



BECHTEL-CONSULTING

RETHINKING  
CORPORATE GOVERNANCE  
IN TIMES OF INSTABILITY

EUROPEAN STUDY

2025-2026

# BECHTEL-CONSULTING

## European Study – Executive Summary

### Rethinking Corporate Governance in Times of Instability

## 1 . Context and purpose of the study

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.

This study aims to document, based on firsthand testimony from Board members and Senior Executives, how companies are adapting their governance models to remain both high-performing and resilient:

- What key insights emerge from the interviewees,
- What concrete changes are being implemented (Board operating model, CEO–Board-Management Team relationship, Committees, capabilities, and use of Senior Advisors),
- What implications arise in terms of leadership expectations and Board composition (CEO, Chairs, NEDs).

### 1 - Context and purpose of the study

### 2 - Methodology and Scope

### 3 - Findings – key messages and cross-cutting insights

### 4 - The governance moves observed in practice

### 5 - Governance put to the test by sector realities (focus)

### 6 - Executive Search implications (CEO / Chair / Board/ Executive Committee)

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

## 2 . Methodology and Scope

This study was conducted across Europe (France, Germany, Switzerland, Austria, Sweden, Finland, the Netherlands, Liechtenstein, the United Kingdom) with CEOs, Board Chairs (Chair/Chairman), Non-Executive Directors (NEDs), investors, and Senior Advisors.

Interviews were conducted using a semi-structured format and subsequently analyzed by theme. The quotes presented below are anonymized and contextualized by sector.

Sectors represented: consumer goods, chemicals, biotechnology, automotive, energy, industrials, technology, robotics, hospitality, private equity—across multinational groups, national companies, and SMEs/mid-sized businesses.

## 3 . Findings – key messages and cross-cutting insights

### (1) A more “substantive” governance model: from regulation to value creation

Participants highlight the ongoing professionalization of Boards (committees, agendas, self-assessment, training). However, they also warn against a risk: governance reduced to a compliance-driven “tick-the-box” approach. The strongest shift observed is the Board’s growing involvement in strategy and its deeper understanding of value drivers (market dynamics, competition, and business model).

Non-Executive Director – multi-sector (Consumer Goods & Chemicals). *“Governance has become far more professional... but it can also lead to a ‘tick-the-box’ mindset. What is now decisive is the Board’s involvement in strategy and in understanding the drivers of the business.”*

### (2) The Board as a “sparring partner” — with a boundary to protect

The Board’s role is strengthening: constructive challenge, external perspective, and the ability to go into operational detail when needed. This evolution comes with a key watchpoint: when proximity becomes too frequent and too day-to-day, the Board can drift into an



operational role—at the expense of clear accountability and collective effectiveness.

**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

**(3) A new decision-making grammar: speed, scenarios, resilience**

Amid volatility (geopolitics, international trade, interest rates, commodities), leaders speak less about fixed “plans” and more about scenario-based steering, rapid adjustments, and decisions sometimes made with incomplete information. Governance adapts through cadence, information quality, and more frequent operating routines.

**(4) Digital/AI/cyber: a governance topic, not just a technology topic**

Digital transformation, artificial intelligence, cybersecurity, and data governance are now seen as structuring issues—both for value creation and for risk management (reputation, compliance, business continuity). Companies are combining upskilling at governance level with targeted use of external expertise.

**(5) ESG/CSR: stronger strategic integration, tension with overload**

ESG expectations are increasing, but the discourse is mature: the priority is no longer reporting alone, but strategic integration (investment choices, positioning,

access to financing, tenders, attractiveness). Interviewees also underline a tension: avoiding ESG becoming merely an additional administrative layer.

**(6) Shareholder engagement: a stronger role for the Board and the Chair**

Several interviews describe a shift toward more direct shareholder–Board exchanges (governance roadshows, the Chair’s role, lead independent director), especially when uncertainty rises and shareholders seek clarity on the company’s trajectory.

**4 . The governance moves observed in practice**

**1. Stronger CEO–Board collaboration**

A higher frequency of interactions (meetings, interim check-ins, etc.) to surface risks earlier, accelerate trade-offs, and secure key decisions.

**2. Creation or scaling-up of targeted committees**

Deployment of strategy, innovation, and risk committees—or advisory set-ups—depending on the organization’s maturity and complexity.

**Senior Advisor – M&A / Private Equity & family-owned businesses.** *“Cybersecurity requires an adaptation of governance structures. We created a risk committee. It does not prevent the attack, but it changes preparedness, impact, and credibility with insurers.”*

**3. Rebalancing Board capabilities**

Greater diversity of profiles (international, sector, finance, supply chain, digital/AI/cyber, ESG). Many testimonies converge on a mix: business-driven strategic profiles complemented by highly specialized expertise.

**4. Increased reliance on external expertise**

Engaging Senior Advisors and specialist experts (cyber, AI, data, ESG, compliance) when capabilities are highly specific or not required on a continuous basis.

## 5. Improved preparation and information quality

More structured materials, greater transparency, and information more directly oriented toward decisions and option-based trade-offs.

## 6. Innovation more firmly embedded in the agenda

Innovation becomes a recurring topic, with a clear challenge: dedicating sufficient time and depth, while balancing long-term ambition with short-term pressure.

# 5

## Governance put to the test by sector realities (focus)

- **Industry / machinery / automation:** safeguarding competitiveness in increasingly erratic cycles—scenario-based steering; reconciling faster innovation with excellence in industrial execution; faster decision-making; strong Board–management alignment and targeted expertise.
- **Tech / cyber:** international, market-driven governance—bringing key markets into the heart of decision-making; strengthening oversight of IT and cybersecurity at governance level; and viewing cybersecurity as a lever for performance and trust (cybersecurity as a business enabler), not merely a constraint.
- **Hospitality:** governance built around operational resilience—customer experience and human capital redefine performance standards—under investor pressure for visibility, financial discipline, and a credible ESG trajectory (notably for access to financing).
- **Retail / textile:** execution-focused governance—reducing dependencies (supply chain), accelerating digitalization (e-commerce, data, cyber), CO<sub>2</sub> and sustainability constraints; priority on rigor, milestones, and tight delivery tracking.
- **Private equity:** contractual, high-cadence governance—frameworks structured by shareholders' agreements; strong performance culture (P&L, returns, cash); enhanced transparency; tighter reporting rhythms; and rapid arbitration on key structural decisions.

# 6

## Executive Search implications (CEO / Chair / Board/ Executive Committee)

Behind every shift in corporate governance lies a leadership question: who decides, with what capabilities, what checks and balances, and with what execution

capacity. This study highlights what these shifts mean in practical terms for the CEO and Chair profiles, for Board and Management composition and assessment, and for the onboarding, development and succession mechanisms that underpin resilience in periods of instability.

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## CEO: a broader, more exposed role

The role is becoming more complex at an accelerating pace: more frequent trade-offs, a growing number of stakeholders, intensified interactions with the Board, and rising exposure to risk, regulatory, digital and ESG matters.

### Key evolutions in the CEO success profile

- **Strategic clarity in a moving environment:** maintaining a clear direction while preparing activatable options through scenarios, thresholds and alternatives.
- **Speed and execution discipline:** deciding faster without compromising quality, and translating decisions into robust operating routines.
- **Ambidextrous leadership:** combining collaboration with high standards, preserving cohesion without weakening performance.
- **Risk and reputation maturity:** managing exposure across cyber, compliance and geopolitics as both a resilience issue and a value-creation topic.
- **Board orchestration:** helping shape a Board with the right capabilities, optimising Directors' time, creating transparency and productive challenge, and avoiding tick-the-box governance.
- **Individual engagement with Directors:** investing in one-to-one relationships in order to activate contributions more effectively.
- **Exposing the Board to the Executive Team:** trust is strengthened when the Board has direct access to the leadership team; the CEO must prepare and coach leaders for credible interactions.

### Watchpoints

- **The risk of paralysing governance:** excessive compliance can over-rigidify trade-offs, slow decision-making and dampen strategic boldness.

**The risk of human fragility:** solitude, intensity and pressure — hence the importance of structured onboarding, targeted coaching and mentoring, and, depending on the context, a stabilising Board role without blurring responsibilities.

## **B**oard performance must be actively managed — and the Chair is its guarantor

As the Board becomes more involved — through a more proactive stance, a stronger sparring-partner role and a faster cadence — the Chair becomes a pivotal role.

- **Designing interactions and rhythm:** deep dives, workshops, small-group sessions and ad hoc committees; knowing how to change pace in a crisis.
- **Facilitating debate:** decision-oriented agendas, productive challenge, avoiding both polite consensus and sterile confrontation.
- **Orchestrating contributions:** mobilising Directors' talents and managing group dynamics effectively.
- **Clarifying roles:** enabling strategic proximity without micromanagement, a critical issue especially in two-tier structures.
- **Managing the shareholder interface:** strengthening trust and clarity and organising governance dialogue.

The core question is whether the Chair generates pace, debate quality and better decisions — or merely compliance.

## **E**xecutive Committee: collective leadership, pace and a culture of openness

The faster the environment moves, the more the Executive Committee is expected to operate as a decision-making team rather than a mere collection of functions.

- **The first requirement is cross-functional coordination.** The leadership team must therefore establish 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 responsibilities through owners, milestones and indicators.

**Executive Search reading:** the maturity of an executive team can be seen in its ability to reduce internal friction and produce decisions that are ready to execute, without multiplying approval 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.
- **Cultivating openness and learning** through

benchmarks, outside perspectives and targeted expertise. Avoiding insular decision-making.

**Executive Search reading:** openness is also a leadership capability — it requires humility, curiosity and the ability to absorb dissonant information without destabilising the team.

- **Internal alignment: sustaining coherence as external pressure rises** The top team must make choices explicit, maintain a stable narrative (direction, priorities, deliberate trade-offs), and prevent each function from “re-optimising” for itself.

### Watchpoints

The risk of reinforced silos, with each function protecting its own perimeter.

The risk of over-acceleration, where pace increases without sufficient structure.

The risk of misalignment, leading to a loss of clarity for middle management.

## **7**. 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.

### Three structural levers

**Governance- and risk-oriented onboarding:** mapping key stakeholders, clarifying the rules of the game — roles, Chair expectations, committees, decision processes — and reviewing major risks such as cyber, compliance, reputation and geopolitics, together with the routines used to manage them.

**Targeted coaching and mentoring:** professionalising leadership posture under pressure — decision speed, delegation, tension management — strengthening the quality of interaction with the Board through transparency, anticipation and productive challenge, and maintaining personal discipline in terms of prioritisation, energy and judgment.

**Support mechanisms (“care”) without blurring roles:** external sparring partners, peers, and stronger bilat-

eral exchanges with the Chair. The Board can play a stabilising role — by requiring transparency, protecting the quality of debate, and preventing CEO isolation— without slipping into micromanagement.

The challenge is straightforward: preserve the leader's ability to sustain performance over time, and avoid a situation in which governance identifies too late a fragility that has already become critical.

**Executive Search reading:** in periods of instability and transformation, onboarding, development and care become governance instruments in their own right: they secure continuity, reduce disruption risk and strengthen decision quality at the top.

To read the full study :  
<https://www.bechtel-consulting-executive-search.com/corporate-governance>

## 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.



### **Geneviève Joassard**

Partner Executive Search  
Lead Author

As an Executive Search Consultant, Geneviève Joassard brings ten years of experience at BECHTEL-CONSULTING GmbH, where she leads senior executive search assignments and advises on talent management for both international groups and companies with more tightly held governance structures. Her approach combines sharp leadership analysis with a deep understanding of governance dynamics, supporting appointment decisions in transformation contexts.



### **Herbert Bechtel**

Founder & Managing Partner  
Executive Sponsor

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.



HERBERT BECHTEL, 30 YEARS OF EXPERIENCE AS HEADHUNTER  
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GENEVIÈVE JOASSARD  
10 YEARS OF EXPERIENCE AS HEADHUNTER  
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