

# RAW DATA

## Director Sentiment Survey 2023



# Director Sentiment Survey 2023

## RAW DATA

Methodology	2
Raw survey data	3
Business and economic confidence	3
Top of mind for directors	5
Determining purpose	7
An effective governance culture	9
Holding to account	12
Effective compliance	14
Demographics	15



# Methodology

*The Institute of Directors' (IoD) annual Director Sentiment Survey takes the pulse of New Zealand's governance community to identify issues and challenges that matter to our members. It provides a high-level view sourced from IoD directors across a broad range of entities on economic, business and governance issues.*

The online survey was conducted from 10 August to 8 September in the run-up to the October 2023 General Election. Reflecting this, in 2023 political/policy uncertainty ranked third for both impediments to national economic performance and biggest organisational risk. There were no other areas within the survey where trends were identified across the four election survey years (2014, 2017, 2020 and 2023) being directly attributable to the election.

Unlike previous years there were no significant disruptors such as Covid-19 or storms within the survey period. However, there were major news stories that may have had varying impacts on responses, such as the Mainzeal Supreme Court decision (25 August), reporting on online fraud and scams (including the EU's new internet laws and AI copyright), inflation/cost of living, university programme cuts and housing costs. While acknowledging these factors may impact on results, each year there are external factors that will be top of mind for directors and their organisations. These will shape their answers and the areas they're focusing on within their boards, organisations and areas of operation.

We had a strong response to the survey this year with a total of 1,112 IoD members contributing (964 in 2022). This year we also interviewed six directors to gain further

insights into the survey questions. Thank you to all of the contributing IoD members for your valuable input and perspectives.

This survey is the tenth annual survey and the eighth in which the IoD has partnered with ASB, who provide invaluable economic and business confidence analysis and insights. This year we have used our rich historic data to highlight trends or key variances. We have also analysed data by organisation type:

- Medium to large private company (>\$10 million turnover or 20+ employees) = "large companies"
- Not-for-profit organisations = "NFP"
- Small company (< 20 employees) = "small companies"
- Government organisation/State-owned enterprise (SOE) = "government organisations"
- Publicly listed company including subsidiaries = "publicly listed companies"
- Māori organisation/iwi = "Māori organisations"
- Local authority/council controlled organisation (CCO) = "local authorities"

In addition to the full report, there is also a short accompanying report providing insights from respondents of not-for-profit entities, and a one-page infographic available on our website.



# Raw survey data

The raw data was collected from 1,112 respondents. Not all questions were answered by all respondents. Where respondents were able to select multiple responses answers will not add up to 100%.

## Business and economic confidence

1. How do you expect performance of the New Zealand economy to trend in the next 12 months?

	Improve	No effect	Decline
2014	47.0%	35.0%	18.0%
2015	35.0%	47.0%	18.0%
2016	50.0%	43.0%	7.0%
2017	30.0%	54.0%	16.0%
2018	17.0%	40.0%	43.0%
2019	11.0%	34.0%	55.0%
2020	24.0%	13.0%	63.0%
2021	29.0%	20.0%	51.0%
2022	18.1%	13.8%	68.1%
2023	28.3%	15.9%	55.8%

2. How do you expect performance of your organisation to trend in the next 12 months?

	Improve	No effect	Decline
2014	71.0%	23.0%	6.0%
2015	67.0%	27.0%	5.0%
2016	74.0%	22.0%	4.0%
2017	69.0%	25.0%	6.0%
2018	52.0%	37.0%	11.0%
2019	47.0%	40.0%	14.0%
2020	50.0%	28.0%	22.0%
2021	54.0%	26.0%	20.0%
2022	50.3%	29.3%	20.4%
2023	46.7%	27.7%	25.6%

**3. What, in your view, are the biggest impediments to national economic performance (you can choose up to three)?**

	2023
Cost of living/inflation	44.5%
Labour capacity & capability	42.5%
Political/policy uncertainty	34.8%
Global economic growth/geopolitical uncertainty	30.7%
Regulatory red tape	24.6%
Market volatility including internationally	23.5%
Productivity	21.8%
Lack of strategy	15.3%
Infrastructure	15.3%
Climate change	11.0%
Commodity prices	9.1%
Housing affordability/supply	9.1%
Immigration policy	6.5%
Supply chain disruption	6.1%

**4. What, in your view, is the single biggest risk facing your organisation?**

	2023
Labour capacity & capability	20.6%
Cost of living/inflation	13.5%
Political/policy uncertainty	13.0%
Demand	9.5%
Global economic growth/geopolitical uncertainty	8.6%
Government reforms	7.3%
Regulatory red tape	6.2%
Cost of capital/availability	4.9%
Productivity	3.1%
Climate change	2.9%
Commodity prices	2.8%
Competition	2.1%
Governance	2.1%
AI/Technological disruption	1.6%
Supply chain disruption	1.4%
Immigration policy	0.4%

## Top of mind for directors

5. Have any of the following impacted your board's risk appetite/approach to risk management (agree, disagree)?

	Agree	Disagree
Regulatory & political landscape	81.8%	18.2%
Inflation	76.7%	23.3%
Cyber-attacks	66.0%	34.0%
Covid-19	60.8%	39.2%
Climate change	60.3%	39.7%
Geopolitical instability	46.5%	53.5%
Sustainable finance	44.0%	56.0%
Board skills	40.4%	59.6%
Social polarisation	36.7%	63.3%
Crime	28.2%	71.8%

6. What are the top issues your board is paying attention to (choose three)?

	2023
Changing stakeholder expectations & behaviours	54.6%
Disruptive/changing business models	37.5%
Changing workforce demographics	33.0%
General Election	28.8%
Increasing impacts of climate change	28.7%
Digital acceleration	24.5%
Cyber security/Cyber attacks	23.5%
Rising geopolitical volatility	13.1%
Spread of disinformation/misinformation	11.8%
Call for nature-related impacts reporting	9.6%
Supply chain transparency	6.5%
Modern slavery	0.9%

**7. From the list below, which of these issues are most important/of concern to you as a director personally (choose three)?**

	2023
Director home addresses being publicly available	44.0%
Establishment of a governance assurance programme	36.9%
Complete review of the Companies Act 1993	35.2%
Establishment of safe harbour insolvency provisions	29.3%
Director tax/GST	20.3%
Review of the public sector appointment process	19.6%
Personal liability for directors who take a leave of absence	16.7%
Review of the public sector fees framework	13.3%
Implementation of director identification numbers	6.6%

**17. Open-ended question.**

**What are the top five things that will be of primary focus for your board through to the end of 2024?**

A total of 3,888 responses were received and a thematic analysis was undertaken. The top six phrases in order of prevalence were:

- Financial performance/growing the business
- Labour-related issues including retention, recruitment, capacity and capability
- Strategy and business models
- Risk management relating to cyber, health and safety, financial and environmental risks
- Climate change, in particular reducing emissions and decarbonisation
- CEO/Board succession

## Determining purpose

8. Please indicate whether you agree or disagree with the following statements about strategy.

	Agree	Neither agree or disagree	Disagree
My board regularly (at least annually) discusses innovation and strategic opportunities.	91.9%	5.5%	2.6%
My board regularly (at least every two years) considers the long-term sustainability of our business model.	83.7%	12.4%	3.9%
My board has discussed crisis management plans (e.g., in the case of natural disaster, emergency CEO, viral social media incident) in our organisation in the last 12 months.	69.1%	18.8%	12.1%
I think boards will increasingly look at co-governance models or ways to better incorporate iwi/Māori perspectives.	40.4%	28.4%	31.2%
I think current board structures (including committees) will be totally transformed in the wake of new business models.	23.3%	47.8%	28.9%
I think the board approach to strategy and innovation needs a radical rethink.	20.8%	41.6%	37.6%



**9. Please indicate whether you agree or disagree with the following statements about governance in your organisation and issues facing boards.**

	Agree	Neither agree or disagree	Disagree
My board has approved initiatives to help address workplace stress and mental health issues.	75.9%	17.6%	6.5%
My board regularly spends time strategically discussing our organisation's social impact and value (e.g., for customers, employees or the wider community).	65.9%	25.4%	8.7%
My board regularly spends time strategically discussing the environmental impacts of our organisation.	49.4%	32.2%	18.4%
My board is engaged and proactive on climate change risks and practices in our organisation.	45.3%	33.8%	20.9%
Our latest annual report included disclosures on climate-related risks and/or the impact of climate change on our organisation (e.g., using the TCFD or other frameworks).	21.5%	29.3%	49.2%

## An effective governance culture

10. Please indicate whether you agree or disagree with the following statements about board culture.

	Agree	Neither agree or disagree	Disagree
My board has a process in place and actively recognises, declares and manages board member conflicts of interests.	87.0%	9.6%	3.4%
My board has a culture that enables and includes different views and perspectives around the board table.	86.6%	9.9%	3.5%
My board regularly (at least annually) discusses board composition/renewal and the skills/experience we need now and for the future.	64.2%	21.7%	14.1%
My board regularly assesses whether the board's and organisation's performance serves the best interests of the organisation.	62.6%	25.9%	11.5%
Diversity is a key consideration in making board appointments.	52.8%	32.7%	14.5%
My board regularly (at least every two years) undertakes a formal evaluation of its performance.	50.2%	25.3%	24.5%
In the last 12 months, my board has discussed the wellbeing of its board members.	34.3%	28.7%	37.0%
My board is engaged and pro-active in developing its cultural competency in respect of te ao Māori (e.g., tikanga and mātauranga Māori).	34.2%	24.9%	40.9%

**11. Please indicate whether you agree or disagree with the following statements about the future board.**

	Agree	Neither agree or disagree	Disagree
I expect technology will transform how my board is operating by 2030 (e.g., using real-time, interactive data in the boardroom, artificial intelligence).	68.9%	24.4%	6.7%
My board seeks external expertise and advice to support strategy and risk management processes.	65.2%	21.9%	12.9%
My board regularly undertakes professional development and/or supports a culture of continuous learning for directors.	49.1%	30.7%	20.2%
I think my industry will be affected by major/disruptive change in the next two years.	48.9%	31.8%	19.3%
My board has the right capabilities (skills and experience) to deal with increasing business complexity and risk.	47.4%	33.7%	18.9%
I expect my board to change the way it operates over the next three years as a result of the impacts of Covid and other pressures (e.g., supply chains, geopolitical tensions and legislative change).	35.1%	38.2%	26.7%

**12. Please indicate whether you agree or disagree with the following statements about ethics, culture and conduct in your organisation.**

	Agree	Neither agree or disagree	Disagree
My board regularly discusses and monitors the culture of the organisation.	74.4%	18.6%	7.0%
I am confident that our board, staff, business partners and supply chains are familiar with and adhere to our organisation's ethical standards.	56.2%	36.2%	7.6%
My board regularly discusses the alignment of our board culture and organisational culture.	55.1%	30.2%	14.7%
My board receives comprehensive reporting from management about ethical matters and conduct incidents, and the actions taken to address them.	48.8%	29.4%	21.8%
My board has discussed workplace bullying in the past 12 months.	46.2%	25.4%	28.4%
My board has assessed ethics risks in our organisation in the past 12 months.	44.4%	30.7%	24.9%
My board has discussed whistleblowing, and how the organisation makes speak up provisions effective in the past 12 months.	38.9%	26.1%	35.0%
My board has discussed sexual harassment in the past 12 months.	27.7%	30.7%	41.6%

## Holding to account

13. Please indicate whether you agree or disagree with the following statements about risk oversight.

	Agree	Neither agree or disagree	Disagree
My board regularly (at least annually) discusses the organisation's brand and reputation.	87.1%	9.6%	3.3%
My board has the right capabilities (skills and experience) to comply with director obligations under the Health and Safety at Work Act.	76.8%	18.0%	5.2%
The time my board spends on risk oversight has increased in the past 12 months.	63.1%	27.6%	9.3%
My board regularly (at least annually) discusses the organisation's privacy practices and risks.	55.2%	26.5%	18.3%
My board receives comprehensive reporting from management about non-financial risks (e.g., culture, reputation, social media), and has discussed actions to address them in the past 12 months.	55.0%	29.9%	15.1%
In the past 12 months my board has assessed risks and issues associated with modern slavery and worker exploitation in our organisation and supply chain.	19.8%	21.6%	58.6%

**14. Please indicate whether you agree or disagree with the following statements about technology and information governance.**

	Agree	Neither agree or disagree	Disagree
My board regularly discusses cyber risk and is confident our organisation has the capacity to respond to a cyberattack or incident.	62.3%	24.4%	13.3%
My board receives comprehensive reporting from management about data breach risks and incidents, and the actions taken to address them.	54.3%	26.9%	18.8%
In the past 12 months, my board has assessed the impact of technology, automation and/or artificial intelligence (AI) on our organisation, our workforce and our future skills needs.	43.9%	25.6%	30.5%
In the past 12 months my board has overseen a cyberattack affecting our organisation.	12.8%	12.7%	74.5%

**15. Please indicate whether you agree or disagree with the following statements about succession planning.**

	Agree	Neither agree or disagree	Disagree
In the past 12 months my board has discussed strategic talent-related issues and risks, such as employee engagement, performance and retention.	83.4%	9.5%	7.1%
My board regularly (at least annually) discusses succession planning in relation to key staff other than the CEO.	65.2%	19.6%	15.2%
My board regularly (at least annually) discusses succession planning in relation to the CEO.	61.5%	22.9%	15.6%

## Effective compliance

16. Please indicate whether you agree or disagree with the following statements about compliance.

	Agree	Neither agree or disagree	Disagree
My board spends more time on compliance-related activities than in the past 12 months.	54.4%	31.2%	14.4%
Increased personal liability has made me more cautious (risk averse) in business decision-making in the last 12 months.	50.3%	27.7%	22.0%
The scope of director responsibilities is more likely to deter me from taking on governance roles now than 12 months ago.	38.8%	28.7%	32.5%

# Demographics

18. Please indicate the organisational category to which your most substantial directorship belongs (this is the organisation in respect of which you have answered the questions above).

	2023
Medium to large private company (>\$10 million turnover or 20+ employees)	40.8%
Not-for-profit organisation	25.4%
Small company (<20 employees)	14.1%
Government organisation/ State Owned Enterprise (SOE)	5.3%
Publicly listed company including subsidiaries	5.8%
Māori organisation/iwi	2.0%
Local authority/Council Controlled Organisation (CCO)	3.8%
Other	2.8%

19. How long have you served as a director/ governing body member in total?

Two years or less	17.6%
Three to five years	23.1%
Six to ten years	22.0%
Ten years or more	37.3%

20. Are you currently a non-executive director or a board member? If yes, in what capacity?

Yes	81.0%
No	19.0%
Board or Committee Chair	47.8%
Independent/Non-executive director	36.6%
Trustee/NFP governing member	15.6%

## Institute of Directors

**Key contact:**

Guy Beatson

General Manager, Governance Leadership Centre

[guy.beatson@iod.org.nz](mailto:guy.beatson@iod.org.nz)

027 222 9747

Copyright @ Institute of Directors in New Zealand (Inc.)

Disclaimer: This resource should not be used or relied upon as a substitute for proper professional advice.

November 2023

**ASB**  
ONE STEP>AHEAD

 Institute of  
**DIRECTORS**  
NEW ZEALAND