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AI on the Board Agenda

A Guide for Committee Chairs and Board Leaders for What to Own and Ask

by Sarah Van Dyck, Christoph Wollersheim and Charles Gray

What the Full Board Owns

While committee responsibilities will vary by company, industry, and level of AI maturity, every board should be clear about four core areas:

1. Your organization's strategy for creating value with AI

The board should approve the company's AI strategy as part of the enterprise plan, understand management's choices and trade-offs, and test whether its ambition matches the pace of change.

2. Clear executive accountability for executing AI strategy

The board should be clear about executive ownership, including the role of the CEO. AI requires technical leadership, but it cannot remain only a CIO, data, or technology mandate when it is reshaping enterprise strategy and operating decisions.

3. Required leadership and governance capabilities to oversee AI effectively

The board should assess whether directors and senior leaders have the fluency, judgment, and governance discipline needed to challenge management, oversee responsible adoption, and connect AI decisions to strategy, risk, talent, and culture.

4. How AI is changing the basis of competition in your industry

The board should test where AI creates threats or opportunities and which proprietary assets, data, customer insights, brands, relationships, or specialist capabilities may become more valuable or less differentiated.

- Does our governance model clearly distinguish what remains with the full board from what is delegated to committees?
- Do we have the leadership and governance capabilities required to oversee the strategy effectively?

Where boards get stuck

- Treating AI as a standalone agenda item rather than integrating it into strategy, capital allocation, talent, and operating decisions.
- Delegating AI to a technology leader or committee without clear CEO and enterprise accountability.
- Focusing on downside risk while underestimating the strategic risk of moving too slowly.

How Egon Zehnder can help

We help boards assess whether they have the leadership, governance, and decision-making capabilities required to create value from AI.

Questions for the full board

- Where can AI create material advantage, rather than only efficiency?
- What explicit bets and experiments are we making, and what are we learning from them?
- Where must accountability remain human, even when decisions are AI-enabled?

Board Chair and Lead Independent Director

Orchestrating ownership, independent judgment, and strategic debate

What's changing

The Chair or Lead Independent Director does not need to own every AI issue. Their responsibility is to ensure that the board asks the right questions, committees have clear mandates, and the pieces reconnect at the full-board level. This requires creating enough space for strategic debate while avoiding both unchecked experimentation and defensive paralysis.

What effective board leaders do

- Keep AI strategy and its implications for competitive advantage on the full-board agenda.
- Clarify what remains with the full board, what is delegated, and how committee insights are integrated.
- Create the conditions for candid debate rather than passive updates or compliance theater.
- Ensure the board's learning keeps pace with management without allowing expertise gaps to suppress debate.

Questions to ask now

- How will AI change the basis of competition in our industry and potentially redefine our business?
- Are we spending enough board time on how AI could reshape the business, or mostly on AI risk?
- What decisions, investments, or behaviors have changed because of our AI agenda, not merely what reporting has increased?
- Where are we accepting surface-level explanations because the board lacks confidence to probe?
- What may be falling between committees or between the board and management?

- Are we creating the conditions for independent judgment, or unintentionally signaling deference to management expertise?

Where boards get stuck

- Treating AI as a periodic update rather than a continuing strategic and leadership agenda.
- Allowing committee activity to substitute for coherent full-board ownership.
- Focusing on risk while underestimating the governance and competitive risks of doing nothing.

How Egon Zehnder can help

We help Chairs and Lead Independent Directors strengthen accountability, board dynamics, and the quality of AI-related challenge and decision-making.

Audit Committee

Keeping judgment and accountability visible in AI-enabled decisions

What's changing

As AI becomes embedded in reporting, operations, and decision-making, the Audit Committee must look beyond outputs to the integrity of the decisions and processes around them. They must ensure accountability remains clear as systems evolve and that leaders know when judgment cannot be delegated.

What effective committees do

- Maintain a clear view of where AI is embedded in financial, operational, and reporting outcomes.
- Test the integrity of AI-enabled decision processes, not only the accuracy of their outputs.
- Ensure assurance covers AI-specific failure modes, evolving models, data provenance, and the handling of sensitive information.
- Identify decisions in which human judgment and accountability must remain non-delegable.

Questions to ask management now

- Where are AI systems materially influencing financial, operational, or reporting outcomes?
- How are we testing AI-enabled decisions differently from traditional systems?
- Where must human judgment remain non-delegable, regardless of how capable AI becomes?
- What early warning indicators do we track for model failure, drift, misuse, or unexpected downstream effects?
- How do we know controls remain effective as models and uses evolve?

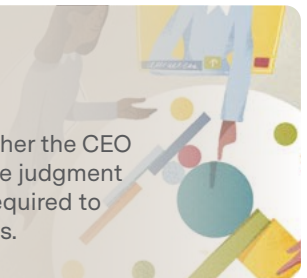
- How are we assessing whether AI-related investments are generating sufficient business value, and what governance mechanisms ensure that capital is allocated, monitored, and adjusted based on measurable outcomes and expected returns?

Where boards get stuck

- Treating AI as a technology issue rather than a decision-integrity and accountability issue.
- Over-relying on management summaries without sufficient independent challenge or assurance.
- Focusing so heavily on risk and compliance that the committee loses sight of the responsible innovation the business needs.

How Egon Zehnder can help

We help boards assess whether the CEO and leadership team have the judgment and governance discipline required to oversee AI-enabled decisions.



Talent & Compensation Committee

Redefining leadership performance in an AI-enabled enterprise

What's changing

AI may force boards to reconsider a fundamental assumption: how leadership performance should be measured. As outcomes reflect a combination of individual capability, team performance, and AI-enabled leverage, Compensation Committees must ensure that expectations and incentives reinforce responsible value creation, learning, transparency, and enterprise adoption, not activity for its own sake.

What effective committees do

- Define the leadership capabilities and behaviors required to create value with AI.
- Evaluate not only results, but how leaders use judgment, build adoption, learn from experiments, and make AI use transparent.
- Balance near-term experimentation with sustained enterprise value creation.
- Ensure talent and succession plans reflect the capabilities required for AI-enabled transformation.
- Assess whether the company has a clear workforce strategy for AI, including which roles are likely to be enhanced, redesigned, created, or eliminated over time.

Questions to ask management now

- How are we distinguishing between individual capability, team performance, and AI-enabled leverage?
- Are we rewarding outcomes that may be artificially inflated or obscured by AI use?
- Do leaders have incentives to be transparent about where AI creates value, where it fails, and where it introduces risk?
- Are we rewarding speed or experimentation without enough emphasis on judgment, adoption, and behavior change?

- What leadership capabilities are becoming more valuable as AI changes how work gets done?
- How are we tracking the impact of AI on workforce composition, including jobs being enhanced, redesigned, created, or displaced?
- Do we have a credible plan to reskill and redeploy talent as AI changes the nature of work across the organization?

Where boards get stuck

- Keeping legacy definitions of performance even as AI changes how outcomes are produced.
- Incentivizing adoption volume rather than enterprise value, responsible experimentation, and learning.
- Treating AI talent as a narrow technical category rather than a broader leadership and succession question.

How Egon Zehnder can help

We help boards define leadership expectations for an AI-enabled organization and embed them in assessment, development, succession, and CEO evaluation.

Nominating & Governance Committee

Building the board's capacity to govern AI with confidence

What's changing

The objective is not to build a board of AI experts. It is to build a board capable of governing AI, which includes challenging management's assumptions. As AI becomes embedded in strategy, operations, and decision-making, the committee must consider whether the board has the right combination of expertise, judgment, curiosity, and challenge capacity to oversee management effectively.

What effective committees do

- Define board-level AI fluency, recognizing that fluency is different from technical expertise.
- Build collective capability rather than relying on a single AI-savvy director as the designated expert.
- Use board assessments, succession planning, director development, and recruiting to address emerging capability gaps.
- Update governance structures and committee charters to reflect how AI decisions are made across the enterprise.

Questions to ask now

- Are we building a board that can test management's assumptions about AI, or one that is increasingly dependent on management to explain it?
- Which critical AI-related assumptions have we meaningfully tested in the last year?
- Do we have directors who can identify AI opportunities, not only AI risks?
- Where might our current composition limit our ability to spot threats, opportunities, or unintended consequences?
- What should continuing education, assessment, and succession look like as the required capabilities evolve?

Where boards get stuck

- Recruiting a single AI expert and mistaking that for broader board capability.
- Confusing director education with true board effectiveness.
- Becoming increasingly dependent on management explanations instead of exercising independent judgment.
- Designing governance to slow AI down rather than to guide informed, responsible innovation.

How Egon Zehnder can help

We help boards build the collective capability to govern AI through board composition, director effectiveness, succession, and governance design.

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Speak with our team



Sarah Van Dyck
Co-Leader, Global Consumer Practice,
Core member, Board and CEO Practice
sarah.vandyck@egonzehnder.com



Chuck Gray
Co-Leader, North American Board
and CEO Practice
chuck.gray@egonzehnder.com



Christoph Wollersheim
Co-Leader, Artificial Intelligence Practice
christoph.wollersheim@egonzehnder.com

About Egon Zehnder

Egon Zehnder is the world's preeminent leadership advisory firm, inspiring leaders to navigate complex questions with human answers. We help organizations get to the heart of their leadership challenges and offer honest feedback and insights to help leaders realize their most essential being and purpose.

We are built on a foundation that supports partnership in the truest sense of the word and aligns our interests with the interests of our clients. Our 600 consultants across 71 offices and 37 countries are former industry and functional leaders who collaborate seamlessly across geographies, industries and functions to deliver the full power of the Firm to every client, every time.

We partner closely with public and private corporations, family-owned enterprises, and non-profit and government agencies to provide executive search, leadership solutions, CEO search and succession, board advisory, and diversity, equity & inclusion.

Our services include discovering leaders, developing leadership, advancing governance, shaping successions, and unlocking transformations. We partner with Mobius Executive Leadership to offer highly experiential, personalized and transformational programs for senior leaders.

We believe that together we can transform people, organizations and the world through leadership.

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