge  
surface blind spots

Orchestrating contributions  
mobilise Directors' specific strengths

Clarifying roles and boundaries  
maintain strategic proximity to the CEO  
without drifting into micromanagement

Shareholder interface  
governance reporting led by the Chair  
or the Lead Independent Director



the Chair is the guarantor

## Chair implications: the architect of decision quality

As Boards become more involved—more proactive, increasingly acting as a sparring partner, and operating at a faster cadence—the Chair role becomes decisive.

The task is no longer simply to “hold the framework”; it is to produce decision quality. **Board performance is not a given—it must be actively steered.** The Chair is the guarantor of this, by creating demanding conditions for deliberation that are structured, rigorous, and followed through.

In practice, Board effectiveness depends to a large extent on the Chair’s professional and behavioural qualities.

The Chair’s role is to orchestrate collective intelligence: facilitate deliberation, surface productive disagreement, and protect freedom of expression—without imposing a personal solution or “deciding on behalf” of the collective. The Chair is also a key actor in information quality: relevance, transparency, access to the right sources, and openness to external input.

### Core capabilities expected of the Chair

**Designing interactions and cadence** Structure fit-for-purpose formats (deep dives, workshops, small groups, ad hoc committees) and adjust pace in crisis or transformation.

**Facilitating debate and productive challenge** Build decision-oriented agendas, manage airtime, surface blind spots, and avoid both polite consensus and sterile confrontation.

**Orchestrating contributions** Mobilise Directors’ specific strengths, manage group dynamics (coalitions, silence, over-dominance), and turn diversity of views into stronger trade-offs.

**Clarifying roles and boundaries** Maintain strategic proximity to the CEO without drifting into micro-management—particularly critical in two-tier models.

**Shareholder interface** Explain governance, strengthen trust, and improve readability. Depending on practice, governance dialogue may be led by the Chair or the Lead Independent Director, with reporting back to the Board.

### Watchpoint

Does the Chair create cadence, elevate debate, and enable stronger decisions—or merely deliver compliance?

## Spotlight — “Contractual” governance in an SAS structure (hospitality holding)

When institutional investors, private investors, family offices, and banks coexist in the shareholder base, governance becomes first and foremost an alignment exercise: investment horizons, constraints (covenants, liquidity), and priorities diverge. The primary risk is not only disagreement, but decision-making slowdown—and the emergence of grey zones around authority and accountability.

In a holding company structured as an SAS, governance relies less on an “institutional” Board and more on a tailored architecture defined by the articles of association and secured through the shareholders’ agreement. This model can accelerate decision-making and clarify responsibilities in times of instability—provided that information flows, arbitration mechanisms, and approval processes are explicitly formalised (veto rights, thresholds, reserved matters, calendars, escalation rules).

Conversely, when the balance of power is insufficiently structured—or when the shareholders’ agreement and the articles are misaligned—governance tends to break down precisely when it is most needed: during a crisis, shareholder disputes, refinancing, disposal, or succession.

This case highlights a core insight: beyond one-tier/two-tier models, governance performance ultimately depends on the architecture of power and the decision discipline it enforces.

### Talent implications

In such configurations, the Chair becomes a critical role: the ability to orchestrate heterogeneous interests, secure a clear arbitration method, sustain decision cadence, and preserve trust—without blurring the lines between governance, executives, and shareholders.



# EXECUTIVE COMMITTEE

**C**OLLECTIVE LEADERSHIP  
FROM COORDINATION TO ORCHESTRATION

**C**ADENCE  
ACCELERATING WITHOUT DESTABILISING

**O**PENNESS AND LEARNING  
AVOIDING DECISION-MAKING INSULARITY

**I**NTERNAL ALIGNMENT  
SUSTAINING COHERENCE AS EXTERNAL PRESSURE RISES

**COLLECTIVE LEADERSHIP - CADENCE  
AND ALIGNMENT**

## Implications for the Executive Committee: collective leadership, cadence, and alignment

The faster the environment moves, the more the Executive Committee is expected to operate as a true decision-making team—not as a collection of functional heads. In times of instability, executive performance is measured less by the quality of siloed analyses than by the ability to make timely trade-offs, keep the organisation aligned, and execute with discipline—while preserving cohesion.

**Collective leadership: from coordination to orchestration** The first requirement is cross-functional coordination. Critical topics (risk, operational continuity, cyber, compliance, cost pressure, supply-chain trade-offs, reputation) naturally cut across boundaries. The leadership team must therefore implement more frequent and more structured routines: short but regular check-ins, decision follow-up, trade-offs made “at the right level,” and explicit clarification of accountabilities (owners, milestones, indicators).

**Executive Search perspective** Executive Team maturity shows in its ability to reduce internal friction and produce decisions that are “ready to execute,” without multiplying validation loops.

**Cadence: accelerating without destabilising** Instability forces a change of tempo. High-performing top teams can shift gears—moving from “planning mode” to “steering mode” when the external environment accelerates, without slipping into agitation. This requires simple mechanisms: tightened priorities, rapid arbitration, and a steering discipline that separates signal from noise.

**The opposite risk is twofold** Either slowing down (over-analysis, long meetings, deferred decisions) or overheating (scattered decisions, inconsistencies, leadership fatigue). Internal governance discipline within the top team becomes a resilience factor in its own right.

**Openness and learning: avoiding decision-making insularity** Respondents emphasise the value of an openness and learning culture: benchmarking, external exchanges, targeted use of expert input, and the willingness to challenge long-held assumptions. In a world of shorter cycles, the goal is not to be right “once,” but to adjust faster than disruption unfolds.

**Executive Search perspective** This openness is a leadership capability in itself—it requires humility, curiosity, and the ability to integrate dissonant information without destabilising the team.

**Internal alignment: sustaining coherence as external pressure rises** Finally, the Executive Committee carries a critical responsibility: preserving alignment. When markets tighten, organisations fragment quickly (competing priorities, resource tensions, implicit trade-offs). The top team must make choices explicit, main-

tain a stable narrative (direction, priorities, deliberate trade-offs), and prevent each function from “re-optimising” for itself.

In practical terms, this means tighter communication, consistent messaging, and the ability to decide clearly—including what will not be done.

### Watchpoints

**Silo reinforcement** each function protects its perimeter, weakening collective decision-making.

**Over-acceleration** high tempo without a frame → inconsistency and organisational fatigue.

**Misalignment** diverging priorities and reduced clarity for middle management.

# ONBOARDING, DEVELOPMENT & “CARE”

A strengthened onboarding  
anchored in governance and risk

Coaching and mentoring  
professionalising leadership under pressure

“Care” and support mechanisms  
a stabilising Board, without role confusion



Safeguarding Leadership Continuity

## Onboarding, Development and “Care”: Safeguarding Leadership Continuity

The message from the interviews is clear: as governance intensifies and the environment becomes more volatile, the leadership role becomes more exposed, more demanding, and often more solitary.

This escalation inevitably increases the risk of weakened leadership continuity—fatigue, diminished clarity of judgement, tensions with the Board, or unplanned departures. The most mature organisations now treat onboarding, development and “care” not as peripheral HR initiatives, but as core resilience mechanisms.

**A strengthened onboarding, anchored in governance and risk** Executive onboarding is no longer limited to understanding the organisation and its strategy. It explicitly includes:

- mapping key stakeholders (shareholders, regulators, major clients, partners, employee representatives),
- clarifying the “rules of the game” of governance (roles, Chair expectations, committee dynamics, decision pathways),
- understanding the principal risks (cyber, compliance, reputation, geopolitics, supply chain) and the routines used to monitor and manage them.

The objective is to make the leader quickly effective in the real decision-making context, prevent role misunderstandings, and accelerate the ability to arbitrate.

**Coaching and mentoring: professionalising leadership under pressure** In transformation phases, coaching and mentoring become as much a performance lever as a stability factor. They help to:

- refine leadership posture (decision speed, delegation, tension management),
- strengthen Board interaction (transparency, anticipation, constructive challenge),
- maintain personal discipline (prioritisation, energy, clarity) through sustained periods of pressure.

The most effective approaches are targeted (clear objectives), time-bound, and aligned with key moments: appointment, crisis, scope changes, major transformation.

**“Care” and support mechanisms: a stabilising Board, without role confusion** Finally, the most resilient organisations put in place support when pressure rises: a sparring partner, an external peer, an ad hoc support cell, or more frequent bilateral exchanges with the Chair. The Board can act as a stabiliser—demanding transparency, protecting the quality of debate, and preventing CEO isolation—without slipping into micro-management.

The goal is straightforward: preserve a leader’s capacity to perform over time, and avoid discovering—too late—that a manageable fragility has become a critical vulnerability.

### Executive Search lens

In times of instability, onboarding, development and “care” become governance tools: they safeguard continuity, reduce the risk of disruption, and strengthen decision quality at the top.



HERBERT BECHTEL, 30 YEARS OF EXPERIENCE AS HEADHUNTER  
FORMER MANAGING PARTNER AT HEIDRICKS & STRUGGLES  
AND WHITEHEAD MANN (KORN FERRY)



GENEVIÈVE JOASSARD  
10 YEARS OF EXPERIENCE AS HEADHUNTER  
15 YEARS AS CEO  
IN THE TOURISM INDUSTRY

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