# Do CEOs Trust Their Boards? RRA's Leadership Confidence Index Finds an Emerging Gap

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In today's unpredictable environment of economic volatility, AI disruption, and geopolitical instability, there's another emerging threat to organizational health: a widening confidence gap between CEOs and their boards. Our latest Leadership Confidence Index (LCI) indicates that CEO's confidence in their boards continued to decline at an average of 2.3 points per year since 2021.

Despite this drop, board members' confidence in their own abilities remain relatively stable. While perhaps unsurprising, this highlights a deeper disconnect. As both the complexity and breadth of issues requiring oversight grows, boards have assumed an increasingly expansive mandate. Yet many have not held operating roles in this changed environment, nor engaged fully with the continuous education needed to meet evolving expectations. Meanwhile, CEOs are on the front lines of rapid disruption, and are understandably looking for even more strategic guidance and risk mitigation support from their boards.

Both CEOs and their boards want their organizations to succeed. With the context around the CEO role changing dramatically, shareholder scrutiny on the rise, and an increasingly diffuse leadership landscape, the demands on governance are evolving faster than ever, and CEOs and boards must continuously adapt to new levels of turbulence.

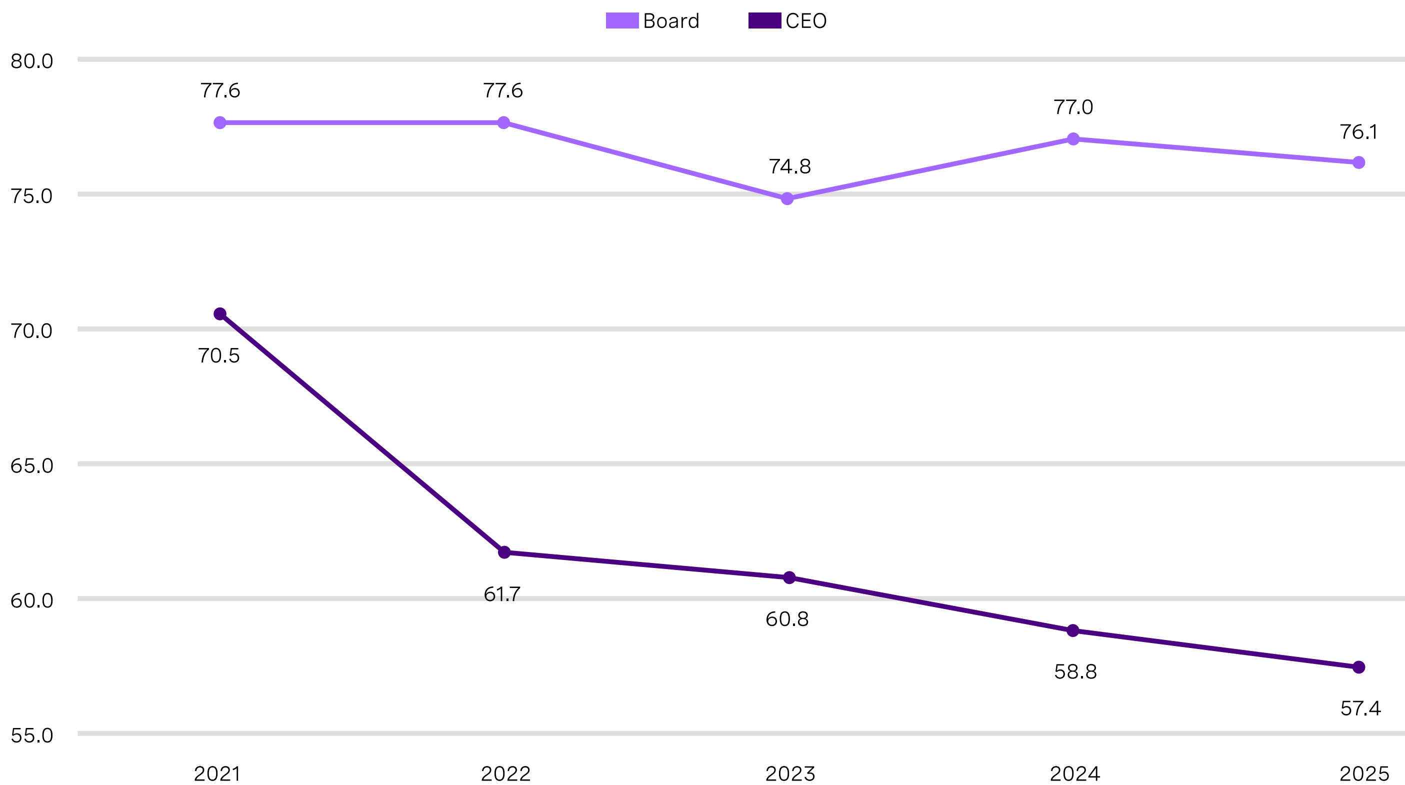
To help these populations align, we uncovered three areas where boards can recalibrate to better address their organization's needs amidst continued uncertainty.

# CEOs are losing confidence in their boards' ability to guide their organizations into the future

Boards are 18.7 points more confident than CEOs that they have the right mix of skills and experience to guide their companies in the future (Figure 1)

**Figure 1. CEO vs board confidence on whether the board has the right mix of skills and experience to guide the company in the future? (2021 - 2025)**

To what extent do you agree or disagree that your organization's supervisory / non-executive board has the right mix of skills and experience to guide the company in the future?
Leadership Confidence Index Score




Source: 2025 RRA Global Leadership Monitor; n = 549 global board directors, 616 global CEOs

CEOs are also losing confidence in whether their boards have a strong grasp of the competitive dynamics in their industries. Again, boards don't share this sentiment, as they are 16.4 points more confident than CEOs (Figure 2).

**Figure 2. CEO vs board confidence on whether the board has a strong grasp of competitive industry dynamics (2021 - 2025)**


Source: 2025 RRA Global Leadership Monitor; n = 549 global board directors, 616 global CEOs

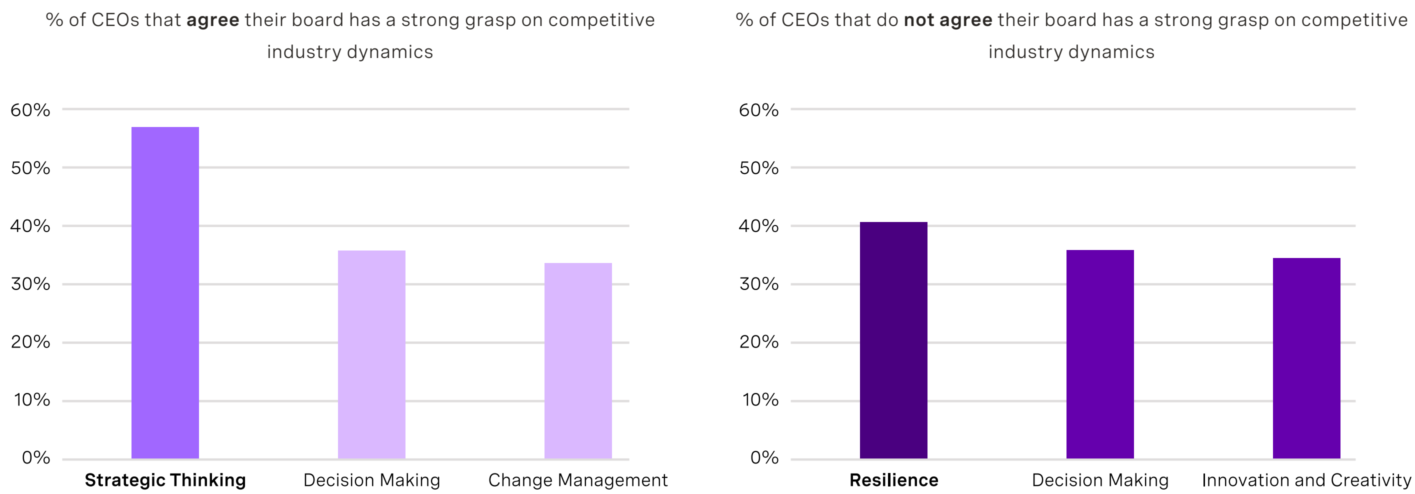
## This decline of CEO confidence in the board is unveiling new organizational risks

CEOs who trust that their board has the right mix of skills and experience to guide the company in the future are 1.6 times more likely to say that their organization maintains operational excellence. Without the right board composition, organizations are at risk of execution inefficiency.

CEOs who are confident in their board's grasp of competitive industry dynamics identify **strategic thinking** as the most important skill needed to address today's organizational threats. Whereas CEOs who lack this confidence are more likely to prioritize **resilience** (Figure 3), suggesting a more reactive mindset focused on maintaining stability, rather than proactively driving strategy.

**Figure 3. How CEO confidence in their board's industry insights impacts the skills they prioritize**

What skills do you think are most necessary for leaders at your organization to face top factors impacting organizational health?




Source: H1 2026 RRA Global Leadership Monitor; n = 247 global CEOs

CEOs who are confident in their board's grasp of competitive industry dynamics are 1.9 times more likely to stay in seat for the next five years even if the level of market turbulence stayed the same. With CEO turnover reaching a new high, viewing boards as strategic partners is critical for CEO retention.

## Three notable recalibrations

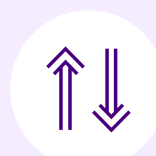
To address this confidence gap, there are three areas in which boards can recalibrate.

### Recalibrate relevance

Stay practiced, not just informed

### Recalibrate expertise

Rebalance core expertise via continuous dialogue



### Recalibrate perspective

Recognize the shrinking shelf life of expertise

## Recalibrate relevance: Stay practiced, not just informed

More than ever, boards need to dynamically assess and reevaluate relevance, rather than assuming a director's relevance will remain constant throughout their tenure. Board directors may have historically leaned on their prior CEO or operating experience to provide guidance; however, the current environment is fundamentally different from the one in which board directors developed their leadership expertise.

Effective governance now requires directors to actively put into practice what they are learning. Not only do directors need to prioritize continuing education and professional development (e.g., advisory roles, speaker series, workshops), but they also need to engage with these topics in their day-to-day decision-making contexts. For example, if a director is expected to govern through the lens of technology or artificial intelligence, they will be more effective if they are also engaging directly with artificial intelligence tools in their day-to-day. Being only theoretically current won't enable the board to be a strategic asset to the CEO and the broader organization.

Governance in today's landscape is not only about intellectual relevance, but experiential insight - grounded in active exposure and first-hand experimentation of the tools reshaping business.

## Recalibrate expertise: Rebalance core expertise and broad market perspective

CEOs are concerned about board composition. In recent years, as emerging forces have disrupted the business landscape at unprecedented speed, many boards expanded their capabilities by recruiting cross-industry directors with specialized expertise (e.g., a technology executive for a legacy healthcare system). As boards broadened their composition to include a wider range of expertise, CEOs began to feel the effects of limited industry representation within the boardroom. To avoid overcorrecting and adding single-domain experts, boards should look for 'T-shaped' directors who have deep expertise and also bring a market mindset that allows them to effectively engage across the board agenda.

This is also an opportunity here to recalibrate relevance, with respect to geographic expertise. A global company will benefit more from the experiences and insights of a board director who is living and operating in a key market, than from the historical knowledge of a board director. A board director's lived experience of the key market will bring a richer perspective that reflects the reality of key stakeholders and their concerns and brings a level of contextual insight that cannot be gleaned from periodic travel or newsletters.

# Recalibrate perspective: Recognize the shrinking shelf life of expertise

As boards take a strategic and forward-looking approach to composition and refreshment, including management perspectives helps ensure that the board's capabilities are aligned with the organization's evolving priorities and needs. Boards need directors who bring fresh operating perspectives, remain closely attuned to evolving market dynamics, and can continuously adapt their thinking in response to emerging disruptions and stakeholder expectations.

Directors who are active executives may be better positioned to keep pace with shifting market dynamics, given their continued exposure to real-time operational and strategic challenges. In this context, directors who are no longer in full-time operating roles, or who have been more removed from this environment, may be less attuned to the rapidly transforming business landscape, potentially leading to a disconnect between their perspectives and changing business demands.

# Closing the CEO-board confidence gap

This growing confidence gap indicates that the way organizations approach directorship is changing. With the rapid acceleration of business transformation, even relatively recent board appointees (those added within the past three years) may bring outdated expertise, underscoring the need for continuous skill renewal and proactive board development. Organizations are placing greater value on having active executives or those recently retired (typically within the past two years) shape boardroom discussions.

Each boardroom is unique and organization-dependent; effective governance is not built on a one-size-fits-all model. As a result, directors can sometimes find it challenging when prior board experiences do not translate seamlessly onto the expectations or operating norms of another board. To recalibrate effectively across relevancy, expertise, and perspective, boards need to intentionally have candid, continuous dialogue across their lifecycles—during director onboarding, throughout board refreshment discussions, as part of effectiveness evaluations, and in regular engagement with management.

Beyond becoming stronger at board effectiveness, the future may call for more dynamic board refreshment, recognizing that even highly valuable director experience can have a shorter shelf life as markets, technologies, and stakeholder expectations evolve.

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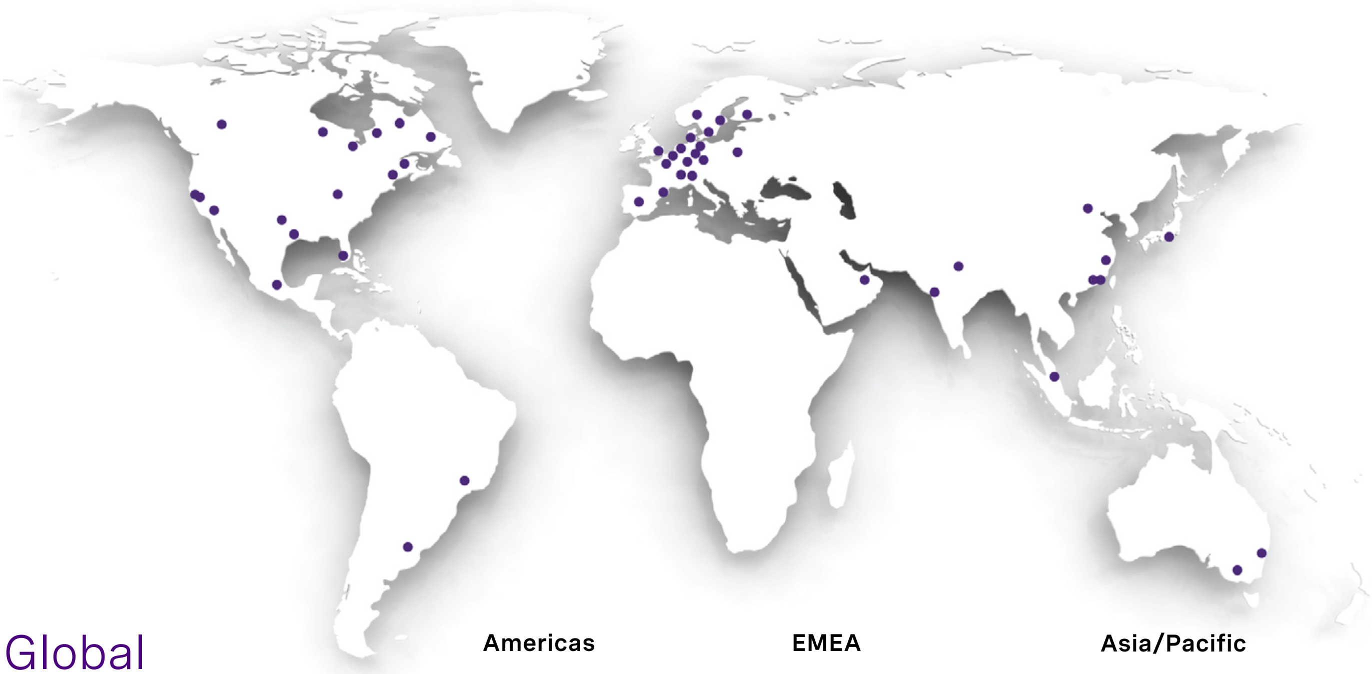

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