

HEIDRICK & STRUGGLES

Workforce Emerges as a Key Influencer on Board Agendas, Reveals Heidrick & Struggles' 2024 US Board Monitor

May 20, 2024

- 81% of US CEOs and board directors surveyed support direct engagement with employees beyond senior management.
- 70% of US CEOs and board directors surveyed say there has been increased operational involvement from the board.
- 33% of directors surveyed have increased their reliance on external experts to manage risk, with 30% adding specialized experts directly to their boards.

CHICAGO, May 20, 2024 /PRNewswire/ -- Today, Heidrick & Struggles (Nasdaq: HSII), a premier provider of global leadership advisory and on-demand talent solutions, released its [Board Monitor US 2024](#). The report unveils critical trends reshaping US board priorities, notably the growing influence of the workforce. 50% of respondents in the US say the broader workforce has somewhat or significantly more influence on the board's agenda and decision-making than they did before Covid.

HEIDRICK & STRUGGLES

"Integrating employees' perspectives into business decisions gives organizations a competitive advantage," said Bonnie Gwin, Vice Chair, and Co-Managing Partner of the firm's global CEO and Board of Directors Practice. "While the CEO and leadership team remains a primary contributor to the board agenda, the acceleration of workforce influence is a transformative shift."

Key findings from Board Monitor US 2024 include:

- **Workforce influence is on the rise:** When evaluating the rising impact of stakeholders in the board room, the broader workforce ranked second (50%), close behind the CEO and leadership team (55%). Interestingly, a relatively low number of US respondents report increased influence from mainstream investors (19%) or from activist investors (9%).
- **Support for proactive workforce engagement:** An overwhelming 81% of US respondents support direct engagement with employees beyond senior management. While US directors support increased workforce engagement, they are less likely than many of their global counterparts to favor the use of employee advisory committees that report to the board, or employee representation on the board itself. Among these:
 - 37% prefer management-run third-party surveys, suggesting comfort with continued indirect employee engagement.
 - 27% prefer meeting with small groups of employees without management present, indicating an openness to understanding workforce issues beyond traditional reporting.
- **The elevated role of the board in operations:** The survey revealed that more than ever before, boards are playing an increasing role in operations. In the US, 70% of respondents say boards are more operationally involved. While there a number of potential reasons for increased involvement, overall, board members around the globe want to learn more about operations than regular reporting allows (47%) and board members also have specialized knowledge the executive team doesn't (39%). Interestingly, directors (54%) were much more likely than CEOs (34%) to report this specialized knowledge as the reason boards are more operationally involved.
- **Increasing reliance on external expertise to navigate today's reality:** In a widening risk environment, boards are increasingly looking to novel and external sources of expertise. 30% of respondents report adding specialized experts to the board itself. Beyond that, 19% are establishing advisory committees and 15% are hiring independent experts separate from those advising management.
- **Directors are increasingly concerned about workforce attraction and retention:** Not surprisingly, as workforce influence grows globally, boards are focused on workforce attraction and retention, which directors flag as their third highest concern (behind geopolitical and economic volatility and uncertainty) according to a [January 2024](#) Heidrick study. In the same survey, directors report a relatively low level of confidence in the company's ability to manage the issue."

"More is expected of directors today — they are expanding their capacity to govern in this environment through novel approaches to building expertise and stakeholder engagement," said Jeffrey Sanders, Vice Chair, and Co-Managing Partner of the global CEO and Board of Directors Practice at Heidrick & Struggles. "Virtually every stakeholder group is demanding more access to the board, making governance more complex, and high impact boards are responding well."

About Heidrick & Struggles

Heidrick & Struggles (Nasdaq: HSII) is a premier provider of global leadership advisory and on-demand talent solutions, serving the senior-level talent and consulting needs of the world's top organizations. In our role as trusted leadership advisors, we partner with our clients to develop future-ready leaders and organizations, bringing together our services and offerings in executive search, diversity and inclusion, leadership assessment and development, organization and team acceleration, culture shaping and on-demand, independent talent solutions. Heidrick & Struggles pioneered the profession of executive search more than 70 years ago. Today, the firm provides integrated talent and human capital solutions to help our clients

change the world, one leadership team at a time. @ www.heidrick.com

Media Contact

Bianca Wilson

Director, Public Relations, Americas

Heidrick & Struggles

bwilson@heidrick.com

 View original content to download multimedia: <https://www.prnewswire.com/news-releases/workforce-emerges-as-a-key-influencer-on-board-agendas-reveals-heidrick--struggles-2024-us-board-monitor-302149501.html>

SOURCE Heidrick & Struggles