



MARSH & MCLENNAN
ADVANTAGE



GLOBAL NETWORK OF
DIRECTOR INSTITUTES

GLOBAL NETWORK OF DIRECTOR INSTITUTES 2020–2021 SURVEY REPORT

Board governance during the COVID-19 crisis

GNDI SURVEY PARTICIPANTS

 <p>Instituto de Gobernanza Empresarial y Pública</p>	<p>Australian Institute of Company Directors</p>	<p>ibgc instituto brasileiro de governança corporativa</p>
 <p>The European Voice of Directors</p>	 <p>GCC Board Directors Institute</p>	 <p>香港董事學會 The Hong Kong Institute of Directors FOUNDED 1997</p>
 <p>INSTITUTE OF DIRECTORS IN IRELAND</p>	 <p>Mauritius Institute of Directors Promoting Corporate Governance across the board</p>	 <p>Institute of DIRECTORS NEW ZEALAND</p>
 <p>Pakistan Institute of Corporate Governance</p>	 <p>Institute of Corporate Directors</p>	
 <p>SINGAPORE INSTITUTE OF DIRECTORS</p>	 <p>INSTITUTE OF DIRECTORS SOUTH AFRICA</p>	 <p>SWISS INSTITUTE OF DIRECTORS</p>
 <p>Inspiring business</p>		

CONTENTS

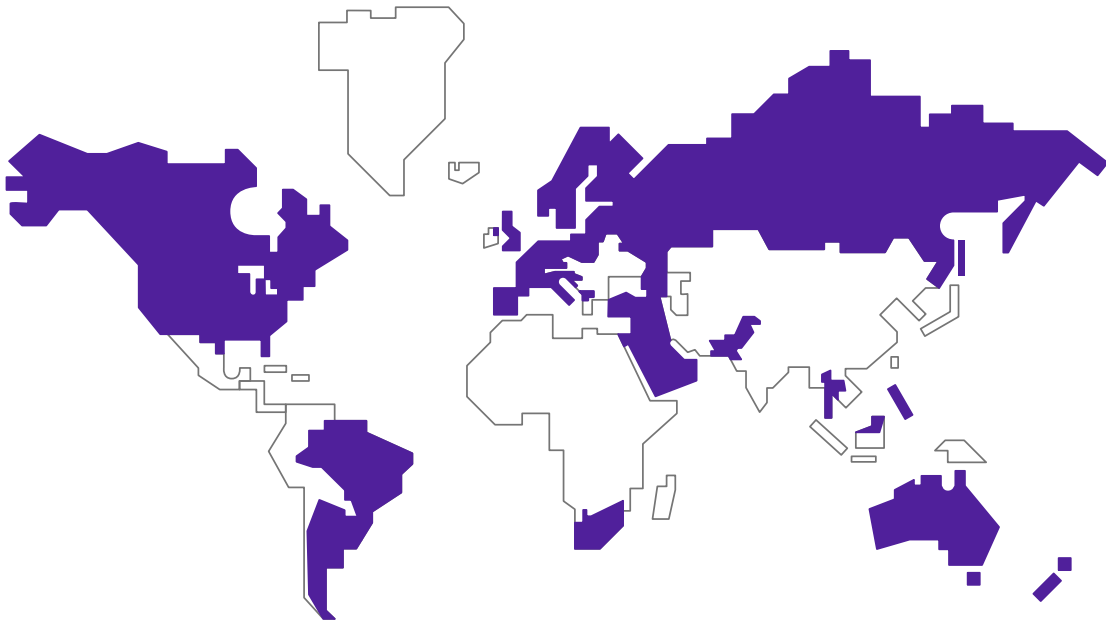
Letter from the chair	5
About this report	7
Section 1	
How boards responded	10
Increased director time commitment as boards were confronted with many challenges	11
Most directors believe that they were able to do their work well	14
Section 2	
COVID-19's impact on global and governance trends	17
Impact of COVID-19 on global trends	18
Impact of COVID-19 on board governance	21
Section 3	
How board operations will change	24
Directors anticipate more virtual meetings and greater emphasis on ESG in the future	25
Challenges in adapting to virtual board work	28
A view into the 2021 boardroom	30
Appendix: Full survey results	33

GLOBAL NETWORK OF DIRECTOR INSTITUTES

150,000 directors across the globe, 22 director institutes

GNDI MEMBER INSTITUTES

The Global Network of Director Institutes (GNDI) is a network of leading director institutes from around the world. A global program of reciprocity helps directors, and their boards, to unlock access to director resources around the world. GNDI comprises 22 institutes representing more than 150,000 directors and other governance professionals around the globe.



LETTER FROM THE CHAIR

I am pleased to have the opportunity to share with you the *Global Network of Director Institutes 2020–2021 Survey Report: Board Governance During the COVID-19 Crisis*. This year, the Global Network of Director Institutes (GNDI) member organizations have assisted boards across the globe to help them navigate the economic and social impacts of the COVID-19 global health crisis and its unprecedented impact on business and society.

This report is the result of the collaboration among GNDI member institutes, representing more than 150,000 corporate board members. We thank Marsh & McLennan for their support in bringing the results of this inquiry to you. This year, directors from different regions reported similar challenges emerging from the global pandemic crisis. Although there are a variety of regional and country-specific differences in director attitudes and outlook, there are clear patterns that point to a global community of directors who are interested in continuing to improve the effectiveness of their corporate governance and oversight practices. A more detailed breakdown of the survey results is in the pages that follow. I hope that the global director community finds this information useful as their organizations continue to navigate this challenging and evolving operating environment.



Peter Gleason

Chair, Global Network of Director Institutes

KEY FINDINGS

- 1 Directors give high marks to themselves and to their management teams.**

Although only 14 percent of boards had “pandemic risk” listed as a top risk before the crisis, 72 percent of directors were pleased with the performance of their crisis response plans and their own ability to provide oversight during the crisis. Many credit prior scenario planning with providing a good foundation for an effective response to the COVID-19 crisis. Clear majorities of directors believe that they were able to effectively govern during the crisis and that their organizations adapted well.

- 2 There will be an increased emphasis on risk in 2021 and beyond.**

Directors anticipate expanding their risk dashboards to incorporate new kinds of risks next year and plan to consult with more outside experts to gain a broader perspective on future risks. The crisis will likely have the most significant long-term impact on how boards engage their companies on strategy and risk and assess employee health and safety. However, just 26 percent of directors across the globe think that they will need to improve their crisis management plans in the new risk landscape ahead.

- 3 Virtual board meetings work, but they are second best.**

A minority of directors view virtual board meetings as just as effective as in-person meetings. The lack of nonverbal communication is the highest-ranked challenge of virtual meetings. However, even in this second-best environment, most directors believe that they have been able to perform their work effectively.

- 4 Virtual board meetings are here to stay.**

Based on their experiences over the last year, strong majorities of directors expect to see virtual board and committee meetings in the future. They also view virtual board engagement as a useful tool to enhance board effectiveness. Although many boards in Asia and Oceania have already met in person, most boards across the globe do not anticipate meeting in person until the first or second quarter of 2021.

- 5 Directors give high ratings to their own time management.**

Nearly 7 in 10 directors report spending more time on board work this year than last year; most report increasing their time commitment by 50 percent. Directors serving on more than one board were nearly unanimous (96%) in saying that they were able to manage their commitments across their multiple responsibilities. Just 8 percent reported that they had either left or desired to leave a board due to lack of time.

ABOUT THIS REPORT

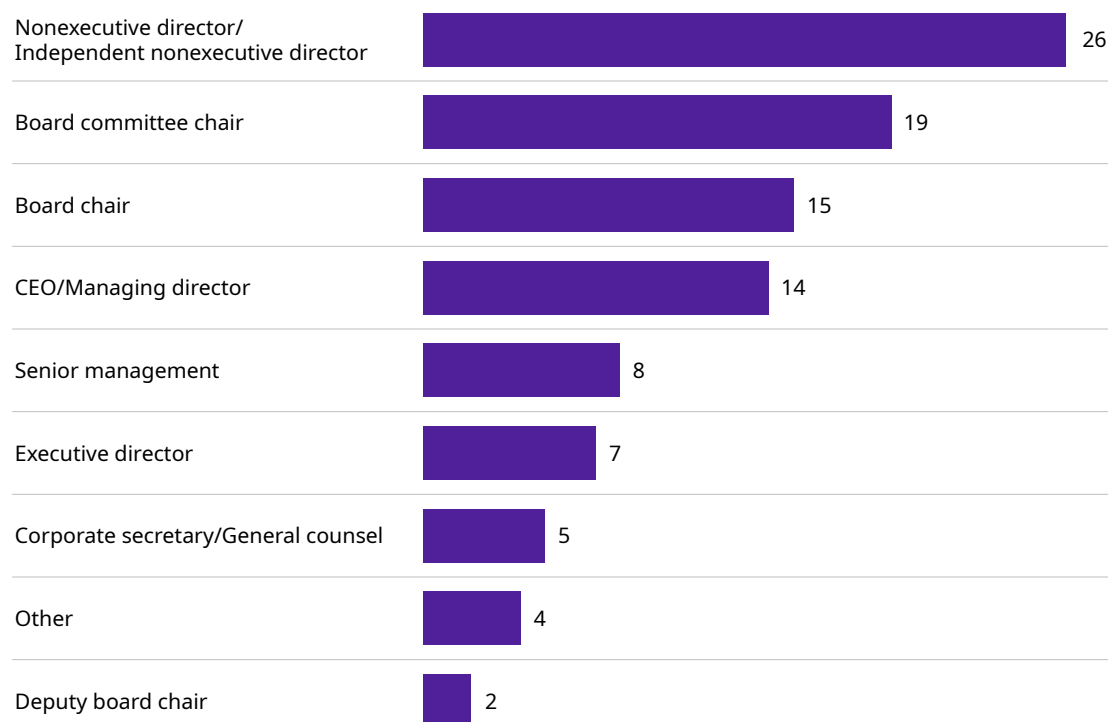
Between August and November 2020, 1,964 directors across the globe participated in the 2020–2021 GNDI Global Director Survey, representing 17 director institutes. Data is presented in aggregate and by region.

The four regions presented are these:

- **Asia and Oceania:** Australia (AICD), Hong Kong (HKIoD), Mauritius (MioD), New Zealand (IoD NZ), Pakistan (PICG), Philippines (ICD), Singapore (SID)
- **EMEA:** Europe (ecoDa), Ireland (IoD), United Kingdom (IoD), Switzerland (SIoD), Russia (IDA), South Africa (IoDSA), and the Gulf States (GCC BDI)
- **North America:** United States (NACD)
- **South America:** Argentina (IGEP) and Brazil (IBGC)

Exhibit 1: Which best describes your role within the organization? (%)

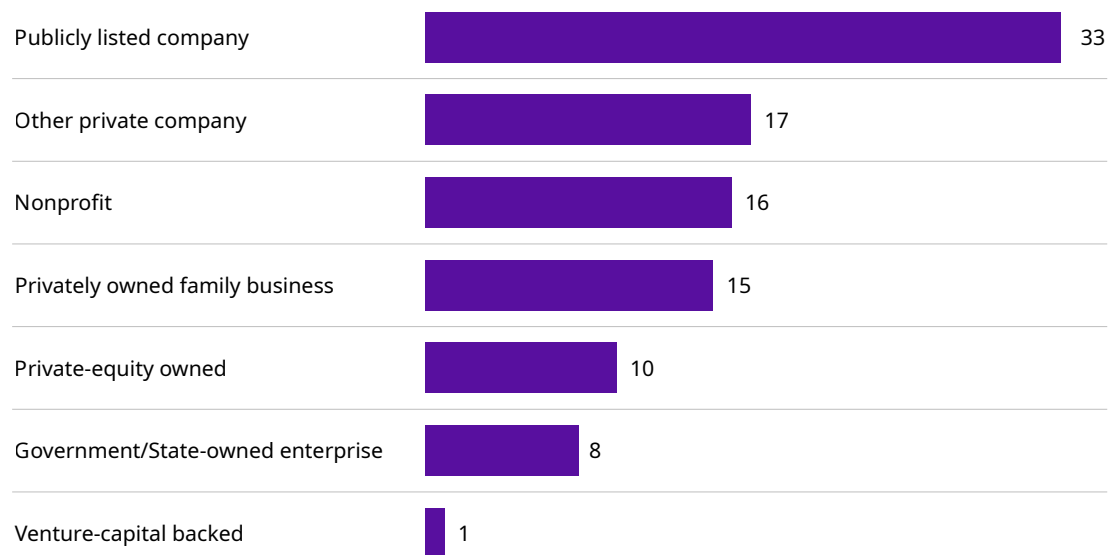
n= 1,949



Source: Global Network of Director Institutes 2020–2021 Survey

Exhibit 2: Which best describes the organization you serve as a director? (%)

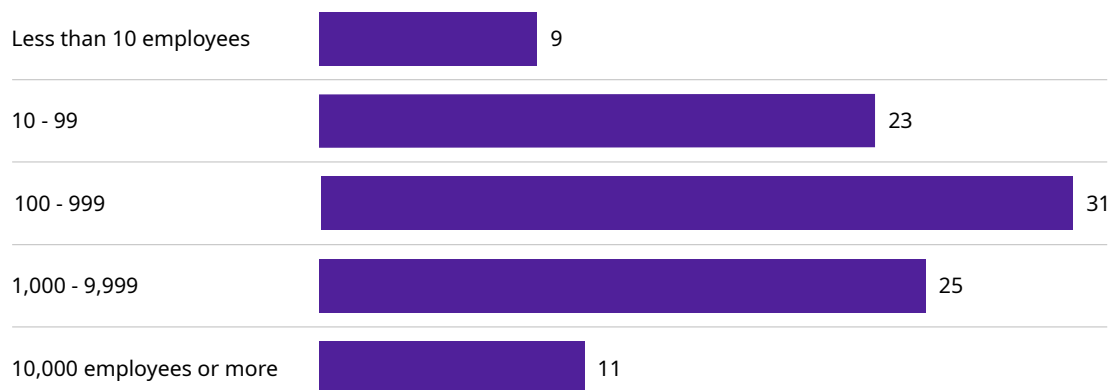
n= 1,871



Source: Global Network of Director Institutes 2020–2021 Survey

Exhibit 3: What is the total number of employees in your organization? (%)

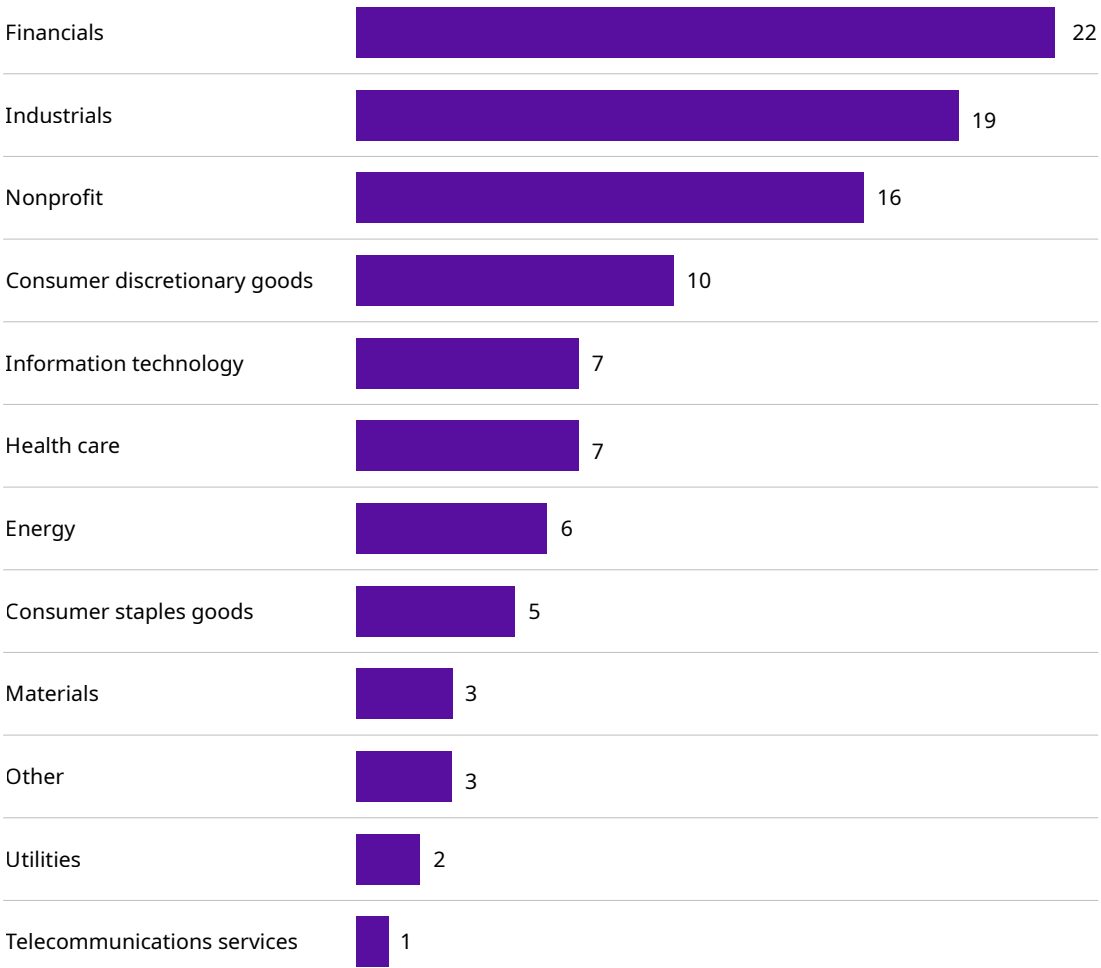
n= 1,948




Source: Global Network of Director Institutes 2020–2021 Survey

Exhibit 4: Which of the following best describes the industry in which this organization operates? (%)

n= 1,860



Source: Global Network of Director Institutes 2020–2021 Survey



Section 1

HOW BOARDS RESPONDED

INCREASED DIRECTOR TIME COMMITMENT AS BOARDS WERE CONFRONTED WITH MANY CHALLENGES

KEY INSIGHTS

In the months after the COVID-19 crisis broke, board governance has become more intense and more frequent. In the early stages of the crisis, many boards met weekly, next moving to every other week as the crisis continued, and then moving to monthly meetings. Two-thirds of directors report that over the past year their time commitment increased by 50 percent or more; about one in five report that their time dedicated to board service doubled or tripled.

Much of this increased time was spent working with management to recalibrate strategy in response to short- and longer-term changes in the COVID-19 operating environment (56%) — the highest-ranked issue when directors were asked to rate their top three challenges in responding to the

crisis. Some of the other challenges highlighted were COVID-19 specific, such as ensuring the success of virtual meetings (39%) and responding to new regulations (39%). Other concerns, such as ensuring board decisions on many fast-moving issues (23%) and supporting management without being overwhelming (37%) align to more traditional governance responsibilities. This tight clustering of responses suggests that while there may have been many challenges faced by boards, few were clearly so acute as to stand out from the pack. This is likely because many of these challenges are deeply connected: finding the right governance posture, regulating speed to address many rapidly changing issues in quick succession, and continuing to provide effective oversight, all while improvising on how to govern virtually.

Two-thirds of directors report that over the past year their time commitment increased by 50 percent or more.

REGIONAL VARIATION - BOARD MEETING EFFECTIVENESS

Ensuring that virtual board meetings were as effective as in-person meetings proved to be particularly challenging in the **United States** relative to the global average. Responding

to changing government guidelines was particularly challenging in both the **EMEA** and the **Asia and Oceania** regions, compared to their peers.

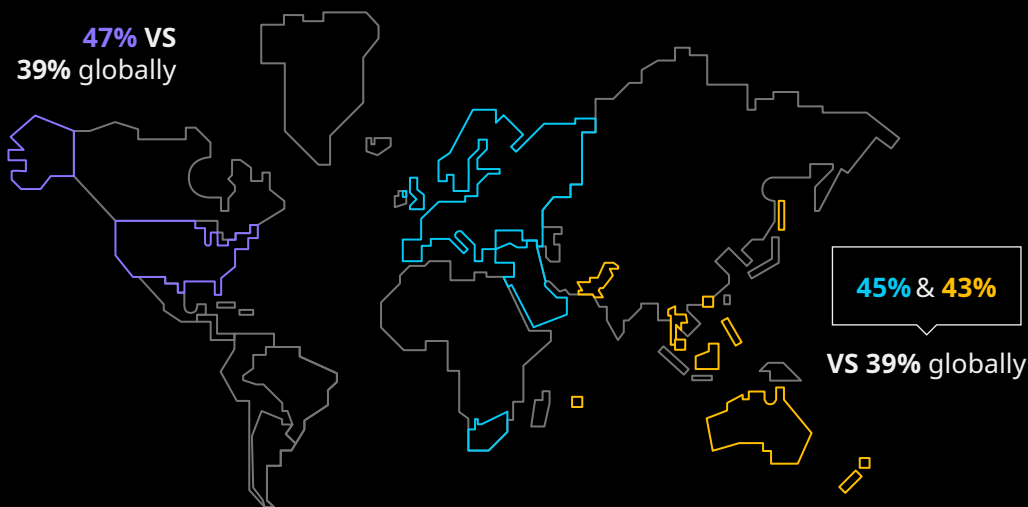


Exhibit 5: In total, how many boards do you sit on? (%)

n= 1,885



Source: Global Network of Director Institutes 2020–2021 Survey

Exhibit 6: What were your board's top three challenges in responding thus far to the COVID-19 crisis? (%)

n= 1,707



Source: Global Network of Director Institutes 2020–2021 Survey

A LOOK ACROSS THE GLOBE

Although it is expected that the GDP of Mauritius will grow in 2021 with respect to the low 2020 base, it is increasingly clear that 2021 will be a difficult year, in the light of the shocks of the COVID-19-related lockdown.

Mauritius Institute of Directors

MOST DIRECTORS BELIEVE THAT THEY WERE ABLE TO DO THEIR WORK WELL

KEY INSIGHTS

The vast majority of directors (89%) report that their boards have been able to effectively govern during the crisis. Directors serving on multiple boards are nearly unanimous (96%) in their belief that they have been able to meet their board commitments, despite spending significantly more time in the (now virtual) boardroom. Further, 79 percent of directors report that they can meet their governance objectives without overburdening management.

This effectiveness suggests some, at least self-perceived, agility in how boards and management teams learned to operate in the crisis. Just 14 percent of directors reported

having pandemic or mobility restrictions as risks in their board-level dashboards prior to the COVID-19 pandemic. Yet, 72 percent report that crisis management plans have been effective, and just 32 percent report that scenario planning helped prepare boards for the crisis. Overall, directors responded that their boards were able to be effective with what they had despite a lack of preparedness for this specific crisis. As with director responses to trends (p. 21), there is some reason to be skeptical toward director perceptions of board effectiveness given broad government support of private enterprise.



Directors serving on multiple boards are nearly unanimous (96%) in their belief that they have been able to meet their board commitments, despite spending significantly more time in the (now virtual) boardroom.

REGIONAL VARIATION - DIRECTOR AND MANAGEMENT FATIGUE

Directors in **South America** were much more likely than their global peers to agree that service on multiple boards undermined the effectiveness of their board work. Directors in **Asia and Oceania** were less likely to

report that their boards did not contribute to management fatigue, compared globally. In the **United States**, directors believed they did not overburden management during the crisis.

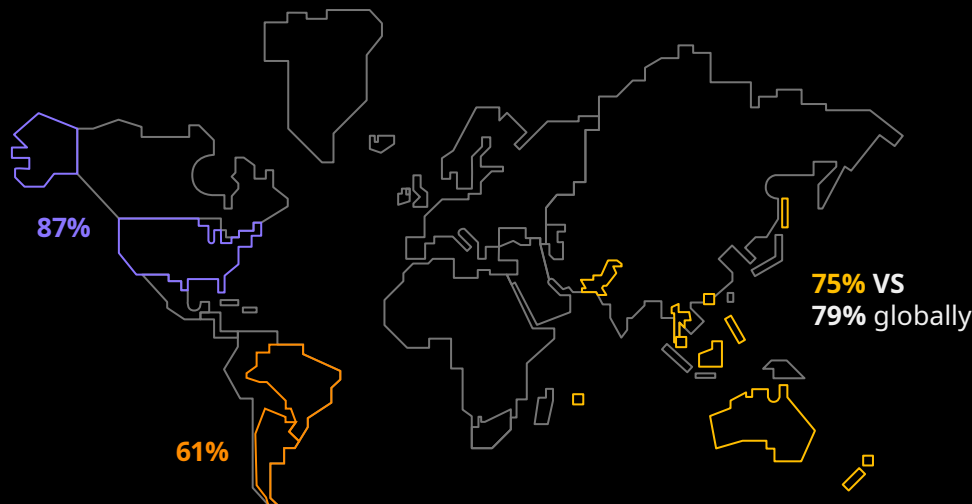
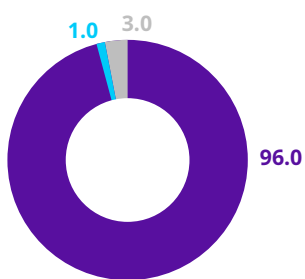
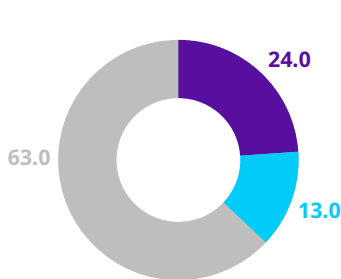


Exhibit 7: How much do you agree or disagree with the following statements? (%)

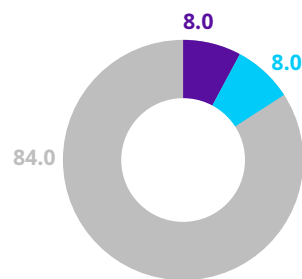
n= 1174-1180



I have been able to balance my time commitment and obligations to multiple boards throughout this crisis.



Being on multiple boards during this crisis has challenged my effectiveness as a director.



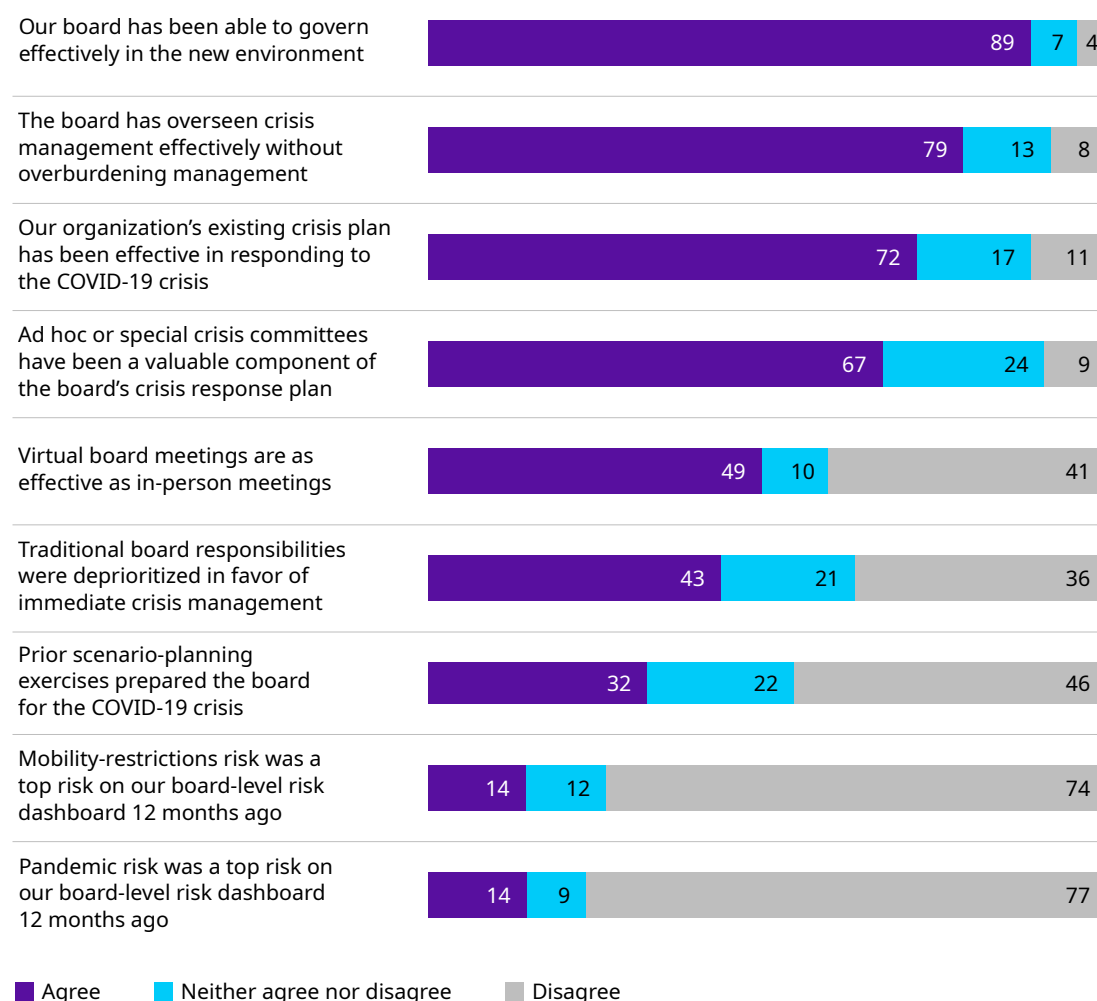
As a result of the crisis and the increased time commitment, I gave up or plan to give up one of my board roles.

■ Agree ■ Neither agree nor disagree ■ Disagree

Source: Global Network of Director Institutes 2020–2021 Survey

Exhibit 8: To what extent do you agree or disagree with the following statements? (%)

n=1701-1709



Source: Global Network of Director Institutes 2020–2021 Survey

A LOOK ACROSS THE GLOBE

Boards in the Gulf region have used the opportunity to rethink, reset, and restructure. In the initial phase, boards have been more supportive of management, ensuring the protection of the workforce, supply chain stabilization, customer communication, and financial stress testing. Boards then moved quickly to focus on recovery — a complete reset for some, and for others an acceleration of digital transformation.

GCC Board Directors Institute

Section 2

COVID-19'S IMPACT ON GLOBAL AND GOVERNANCE TRENDS


IMPACT OF COVID-19 ON GLOBAL TRENDS

KEY INSIGHTS

The COVID-19 crisis has affected nearly every aspect of corporate life and impacted the workings of boards and their companies. Given the unexpected nature of the crisis and its resulting impact on stakeholders, it is no surprise that directors, and their boards, expect to see a greater role for outside experts in risk scenario planning and decision making (69%). Directors also list a focus on ESG, sustainability, and stakeholder values (67%) among the areas most likely to see a long-term impact from the crisis. This may be manifested in other highly ranked trends. For example, 63 percent of directors expect the crisis to increase the competition for talent. Further, 53 percent view a growing emphasis on corporate purpose as likely and 53 percent think that there will be an increasing emphasis on board diversity.

Boards should learn important lessons from the pandemic crisis, but they should not, however, fixate on the specific challenges of the last crisis. Instead, they must work with their management teams to ensure that their companies don't "sleepwalk" into the next major, global, systemic risk and look at ways to future proof risk-management programs and reporting.

The new mandate for boards will be to work with management to make uncontrollable risks more controllable and to find ways to better absorb the shocks of these risks. More discussion on emerging trends, the effective use of scenario planning, the growing use of analytics in the boardroom (63%) and the aforementioned use of external experts will become prerequisites in enhancing the oversight of risk.

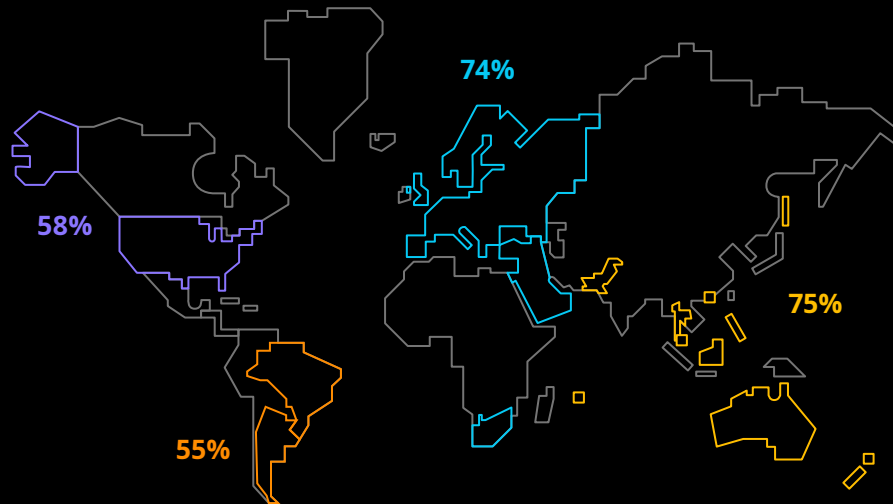


Boards must work with their management teams to ensure that their companies don't "sleepwalk" into the next major, global, systemic risk and look at ways to future proof risk-management programs and reporting.

REGIONAL VARIATION - GOVERNMENT INVOLVEMENT POST-COVID-19

There is a noticeable variation across regions in directors' perception about the likelihood of a greater government role in the economy following the crisis. Directors from **EMEA** and **Asia and Oceania** reported that more

intervention was likely. Those in **South America** and the **United States** reported that increased government intervention in the economy was less likely.



A LOOK ACROSS THE GLOBE

Digital readiness, or the lack of it, was exposed by the rapid shift to remote business operations. During the initial lockdown, many companies scrambled to ensure business continuity and workforce productivity under work-from-home conditions. While some boards oversaw the process of getting their companies to ramp up their digital capabilities and adapt to new business models, such as boosting online presence and exploring new markets, others decided to wait out the crisis, to their cost.

Singapore Institute of Directors

Exhibit 9: Rate the likelihood that COVID-19 will change the long-term trajectory of these trends. (%)

n=1623-1633




Source: Global Network of Director Institutes 2020–2021 Survey

IMPACT OF COVID-19 ON BOARD GOVERNANCE

KEY INSIGHTS

When asked to identify the top 5 of 19 board governance activities most impacted by the crisis, incorporating a broader set of risks into scenario planning was listed by 60 percent of respondents, by far the highest-rated issue. Two related areas, strategy oversight (40%) and risk management oversight (36%), were also among the top five. While few boards (14%) included pandemic or related risks in their risk planning prior to the pandemic, they

did generally rate the effectiveness of their response to the crisis as high (p. 16). However, it is unclear how much crisis planning and execution contributed to corporate resilience, given the significant levels of government support many organizations received, which may have given many organizations a false sense of security about the effectiveness of their individual crisis responses.

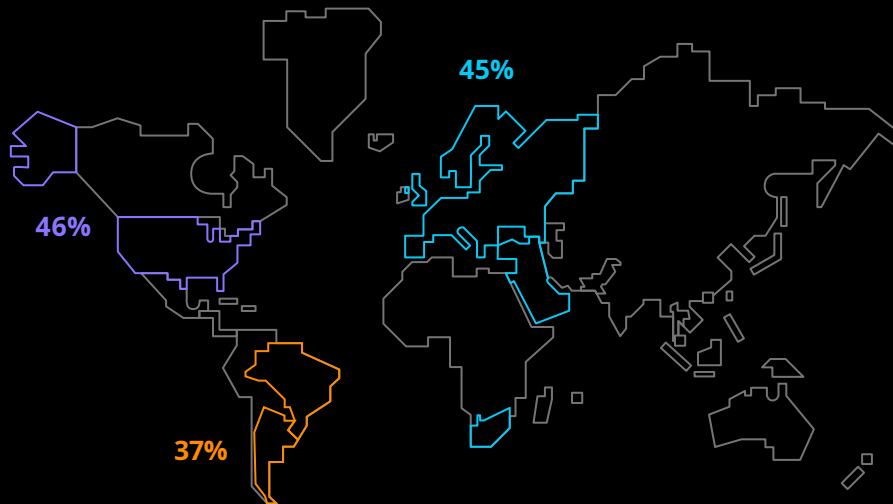


While few boards (14%) included pandemic or related risks in their risk planning prior to the pandemic, they did generally rate the effectiveness of their response to the crisis as high.

REGIONAL VARIATION - RISK MANAGEMENT

Sixty-nine percent of directors in South America aim to expand the scope of risks they consider in future planning. Directors from **South America** are also more likely (37%) than their peers to prioritize the importance of crisis

management plans. Directors in **EMEA** and the **United States** are more likely than others to note the growing importance of addressing ongoing employee health and safety risks.



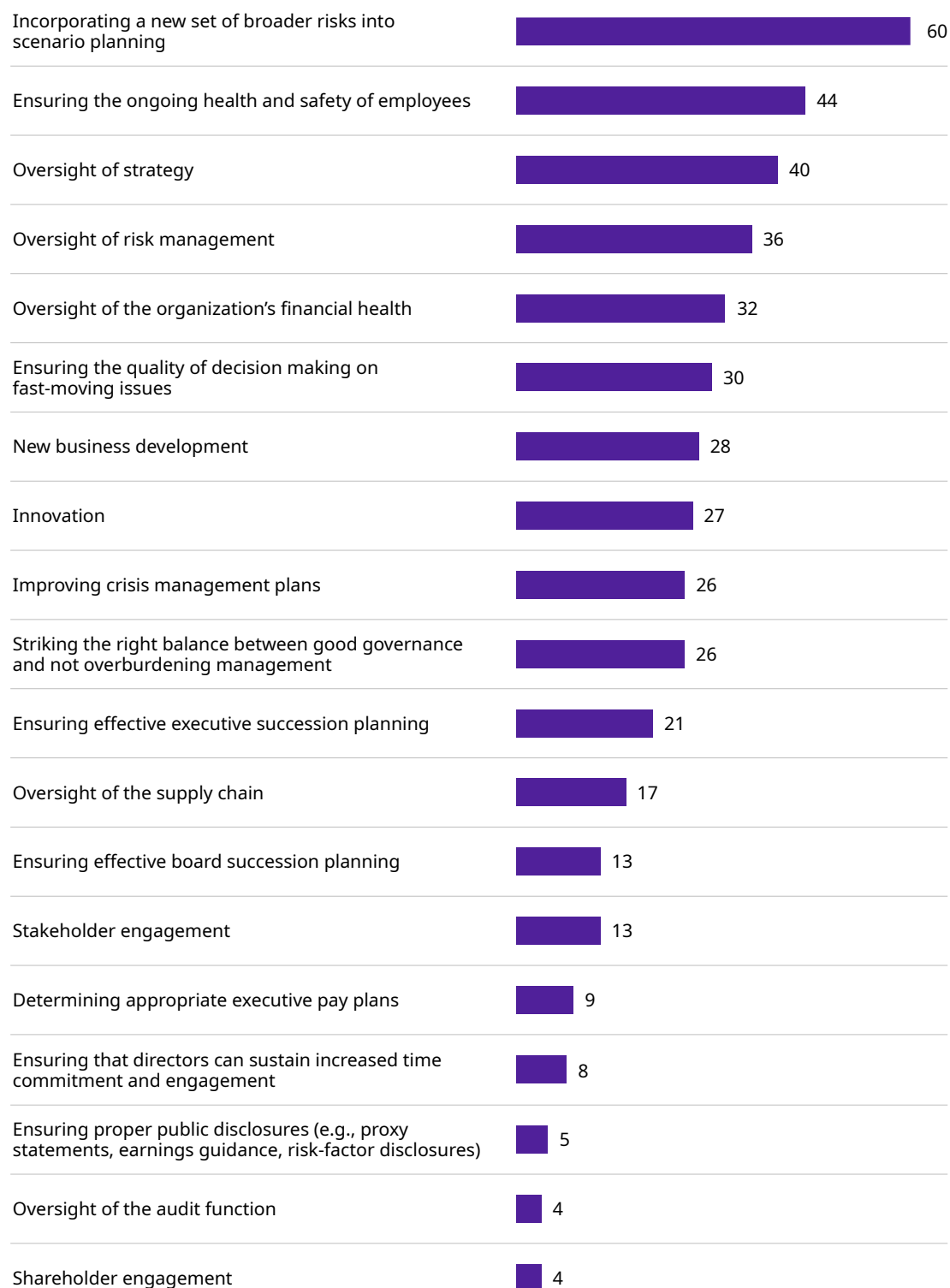
A LOOK ACROSS THE GLOBE

The pandemic became a multifaceted, prolonged crisis for nearly every company and their board, from the health and safety of employees, broken supply chains, liquidity concerns, financial strains, [and] demand shocks to moving to remote working. The Gulf region has been hit by a triple blow — not only a health and economic crisis but a steep drop in oil prices upon which the regional economies are still dependent.

GCC Board Directors Institute

Exhibit 10: What areas of governance will have the most significant long-term impact due to the crisis? (%)

n= 1,644



Source: Global Network of Director Institutes 2020–2021 Survey



Section 3

HOW BOARD OPERATIONS WILL CHANGE

DIRECTORS ANTICIPATE MORE VIRTUAL MEETINGS AND GREATER EMPHASIS ON ESG IN THE FUTURE

KEY INSIGHTS

Although directors are largely satisfied with the effectiveness of their governance during the COVID-19 crisis, virtual board meetings are not viewed as a full substitute for in-person gatherings. Just 49 percent of directors across the globe find virtual meetings as effective as meeting in person. That said, directors have found virtual engagement to be good enough to enable directors to do their work (p. 16), and 89 percent anticipate that digital tools will be an important resource for boards going forward.

However, there are several elements of post-COVID board governance that may look a lot like the pre-COVID-19 world. Although virtual

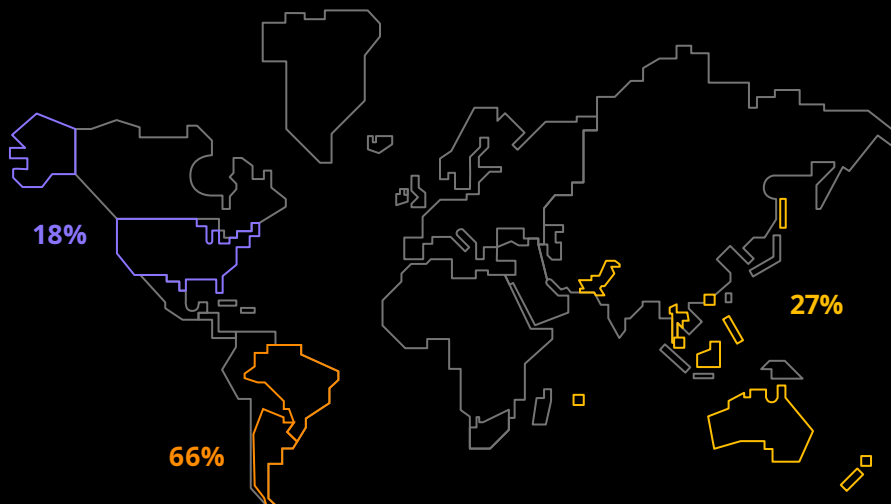
tools add flexibility to how boards meet, few directors (41%) report that their boards plan to meet more often after the crisis than before. Further, many expect their businesses to rebound — just slightly less than one in four (23%) anticipate their business models becoming obsolete more quickly as a result of the new operating realities caused by the crisis. One area, however, that might take up a larger portion of the board agenda is the area of ESG issues with 57 percent of respondents noting that these issues will be a greater focus of board governance.

Although virtual tools add flexibility to how boards meet, few directors report that their boards plan to meet more often after the crisis than before.

REGIONAL VARIATION - FUTURE TRENDS

Directors in **Asia and Oceania** reported that they were more likely to see an acceleration in the pace at which business models become obsolete compared to the **United States**

and globally. Directors in **South America** anticipate that ESG will play a greater role in corporate governance.

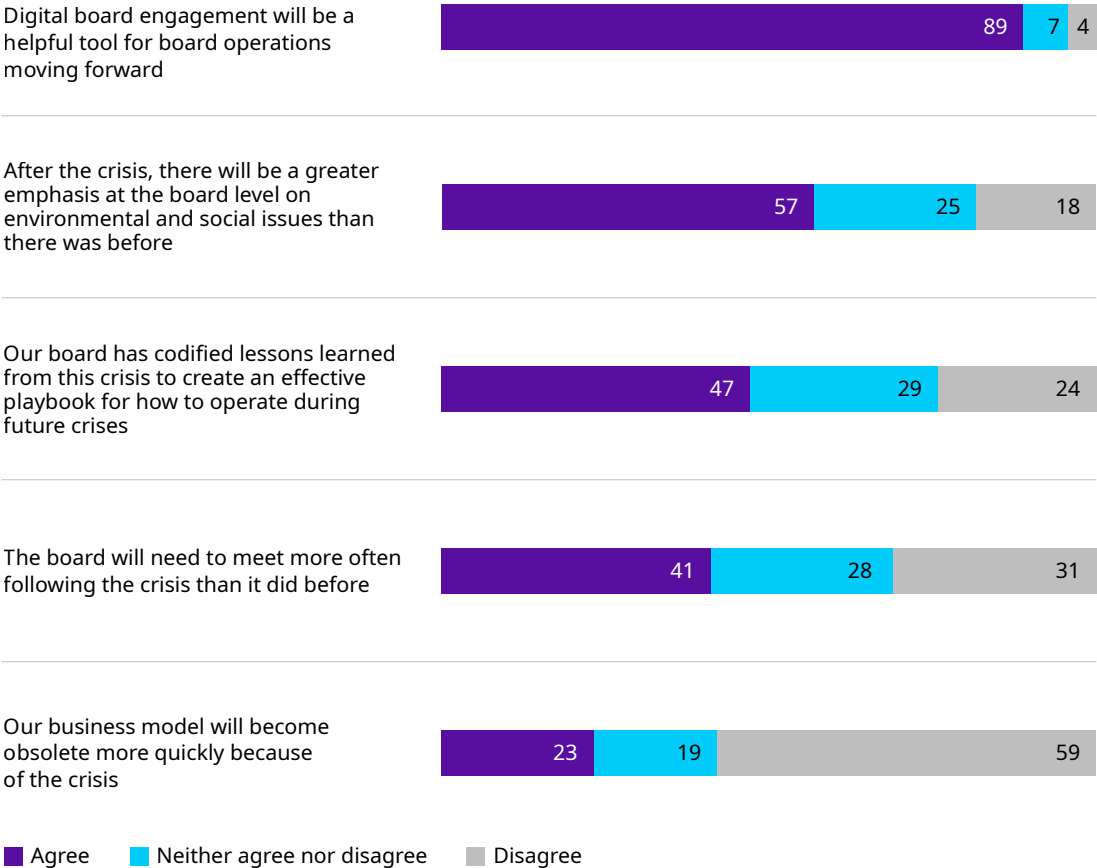


A LOOK ACROSS THE GLOBE

"COVID-19 is a game changer and also a mindset changer — any impossible things can become possible," says one executive director of a major financial institution in Hong Kong. "What COVID may have brought to the forefront is the need to be and remain agile. With the outbreak, although you try to react and adjust, not having enough information to make decisions was probably an issue for many boards."

The Hong Kong Institute of Directors

Exhibit 11: Indicate how much you agree or disagree with the following statements. (%)
n=738-884



Source: Global Network of Director Institutes 2020–2021 Survey

CHALLENGES IN ADAPTING TO VIRTUAL BOARD WORK

KEY INSIGHTS

As noted above (p. 16), the vast majority of directors believe that their boards have been effective during the crisis, despite increasing time commitments and new virtual environments (p. 11). Directors rated losing nonverbal communication as the top challenge of adapting to this new way of holding board meetings. This can be particularly acute for

board leaders looking for signs of agreement or discomfort on an issue that may be challenging to put into words; for directors looking to give clues about their disposition; and the body language of management teams that may indicate emotions such as confidence, discomfort, frustration, or excitement when reporting to the board.

REGIONAL VARIATION - VIRTUAL COMMUNICATIONS

Compared to the rest of the globe, directors in the **United States** were more likely to view losing nonverbal communication¹ and facilitating questions and answers during board meetings as top challenges,² but they

are less likely to rate technological problems.³ **South American** directors reported higher levels of virtual meeting fatigue than the directors across the globe.

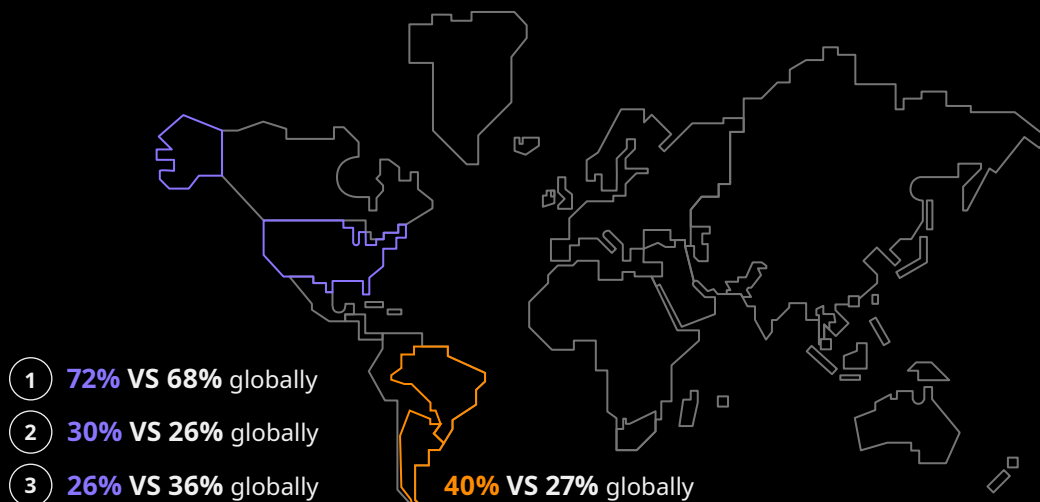
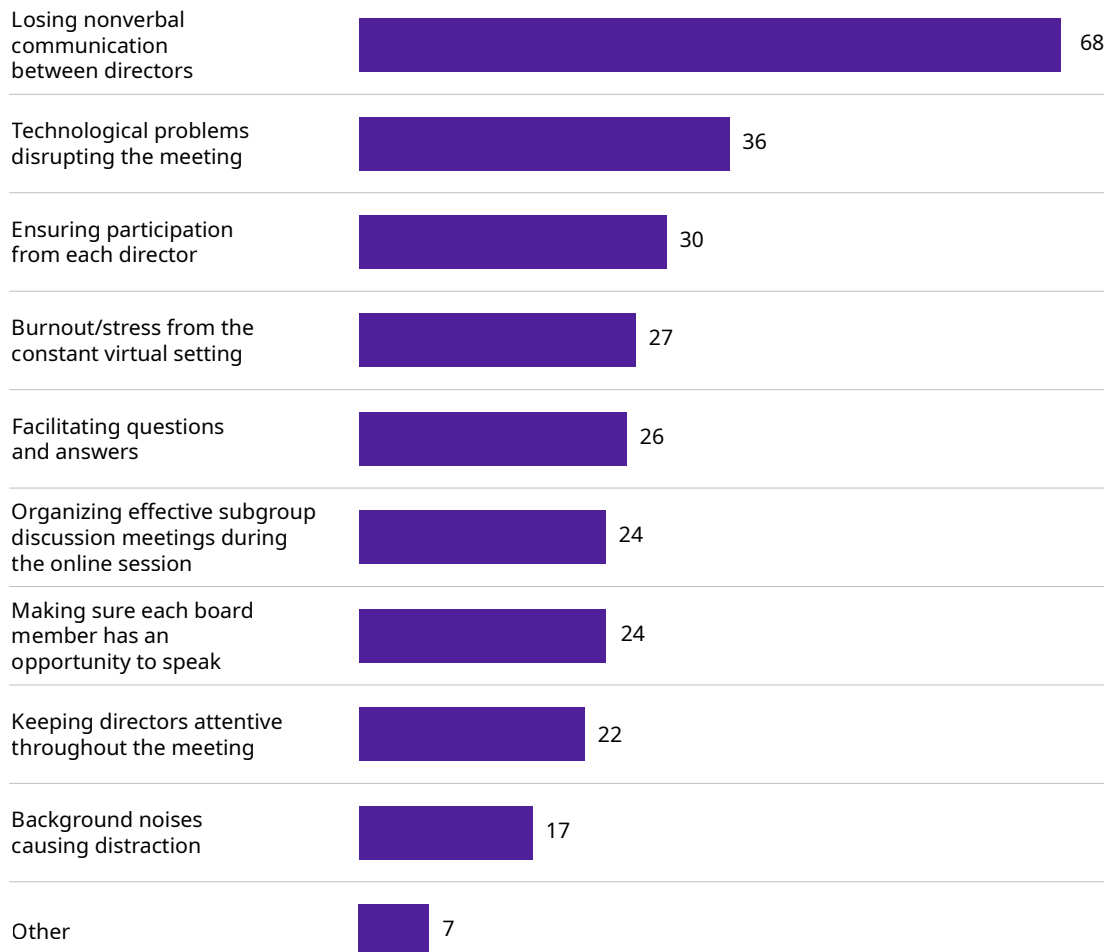


Exhibit 12: What were your board's top three challenges in adapting meetings to a virtual setting? (%)

n= 1,692



Source: Global Network of Director Institutes 2020–2021 Survey

A LOOK ACROSS THE GLOBE

It has also brought challenges of how the organization's culture and values are maintained when staff are working remotely. It has impacted how teams work on the recruitment of new staff. The lack of personal contact has created challenges for many of our members in their interaction with many of their stakeholders.

Institute of Directors in Ireland


A VIEW INTO THE 2021 BOARDROOM

KEY INSIGHTS

Virtual board engagement is a powerful new tool for directors across the globe to wield in 2021, and most boards plan some type of virtual meeting experience going forward. Seventy-one percent of directors expect more than one in five of their full-board meetings to be virtual following the crisis. Seventy-eight percent of directors report that at least one in five committee meetings will be virtual.

For many, the next in-person board meeting remains some distance in the future — more than half of directors reported that they do not plan to meet in person until 2021, and, of those, more than half will not meet in person

until the second quarter. As boards adapt to virtual meetings and virtual meetings become a regular part of the board's activities, it is easy to imagine changing the board agenda — and potentially changing operating models — to take advantage of the unique benefits that virtual meetings may offer. This may mean meeting more often with management teams for shorter and more-frequent real-time updates, reserving in-person meetings for specific board activities, such as onboarding or tabletop exercises, and distributing full-board and committee meetings across more, but shorter, meetings.



As boards adapt to virtual meetings and virtual meetings become a regular part of the boards activities, it is easy to imagine changing the board agenda — and potentially changing operating models.

REGIONAL VARIATION - FUTURE BOARD MEETINGS

Directors in **Asia and Oceania** are more likely to have **met in person** by the end of 2020. Despite this, directors in Asia and Oceania plan to make use of virtual meetings at the same rate as directors across the globe, suggesting a permanent place for virtual meetings in the

board calendar. Directors from **South America** anticipate a higher percentage of virtual full-board and committee meetings in the future, saying that as many as two in five board meetings will be virtual.

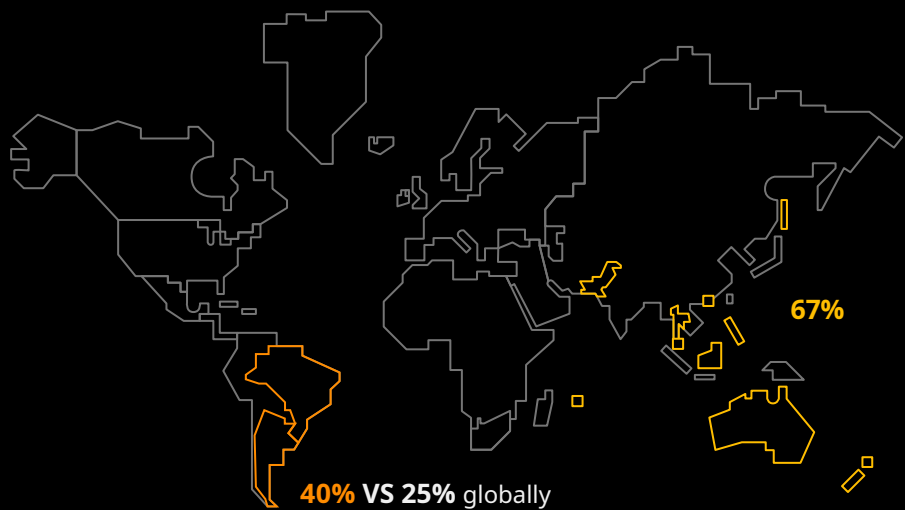
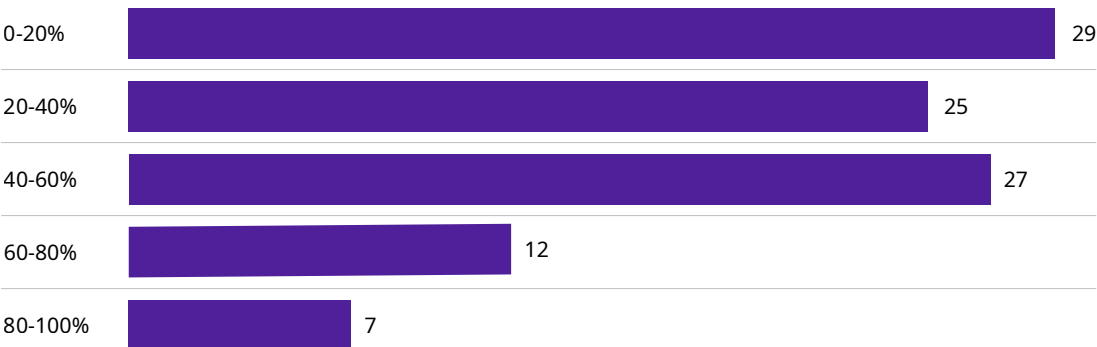


Exhibit 13: What percent of your full-board meetings do you expect to be virtual after the crisis? (%)

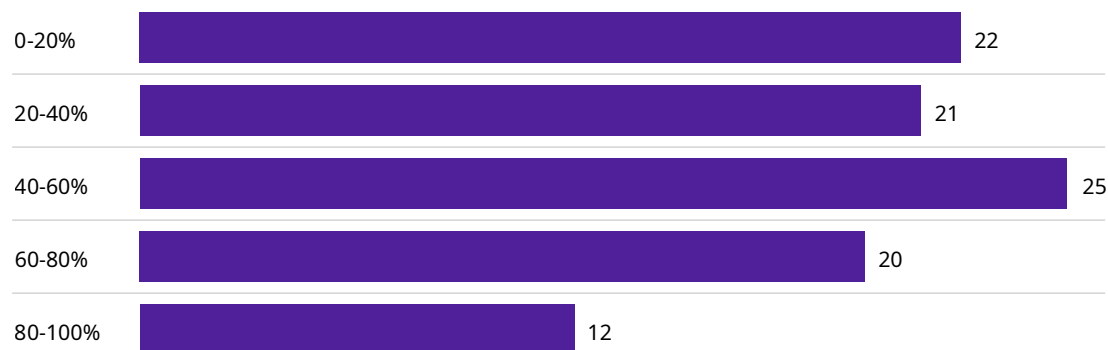
n= 1,618



Source: Global Network of Director Institutes 2020–2021 Survey

Exhibit 14: What percent of your committee meetings do you expect to be virtual after the crisis? (%)

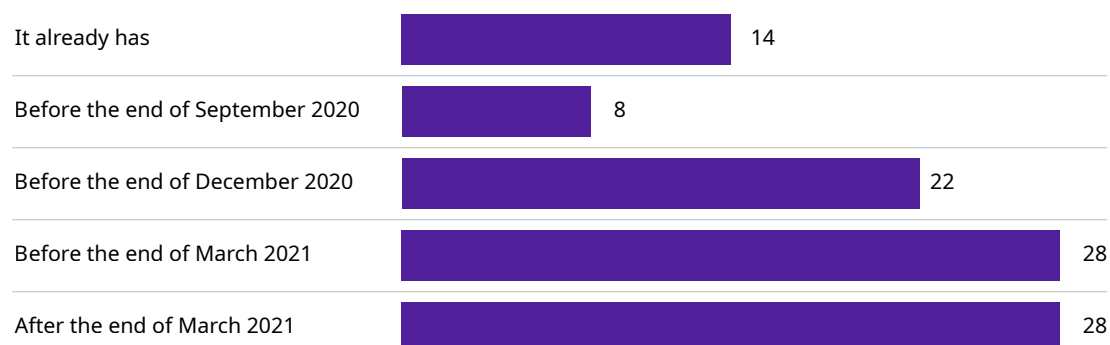
n= 1,613



Source: Global Network of Director Institutes 2020–2021 Survey

Exhibit 15: When will your board hold its next in-person meeting? (%)

n= 1,613



Source: Global Network of Director Institutes 2020–2021 Survey

A LOOK ACROSS THE GLOBE

The problem of meeting over conference calls, even ones with video, is the lack of certain dynamics that are important for effective group dialogue and decision making. The inability to observe body language, the difficulty in canvassing the whole group for questions or queries and the occasional (or worse) inattentiveness of participants due to distractions of all kinds all play to reduced effectiveness.

The Hong Kong Institute of Directors

Appendix

FULL SURVEY RESULTS**SECTION 1 — DEMOGRAPHIC QUESTIONS**

Responses by director institute region

Region	n
Asia and Oceania	428
EMEA	654
South America	124
United States	758

Which best describes your role within the organization?

Choice	Percent	n
Nonexecutive director/Independent nonexecutive director	26%	1949
Board committee chair	19%	
Board chair	15%	
CEO/Managing director	14%	
Senior management	8%	
Executive director	7%	
Corporate secretary/General counsel	4%	
Other	4%	
Deputy board chair	2%	

What is the total number of employees in your organization?

Choice	Percent	n
100-999	31%	1948
1,000-9,999	25%	
10-99	23%	
10,000 employees or more	11%	
Fewer than 10 employees	9%	

Which of the following best describes the industry in which this organization operates?

Choice	Percent	n
Financials	22%	1860
Industrials	19%	
Nonprofit	16%	
Consumer discretionary goods	9%	
Information technology	7%	
Health care	7%	
Energy	6%	
Consumer staples goods	5%	
Materials	3%	
Other	3%	
Utilities	2%	
Telecommunications services	1%	

Which best describes the organization you serve as a director?

Choice	Percent	n
Publicly listed company	33%	1871
Other private company	17%	
Nonprofit	16%	
Privately owned family business	15%	
Private-equity owned	10%	
Government/State-owned enterprise	8%	
Venture-capital backed	1%	

In total, how many boards do you sit on?

Choice	Percent	n
One	24%	1885
Two	24%	
Three	21%	
More than three	21%	
I do not sit on a board	9%	

SECTION 2

How much do you agree or disagree with the following statements?

Item	Agree	Neither agree nor disagree	Disagree	n
I have been able to balance my time commitment and obligations to multiple boards throughout this crisis.	96%	1%	3%	1180
Being on multiple boards during this crisis has challenged my effectiveness as a director.	24%	13%	63%	1174
As a result of the crisis and the increased time commitment, I gave up or plan to give up one of my board roles.	8%	8%	84%	

Please rate each of the following areas as either an organizational strength or weakness in the company's response to the COVID-19 crisis.

Item	Strength	Weakness	n
Crisis management	93%	7%	1701
Staff commitment	93%	7%	1695
Organizational adaptability	91%	9%	1705
Organizational values/purpose	92%	8%	1702
Resilience	91%	9%	1690
Executive leadership	90%	10%	1698
Business continuity planning	81%	19%	
Stakeholder communications/management	79%	21%	
Risk management	79%	21%	1688
Financial resilience	79%	21%	1693
Cash flow	74%	26%	1694
Human resources competence	74%	26%	1696
Supply chain management	71%	29%	1626
Technology infrastructure	69%	31%	1699
Opportunity management	66%	34%	1672
Digital competence	61%	39%	1683

What were your board's top three challenges in responding thus far to the COVID-19 crisis?

Choice	Percent	n
Recalibrating strategies to the new markets or environment (short or long term)	56%	1707
Ensuring that virtual board meetings were as effective as in-person meetings	39%	
Responding to changing government policies and guidelines	39%	
Ensuring effective governance in decisions affecting employees, investors, customers, suppliers, and communities	39%	
Providing support to management without getting in the way	37%	
Maintaining an appropriate line between oversight and management	29%	
Approving or making decisions quickly	23%	
Managing information flows to the board	21%	
Other	5%	

What were your board's top three challenges in adapting meetings to a virtual setting?

Choice	Percent	n
Losing nonverbal communication between directors	68%	1692
Technological problems disrupting the meeting	35%	
Ensuring participation from each director	30%	
Facilitating questions and answers	26%	
Burnout/stress from the constant virtual setting	26%	
Organizing effective subgroup discussion meetings during the online session	24%	
Making sure each board member has an opportunity to speak	24%	
Keeping directors attentive throughout the meeting	22%	
Background noises causing distraction	17%	
Other	7%	

To what extent do you agree or disagree with the following statements?

Item	Agree	Neither agree nor disagree	Disagree	n
Our board has been able to govern effectively in the new environment.	89%	7%	4%	1702
The board has overseen crisis management effectively without overburdening management.	79%	13%	8%	1705
Our organization's existing crisis plan has been effective in responding to the COVID-19 crisis.	72%	17%	11%	1709
Ad hoc or special crisis committees have been a valuable component of the board's crisis response plan.	67%	24%	9%	1701
Virtual board meetings are as effective as in-person meetings.	49%	10%	41%	1708
Traditional board responsibilities were deprioritized in favor of immediate crisis management.	43%	20%	36%	1703
Prior scenario-planning exercises prepared the board for the COVID-19 crisis.	32%	22%	46%	1702
Mobility-restrictions risk was a top risk on our board-level risk dashboard 12 months ago.	14%	12%	73%	1705
Pandemic risk was a top risk on our board-level risk dashboard 12 months ago.	14%	9%	77%	1706

Which best describes how your time commitment as a director changed during the crisis?

Choice	Percent	n
Increased by half	41%	1702
Stayed the same	33%	
Doubled	18%	
Tripled	4%	
Decreased	4%	

SECTION 3

What areas of governance will have the most significant long-term impact due to the crisis?
Please select five.

Choice	Percent	n
Incorporating a new set of broader risks into scenario planning	60%	1644
Ensuring the ongoing health and safety of employees	44%	
Oversight of strategy	40%	
Oversight of risk management	36%	
Oversight of the organization's financial health	32%	
Ensuring the quality of decision making on fast-moving issues	30%	
New business development	28%	
Innovation	27%	
Improving crisis management plans	26%	
Striking the right balance between good governance and not overburdening management	26%	
Ensuring effective executive succession planning	21%	
Oversight of the supply chain	17%	
Ensuring effective board succession planning	13%	
Stakeholder engagement	13%	
Determining appropriate executive pay plans	9%	
Ensuring that directors can sustain increased time commitment and engagement	8%	
Ensuring proper public disclosures (e.g., proxy statements, earnings guidance, risk-factor disclosures)	5%	
Oversight of the audit function	4%	
Shareholder engagement	4%	

Please indicate how much you agree or disagree with the following statements.

Item	Agree	Neither agree nor disagree	Disagree	n
Digital board engagement will be a helpful tool for board operations moving forward.	89%	7%	4%	1637
After the crisis, there will be a greater emphasis at the board level on environmental and social issues than there was before.	57%	25%	18%	1633
Our board has codified lessons learned from this crisis to create an effective playbook for how to operate during future crises.	47%	29%	24%	1632
The board will need to meet more often following the crisis than it did before.	41%	28%	31%	1635
Our business model will become obsolete more quickly because of the crisis.	23%	19%	59%	

Please rate the likelihood that COVID-19 will change the long-term trajectory of these trends.

Item	Likely	Neither likely nor unlikely	Unlikely	n
Incorporating the expertise of outside experts into scenario planning and strategy and risk decision-making processes	70%	21%	10%	1633
Increased focus on ESG, sustainability, and stakeholder value issues	67%	25%	8%	1630
Increased governmental role in the economy	66%	23%	11%	1629
Increased competition for talent	63%	26%	11%	1625
Incorporating data analytics into the board decision-making process	63%	25%	12%	1631
Increased corporate repurposing	53%	36%	11%	1623
Increased board diversity	53%	32%	15%	1630
Broad recognition and action against systemic racism	52%	32%	16%	1624
Slowing down of globalization through increased protectionism	50%	28%	22%	1628
The emergence of the professional director	48%	35%	17%	1632
Increased disclosure of the actions taken by directors in the boardroom	45%	39%	16%	1628
Increased investor activism	44%	42%	15%	1623
Incorporating artificial intelligence into the board decision-making process	31%	37%	33%	1632

Which of the following will your board do following the COVID-19 crisis? (Select all that apply.)

Choice	Percent	n
Incorporate a broader set of risks into the information dashboard the board receives	66%	1629
Increase the frequency of incorporating ESG considerations/issues in the board agenda	36%	
Ensure greater communication with a broader set of stakeholders	35%	
Make alterations to the board operating model, such as changes to meeting agendas or committee structure	34%	
Increase director education on factors identified as barriers to the organization's COVID-19 response	33%	
Reflect a broader set of skills on the board through board refreshment	33%	
Change the board-management relationship by incorporating better communication methods	25%	
Our board will not do anything differently following this crisis.	10%	
Other	3%	

SECTION 4

What percentage of your full-board meetings do you expect to be virtual after the crisis?

Choice	Percent	n
0-20%	29%	1618
20-40%	25%	
40-60%	27%	
60-80%	12%	
80-100%	7%	

What percentage of your committee meetings do you expect to be virtual after the crisis?

Choice	Percent	n
0-20%	22%	1613
20-40%	21%	
40-60%	25%	
60-80%	20%	
80-100%	12%	

When will your board hold its next in-person meeting?

Choice	Percent	n
It already has	14%	1613
Before the end of September 2020	8%	
Before the end of December 2020	22%	
Before the end of March 2021	28%	
After the end of March 2021	28%	

The Global Network of Director Institutes (GNDI) is a network of leading director institutes from around the world. A global program of reciprocity helps directors, and their boards, to unlock access to director resources around the world. GNDI comprises 22 institutes representing more than 150,000 directors and other governance professionals around the globe.

ABOUT MARSH & MCLENNAN COMPANIES (MMC)

Marsh & McLennan (NYSE: MMC) is the world's leading professional services firm in the areas of risk, strategy and people. The Company's 76,000 colleagues advise clients in over 130 countries. With annual revenue of \$17 billion, Marsh & McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses. Marsh advises individual and commercial clients of all sizes on insurance broking and innovative risk management solutions. Guy Carpenter develops advanced risk, reinsurance and capital strategies that help clients grow profitably and pursue emerging opportunities. Mercer delivers advice and technology-driven solutions that help organizations redefine the world of work, reshape retirement and investment outcomes, and unlock health and wellbeing for a changing workforce. Oliver Wyman serves as a critical strategic, economic and brand advisor to private sector and governmental clients.

For more information, visit www.mmc.com, follow us on LinkedIn and Twitter @mmc_global or subscribe to BRINK.

© Copyright 2021 by the Global Network of Director Institutes (GNDI) under US Copyright law, international treaties, and any laws or regulations governing the protection of intellectual property in the territories of GNDI member organizations. All rights reserved. Except as permitted under the US Copyright Act of 1976, no part of this publication may be reproduced, modified, or distributed in any form or by any means, including, but not limited to, scanning and digitization, without prior written permission from GNDI. This publication is designed to provide authoritative commentary in regard to the subject matter covered. It is provided with the understanding that neither the authors nor the publisher, the GNDI, is engaged in rendering legal, accounting, or other professional services through this publication. If legal advice or expert assistance is required, the services of a qualified and competent professional should be sought.

Copyright © 2021 Marsh & McLennan Companies Ltd, Inc. All rights reserved.

This report may not be sold, reproduced or redistributed, in whole or in part, without the prior written permission of Marsh & McLennan Companies, Inc.

This report and any recommendations, analysis or advice provided herein (i) are based on our experience as insurance and reinsurance brokers or as consultants, as applicable, (ii) are not intended to be taken as advice or recommendations regarding any individual situation, (iii) should not be relied upon as investment, tax, accounting, actuarial, regulatory or legal advice regarding any individual situation or as a substitute for consultation with professional consultants or accountants or with professional tax, legal, actuarial or financial advisors, and (iv) do not provide an opinion regarding the fairness of any transaction to any party. The opinions expressed herein are valid only for the purpose stated herein and as of the date hereof. We are not responsible for the consequences of any unauthorized use of this report. Its content may not be modified or incorporated into or used in other material, or sold or otherwise provided, in whole or in part, to any other person or entity, without our written permission. No obligation is assumed to revise this report to reflect changes, events or conditions, which occur subsequent to the date hereof. Information furnished by others, as well as public information and industry and statistical data, upon which all or portions of this report may be based, are believed to be reliable but have not been verified. Any modeling, analytics or projections are subject to inherent uncertainty, and any opinions, recommendations, analysis or advice provided herein could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. We have used what we believe are reliable, up-to-date and comprehensive information and analysis, but all information is provided without warranty of any kind, express or implied, and we disclaim any responsibility for such information or analysis or to update the information or analysis in this report.

We accept no liability for any loss arising from any action taken or refrained from, or any decision made, as a result of or reliance upon anything contained in this report or any reports or sources of information referred to herein, or for actual results or future events or any damages of any kind, including without limitation direct, indirect, consequential, exemplary, special or other damages, even if advised of the possibility of such damages. This report is not an offer to buy or sell securities or a solicitation of an offer to buy or sell securities. No responsibility is taken for changes in market conditions or laws or regulations which occur subsequent to the date hereof.