

Behavioural Traits of Executive & Non-Executive Directors

Prepared by: Mpho Seboni, Lisa Mariano and Fungai Chigwendere
Spencer Stuart South Africa



Agenda / Context

- Boards in South Africa: Spencer Stuart 2024 Board Index Highlights
- The Board as a Ship
 - Interdependent roles of executive and non-executive directors
- Characteristics of an effective Board
 - From effective to Excellent: The human factor
 - Board Intrinsic
 - Leadership capabilities
- The Spencer Stuart Leadership Model
- Understanding Board Culture

Boards in South Africa: Spencer Stuart 2024 Board Index

2024 South Africa Spencer Stuart Board Index

Governance practices in the JSE top 50 companies

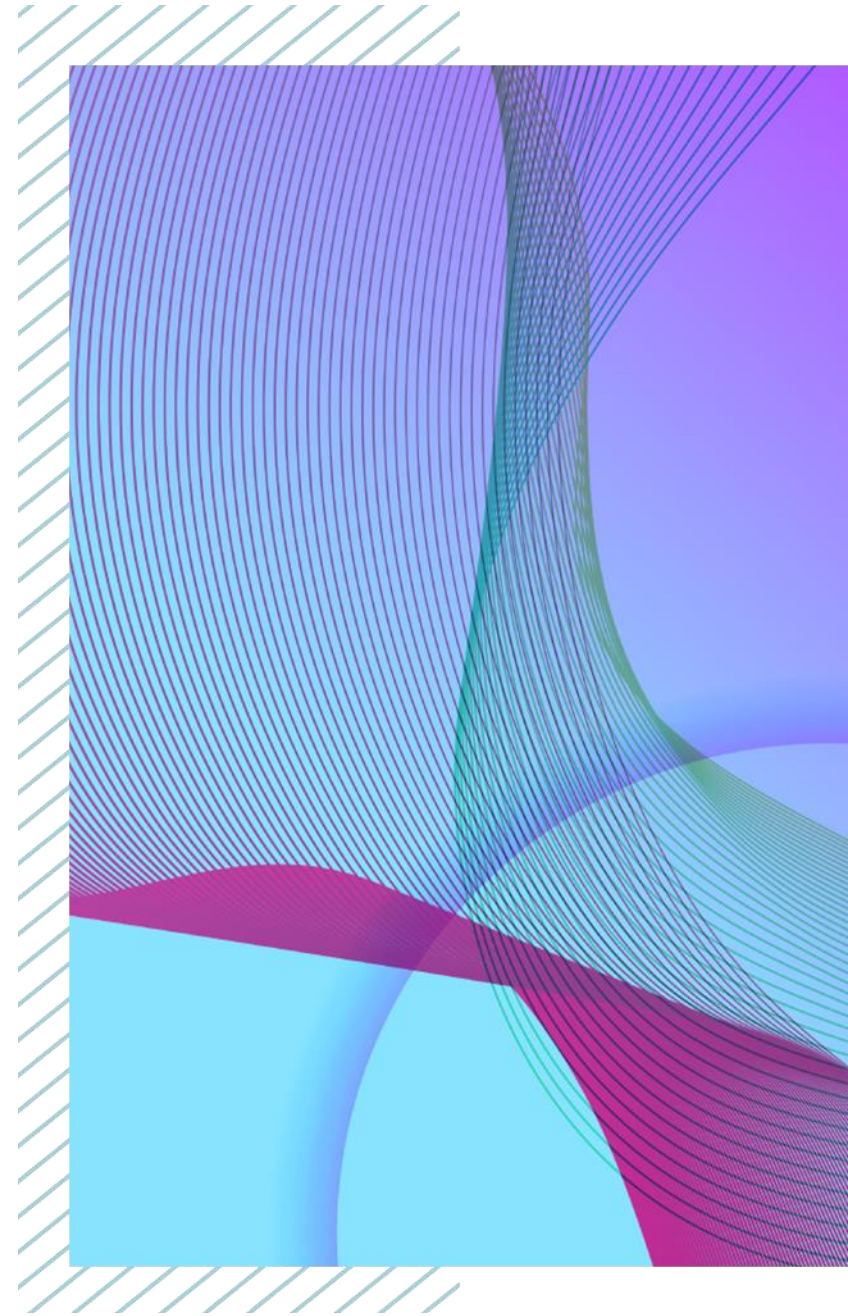
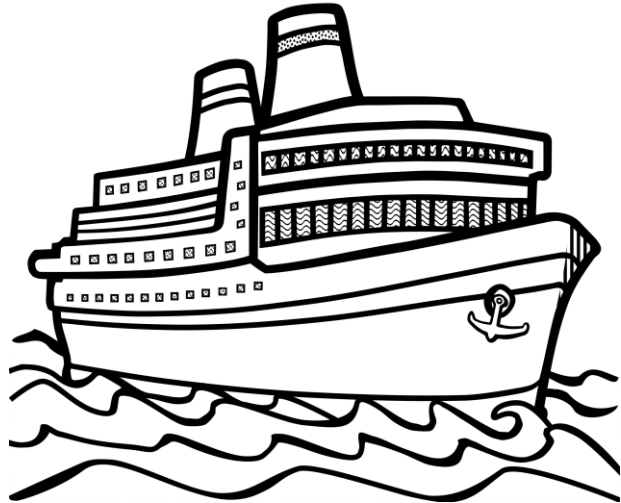
Summary Highlights

- **37%** of directors are women; **32%** are HDSAs; **40%** of NEDs are women
- **Renewal concerns:** average tenure now **6.4 years**; lower for women (**4.6 yrs**)
- **68%** of NEDs serve on **multiple boards** - implications for contribution & focus
- **Average attendance: 98%** - strong commitment, but overboarding is rising (**68% of NEDs** on **>1 board**)

The Boardroom as a Ship

Interdependent Roles of Executive & Non-Executive Directors

- **Executive Directors** keep the engine running
- **Non-Executive Directors** steer, monitor, and anticipate obstacles



Differentiating the Roles: EDs vs NEDs

1	2	3
	Executive Director (ED)	Non-Executive Director (NED)
Core Focus	<ul style="list-style-type: none"> Operational leadership 	<ul style="list-style-type: none"> Strategic oversight & governance
Influence Style	<ul style="list-style-type: none"> Direct authority 	<ul style="list-style-type: none"> Indirect influence
Contribution	<ul style="list-style-type: none"> Delivery & people 	<ul style="list-style-type: none"> Strategy, challenge, assurance
Risk Orientation	<ul style="list-style-type: none"> Risk-taking to achieve 	<ul style="list-style-type: none"> Risk governance and mitigation

Characteristics of an Effective Board

Through what dimensions does a board deliver real impact?

- Strategic Alignment & Oversight
- Composition & Diversity
- Culture & Behaviour
- Governance Structures & Meeting Discipline
- Future-Orientation & Innovation

“An effective board isn’t just competent - it is coherent, curious, and connected.”



From Effective to Excellent: The Human Factor

An effective board provides strategic oversight, ensures governance integrity, supports and challenges management, and holds itself accountable. An excellent board does it with the right people, thinking the right way.

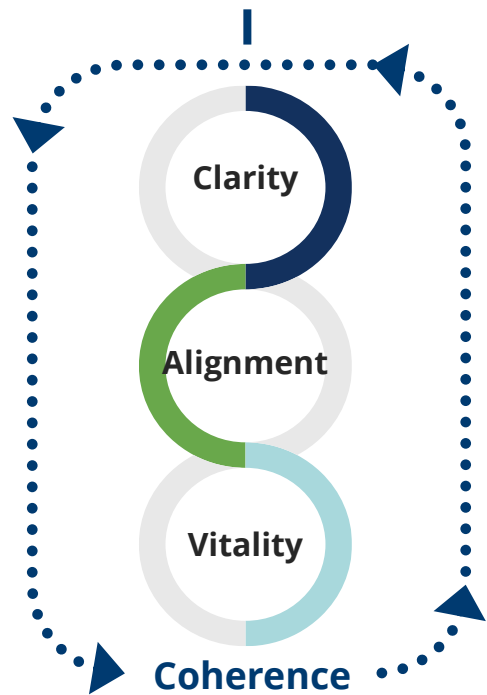
Technical expertise is essential but not sufficient. We assess for what doesn't always show on paper:

- Board Intrinsic
- Leadership Capability

The Spencer Stuart Leadership Model

Great leadership requires creating the conditions for success

Context — Leadership —> Outcomes



Clarity

Clearly articulated destination, expressed through purpose, vision, strategy, and target culture – compatible with today's context and attuned to future environment.



Alignment

Ensuring critical resources are organized and deployed for sustainable performance, e.g., best people in roles; high-performing teams; aligned structures and incentives.



Vitality

Degree to which people are bought-in (intellectually and emotionally) and inspired by energy and purpose to do extraordinary things together to deliver the desired outcomes.



Coherence

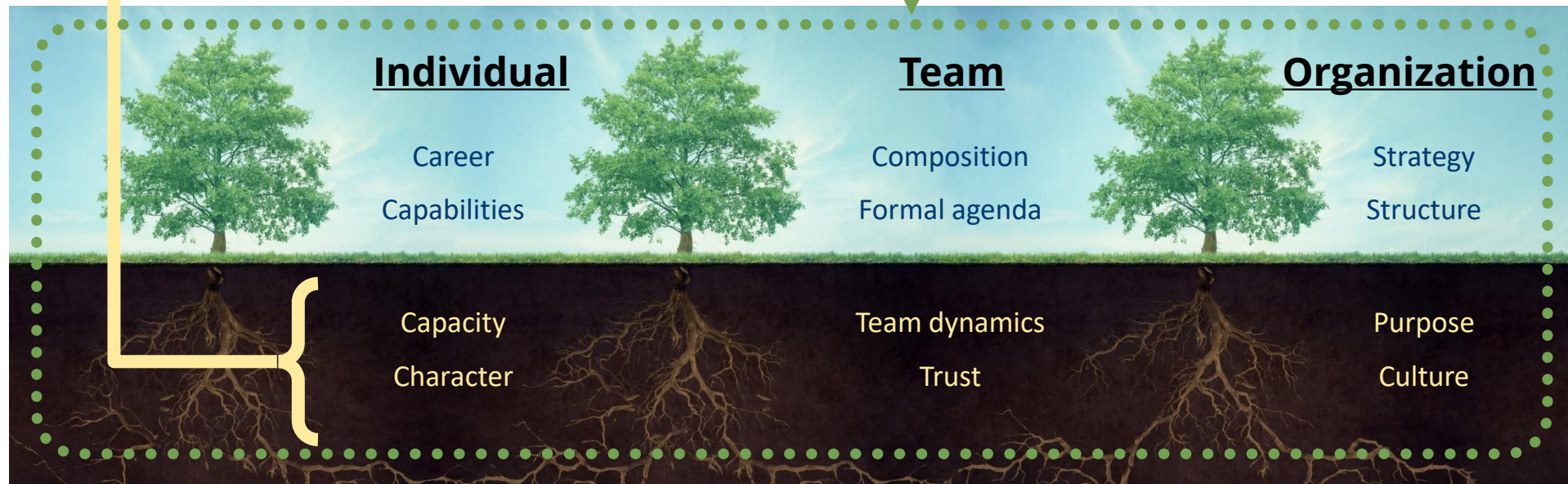
Since first three elements are neither static nor independent, need to be addressed in constantly iterative and connected manner.

What gets in the way of successful leadership?

Many leaders fail to recognize two critical realities:

1 The most powerful and enduring elements of leadership are **less visible and are harder to address**

2 The various elements of leadership must be **addressed holistically and connected** via a unifying leadership model



Board Intrinsic: Behavioural Traits of Board Members

Board IntrinsicTM

Behavioural characteristics of effective board members



Strategic Insight & Judgement

Synthesises
complex issues,
sees the
big picture



Independence of Mind

Courage to
dissent and
objectivity



Interpersonal Influence

Builds trust
and inclusive
dialogue



Integrity

Acts ethically
and
transparently



Inclination to Engage

Brings energy,
preparation and
active
contribution

Leadership Capabilities: Behavioural Traits of Effective Executives

Core Capabilities for High-Impact Executive Directors



Driving Results	<ul style="list-style-type: none">▪ Delivering performance without compromising ethics or sustainability
Acting Strategically	<ul style="list-style-type: none">▪ Aligning today's decisions with tomorrow's demands
Leading Change	<ul style="list-style-type: none">▪ Enabling transformation in dynamic, complex environments
Leading People	<ul style="list-style-type: none">▪ Building inclusive, empowered, and capable teams aligned to the organisations mission and goals
Collaborating & Influencing	<ul style="list-style-type: none">▪ Partnering across boundaries without relying on formal authority
Building Talent	<ul style="list-style-type: none">▪ Developing future-ready leaders and succession pipelines.

In an increasingly disrupted and globalised environment, additional Supplemental Leadership Capabilities like digital literacy, and cultural agility become essential to remain effective and resilient.

Understanding Board Culture

Boards should understand the role organizational culture is playing in business performance

Because culture is a key driver of business results, boards should ensure they have an adequate line of sight on the culture, including any potential risks the culture could pose.

Questions to assess the impact of culture:

1

WHAT IS THE CURRENT CULTURE OF THE ORGANISATION?

What are the “unwritten rules” guiding the thousands of decisions employees throughout the company make every day?

2

HOW WELL ALIGNED IS OUR CORPORATE CULTURE WITH OUR STRATEGY?

What organisational behaviours are required to achieve our strategy, and how well do we demonstrate those behaviours today?

3

WHAT IS THE DIFFERENCE BETWEEN OUR CURRENT AND IDEAL CORPORATE CULTURE?

What cultural impediments do we face, and how will we overcome them?

4

HOW DO WE CONSIDER CULTURE IN OUR LEADERSHIP SUCCESSION PLANNING?

How does our talent development process advance our ideal culture?

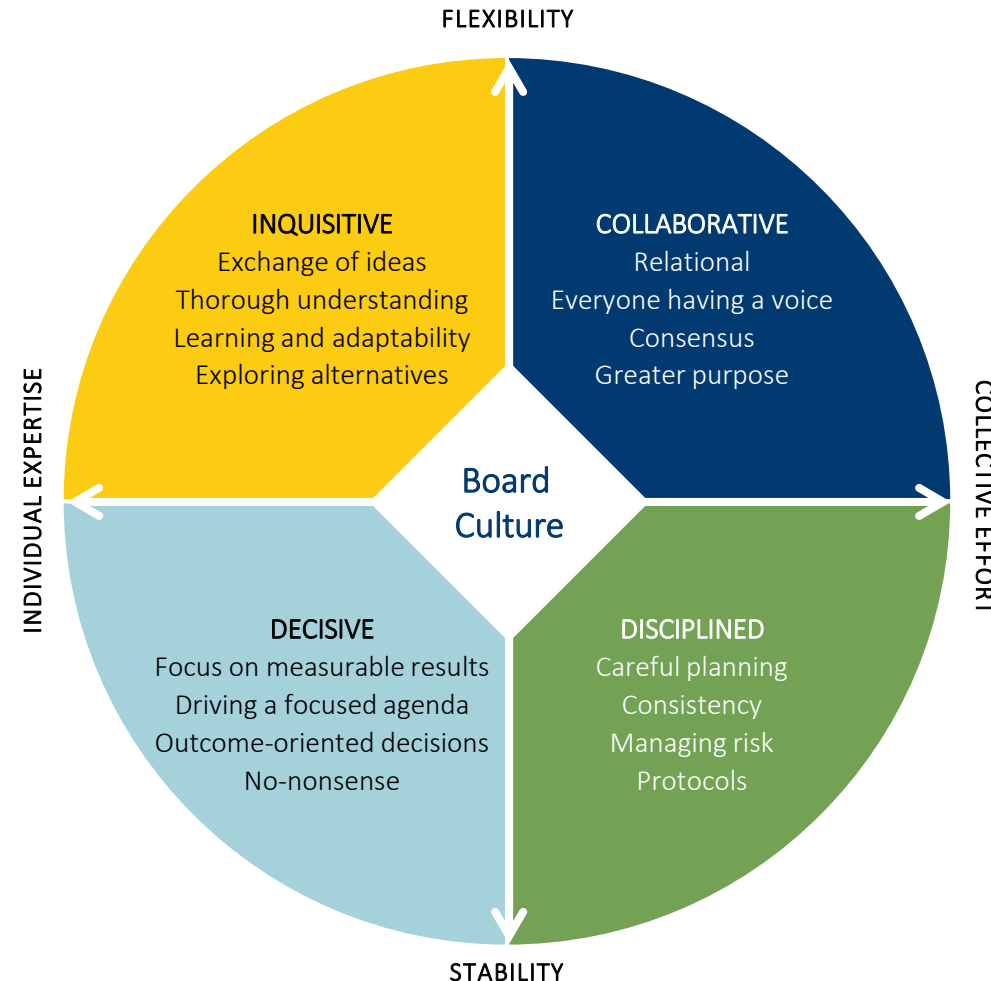
5

HOW CAN THE BOARD CONTRIBUTE TO THE RIGHT TONE AT THE TOP

What changes should we as a board make in our behaviour or composition to set the right tone for the company

Our culture assessment tools support the board in clearly defining and aligning its culture

- » Despite the growing appreciation for the importance of culture, few boards are able to describe their culture beyond “collegial” or “engaged.”
- » Our research confirms the primacy of two dimensions of board culture: attitudes towards **people** (individual vs. collective) and **change** (flexible vs. stable).
- » Our proprietary set of culture assessment tools support the board in clearly defining and aligning its culture.

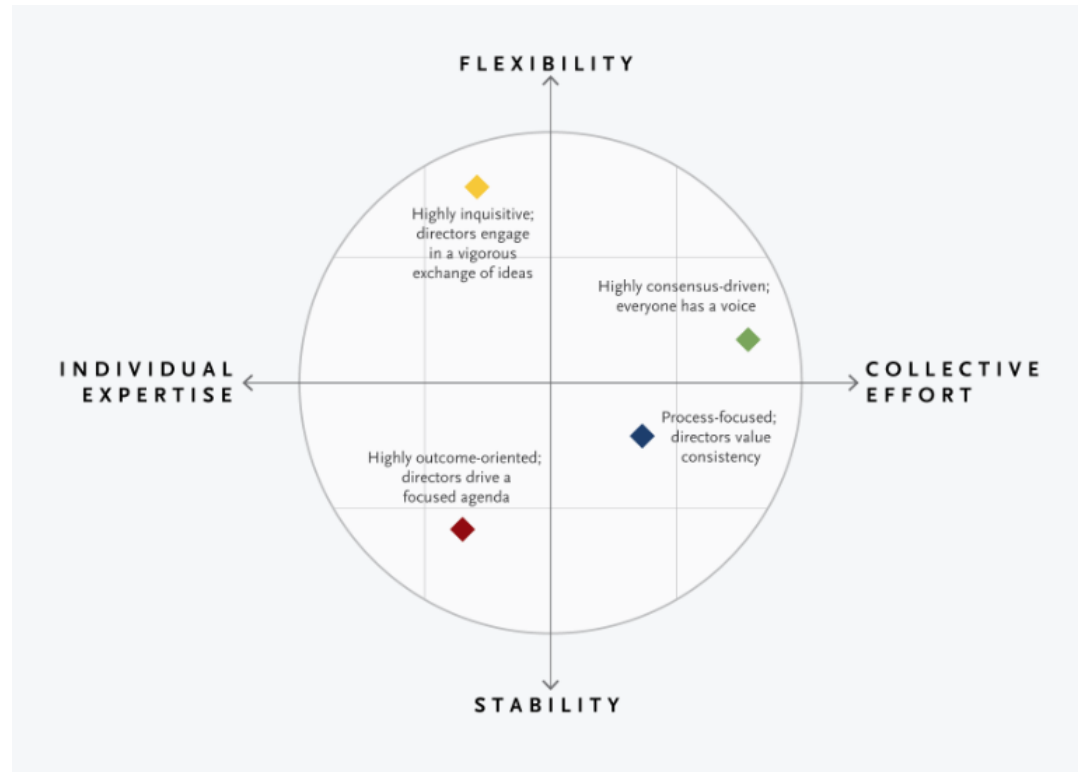


Starting to understand your board culture

WHY?

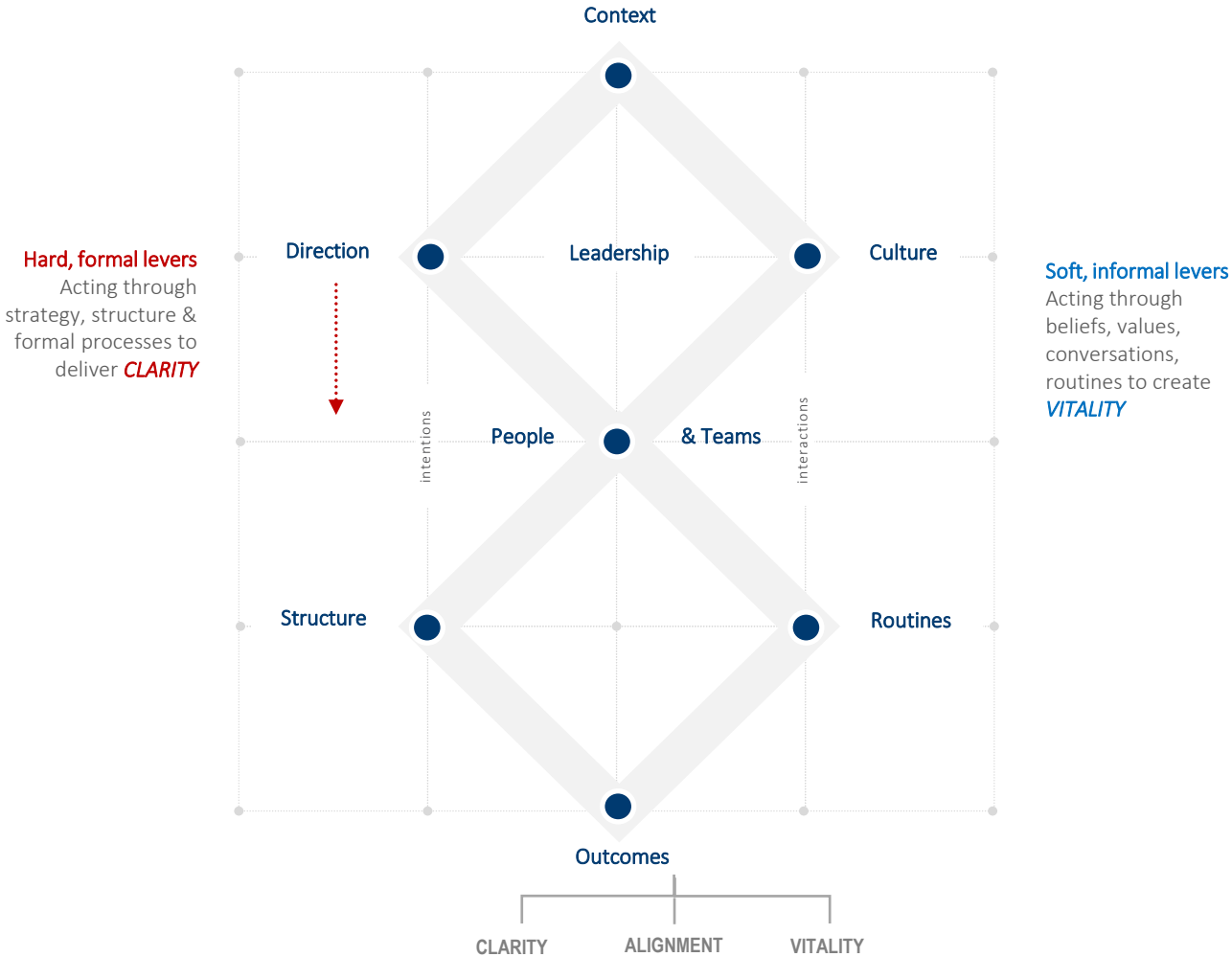
- » When it's able to diagnose culture, a board can evaluate the role culture plays in board performance and consider whether there are elements of the culture that need to change.
- » Having a common language about the culture and identifying directors' preferred styles helps board members understand and adjust to the preferences of one another and make better decisions about the potential culture fit of new director candidates.

Example of board cultures



We apply a Systems Approach to understand board team dynamics and organisational “health”

Scanning the external business and organizational context, and anticipating future changes



Spencer Stuart’s systemic model presents a simple but comprehensive framework for describing, assessing, and improving top teams and organizations.

The model to the left describes the key factors that lead to team effectiveness.

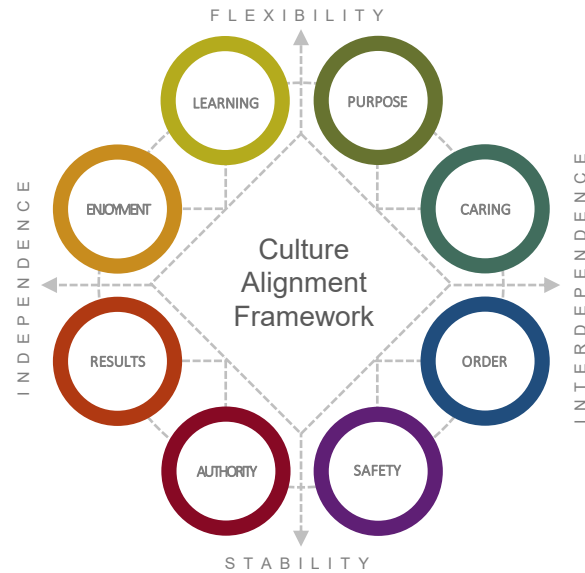
Research has shown that improvements to any one part of a team or organization in isolation will not result in lasting improvements. In order to increase long-term viability of an organization, it is necessary to treat it as a complete and dynamic system.

While not all factors can be addressed simultaneously, it is still important to understand and consider the system-wide effects of any change.

Understanding individual board member Styles

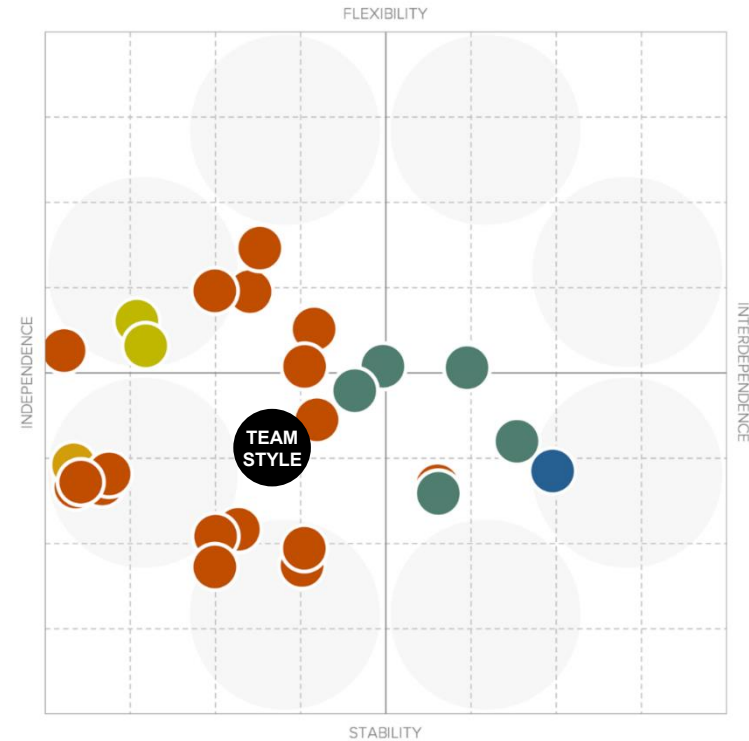
SAMPLE of Board OUTPUT

Mapping Style & Ways of Working



The individual style of board members can be assessed using the model above. This provides an understanding of the collective underlying character and shared values as it relates to interactions, board culture and diversity.

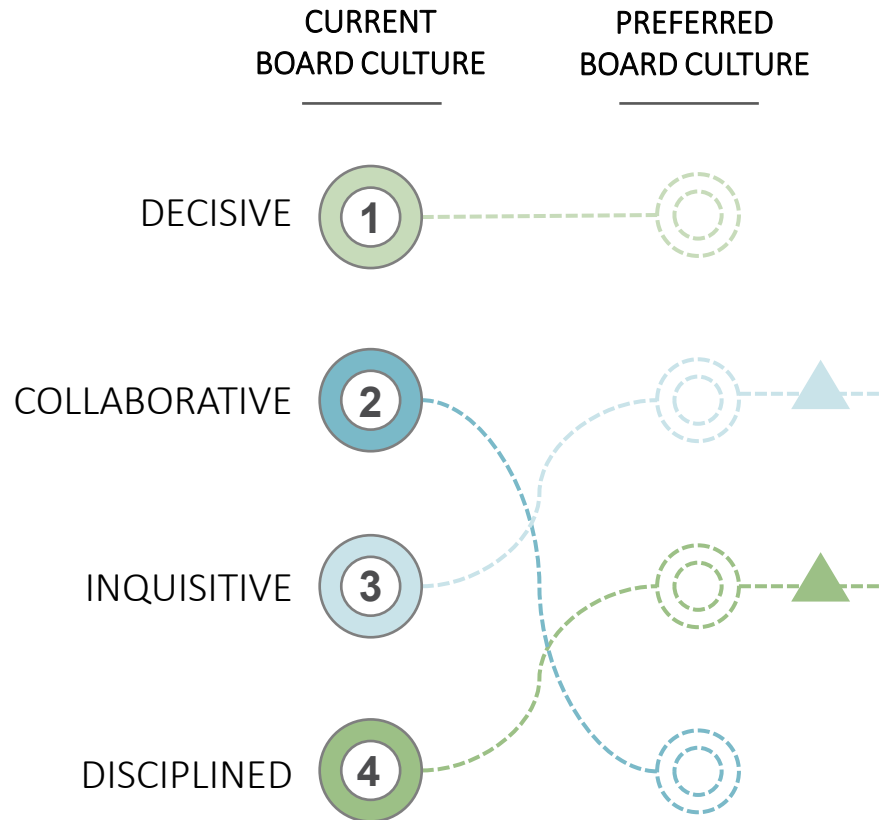
Collective Board Style Summary



Individual profiles are mapped based on the results of each person's online survey. The team style is an aggregate of those profiles.

Culture assessment – *example output*

» Based on a comparison between the current and preferred culture, practical suggestions will be made to move towards the Board’s preferred culture



Your preferred culture is well aligned with the current culture and indicates that increasing inquisitiveness and a more disciplined approach to planning and decision-making will further strengthen the board.

Deepen the board’s capability to explore alternatives in a rigorous, structured way:

- Less “individuals going off on a tangent”
- Maintain “mutual respect and active interaction between the board and management”
- More “rigorous preparation by board members”
- More “open to learn about the business and industry”



Wrap Up

“Our insights, integrity, influence, and engagement matter most when they align with how we think strategy, lead change, inspire people, and drive results.

Diversity fills the seats, but it’s our shared harmony in capability and character that keeps the organisation moving.”

SpencerStuart



www.spencerstuart.com

© 2025 Spencer Stuart. All rights reserved.