

## The new governance: 10 trends

In the changing kaleidoscope of modern business dynamics, in 2024 a new governance is emerging as a paradigm-shifting force — with 10 trends challenging norms and traditional notions and reshaping the organisational landscape of governance, risk and compliance and their complex intersections. At this crossroads of innovation and uncertainty, we explore the bold and disruptive themes defining how organisations can navigate all this when adaptability is the currency of survival.

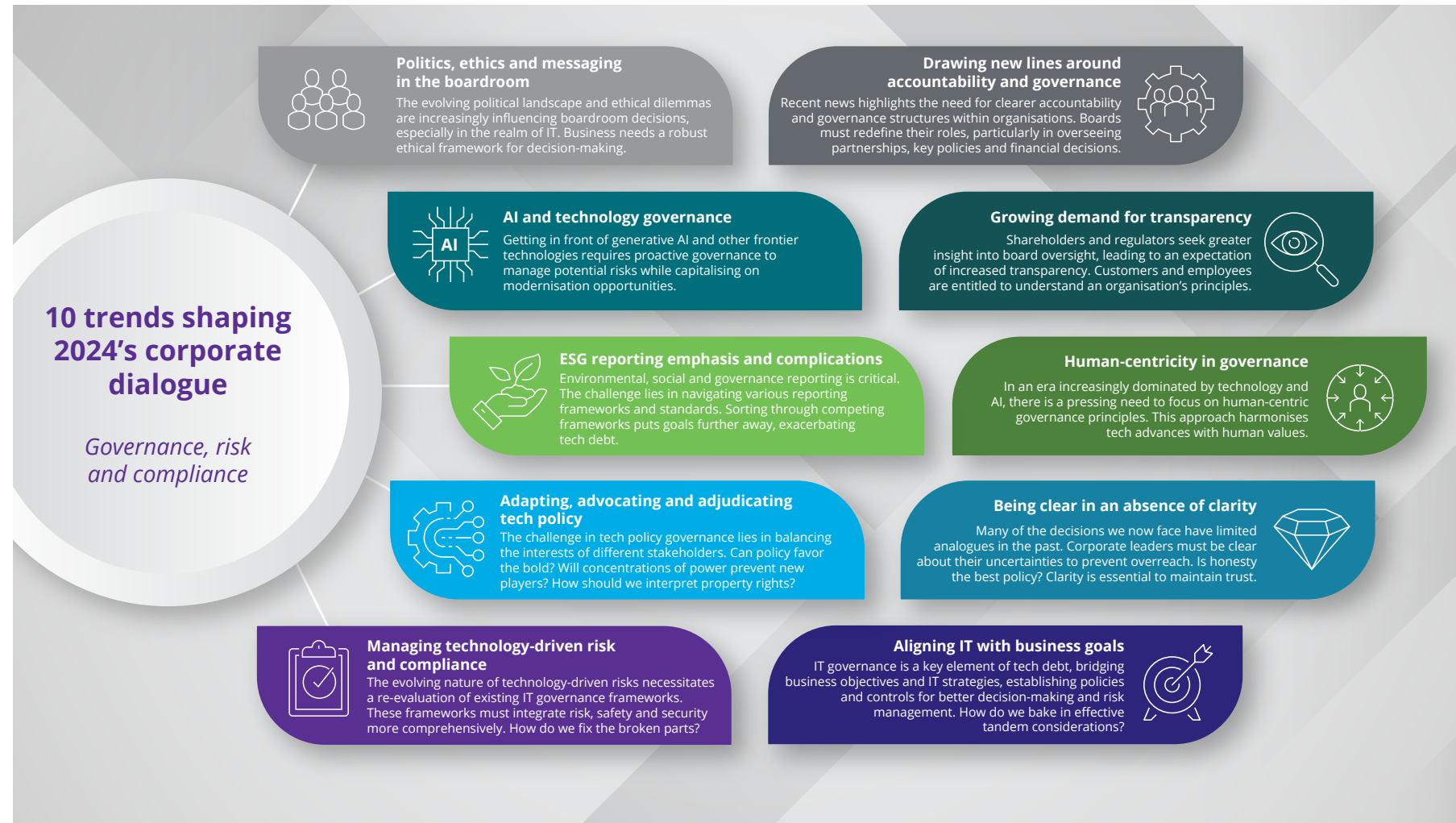


Figure 1. 10 trends shaping 2024's corporate dialogue: Governance, risk and compliance

In the rapidly evolving contemporary landscape, businesses find themselves navigating through myriad challenges and opportunities, often shaped by prevailing governance trends. The coming decade will usher in changes defining the way businesses operate.

The 10 governance trends, shown in **Figure 1**, are not fleeting fads: They represent fundamental shifts that organisations must embrace to thrive in a continually changing environment. From the ongoing integration of advanced technologies to an emphasis on sustainability and ethical practices, these trends underscore the need for organisations to adapt and innovate. Embracing these trends is not just about remaining relevant — it is a strategic imperative holding the key to resilience, competitiveness and long-term success in the complex, interconnected world of modern governance.

As businesses deal with unprecedented challenges, understanding and incorporating these trends is critical to fostering robust governance structures that align to transparency, accountability and agility — ensuring a sustainable and successful future.

### Why is understanding the new governance essential, now?

Several factors make it essential to reconsider organisational governance in the current business landscape. These factors reflect the evolving nature of the business environment, changes in stakeholder expectations and a recognition of the importance of governance in achieving long-term sustainability.



**The rapid pace of digital transformation is reshaping business models, processes and interactions.** Governance structures need to be reassessed to align with the digital landscape, addressing cybersecurity risks and data privacy concerns and leveraging technology for effective decision-making. This includes the integration of AI, automation and data analytics into governance practices. Digital transformation introduces new challenges related to digital ethics, algorithmic accountability and the need for digital fluency among companies' board members. Governance frameworks must evolve to accommodate these changes, harnessing the benefits of digital innovation while effectively managing the associated risks.

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**Globalisation has propelled organisations into increasingly complex supply chains and diverse operations, resulting in a pressing need to revisit governance models.** This reassessment is essential to managing global risks efficiently, ensuring compliance with ever-evolving international regulations and navigating the nuanced impacts of geopolitical factors on business operations. This includes the consideration of trade policies, geopolitical tensions and supply chain disruptions. Governance frameworks must adapt to the intricate global landscape, incorporating strategies to enhance resilience, addressing geopolitical uncertainties and fostering responsible global business practices which ultimately safeguard the organisation's stability and reputation.

**Stakeholders — including investors, customers, employees and communities — now have heightened expectations of corporate responsibility, sustainability and ethical behaviour.** Addressing these expectations is imperative and requires reconsidering governance structures. Governance models must be adapted to embody a commitment to responsible business practices, aligning with social values. This involves proactively engaging with stakeholders, transparently communicating corporate initiatives and integrating environmental, social and governance (ESG) considerations into decision-making processes. In doing so, stakeholder expectations can be met, trust built, long-term relationships fostered and reputations secured in a socially conscious business landscape.

**The regulatory landscape continues to evolve, with new laws and compliance requirements continually emerging.** Proactively, regularly reviewing and updating governance structures is required to ensure ongoing compliance with an ever-expanding array of regulations. Critical areas for consideration encompass the following: data protection measures, commitments to environmental sustainability and adherence to ethical business conduct. Prioritising continuous monitoring and adjustment enables organisations to navigate the evolving regulatory landscape, demonstrating a commitment to legal and ethical standards while mitigating risks associated with areas of non-compliance that are critical to operations.



**The growing emphasis on ESG factors requires fundamentally integrating sustainability considerations into governance frameworks.**

Boards are increasingly obligated to proactively oversee strategies that can comprehensively address climate change, social impact and ethical business practices. This requires establishing clear policies, robust reporting mechanisms and strategic initiatives that align with ESG principles. Incorporating these considerations into governance structures enables organisations to demonstrate a commitment to long-term sustainability, enhance their reputations and respond to evolving expectations (of investors, customers and other stakeholders) in a socially responsible and environmentally conscious landscape.

**The COVID-19 pandemic highlighted the critical significance of organisational resilience.**

To better navigate unexpected shocks, it is essential that boards re-evaluate governance structures and companies enhance business continuity planning, augment risk management and refine crisis response strategies. This kind of assessment will help in building a resilient foundation that is capable of withstanding disruptions. Enhanced governance frameworks now prioritise agility, scenario planning and proactive measures, ensuring that businesses are well prepared to respond effectively to crises, safeguard stakeholder interest and sustain operational continuity.

**Businesses face an array of dynamic risks, including cyber threats, geopolitical uncertainties and supply chain disruptions.**

Recognising this inherent volatility, organisations need to cultivate agile governance structures capable of rapidly adapting to emerging risks. This requires a proactive stance, ensuring that risk management is anticipatory rather than reactive. Fostering adaptability in governance enables organisations to effectively

navigate the fluid, unpredictable nature of dynamic business risks. This approach includes continuous monitoring, scenario planning and establishment of responsive strategies that fortify resilience.

**The growing recognition of the pivotal role of diversity, equity and inclusion in governance underscores the need for change.**

Boards are under increasing pressure to foster diversity in leadership and decision-making processes, confronting challenges related to gender, race and other dimensions of diversity. This necessitates re-evaluating governance structures, focusing on policies promoting inclusivity, eradicating biases and ensuring equitable opportunities. Boards are now compelled to implement measures transcending tokenism, promoting a culture that values and integrates diverse perspectives. Today's imperative is to recognise the enriching impact of diverse voices on strategic decision-making and organisational resilience.

**Rapid technological advancements and innovation present a landscape fraught with new risks such as cybersecurity threats and requiring ethical considerations related to emerging technologies.**

To navigate this dynamic terrain, governance frameworks must be recalibrated. This involves effectively managing technological risk as well as responsibly fostering innovation. Implementation measures must balance harnessing the potential of cutting-edge technologies with the importance of mitigating associated risks. A comprehensive approach to innovation governance helps businesses keep up with technological progress while maintaining ethical standards, cybersecurity resilience and a proactive stance in addressing challenges.



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**As increased social and political activism has made organisations more susceptible to heightened public scrutiny, governance structures are being reassessed to address reputational risks and engage with stakeholders transparently and ethically.** Governance frameworks must incorporate strategies addressing potential reputational challenges arising from activism as well as actively contributing to societal dialogue. By aligning organisational values with public sentiment, boards can build resilience, enhance transparency and respond effectively to emerging social and political dynamics, safeguarding the organisation's reputation and maintaining stakeholder trust.

**A transformative shift in leadership expectations is reshaping the focus of governance structures.** Actively reconsidering these structures will bolster leaders in embodying qualities such as adaptability, transparency, ethical leadership and a steadfast commitment to long-term value creation. The evolving landscape demands leaders who can navigate uncertainty, champion transparency in decision-making and prioritise ethical considerations. Governance frameworks are adapting to emphasise qualities beyond traditional measures, ensuring that organisations are led by individuals who meet current expectations and exhibit visionary qualities required for sustained success and resilience.



**The rise of remote and hybrid working paradigms necessitates a comprehensive reassessment of governance structures.**

Ensuring effective communication, collaboration and decision-making in decentralised settings is now imperative. Governance frameworks must be adapted to accommodate the nuances of remote and hybrid work environments, addressing challenges such as maintaining team cohesion, fostering innovation and upholding data security. This includes implementing technology solutions, policies supporting work-life balance and mechanisms for evaluating performance in non-traditional work settings. In proactively embracing this shift, governance structures can align with the evolving nature of work, promoting productivity and sustaining organisational resilience.

**The trajectory of shareholder activism underscores a new paradigm in corporate governance, with investors more actively engaging with companies on a range of governance issues.** Organisations must fortify their governance practices to effectively address shareholder concerns and preserve shareholder trust. Robust governance frameworks are now imperative, providing mechanisms for transparent communication, responsiveness to shareholder proposals and proactive initiatives aligned with shareholder interests. Actively embracing shareholder concerns and fostering open communication enables organisations to navigate the evolving landscape of shareholder activism, fortifying relationships with investors and upholding the principles of accountable, transparent corporate governance.

**There is greater emphasis on crisis management and reputation protection within governance structures.**

Recognising the vulnerability of organisational reputation, effective governance must include well-defined plans for crisis response. This entails strategies for maintaining transparency, addressing public concerns and mitigating potential damage to the organisation's reputation in times of uncertainty. It is vital to proactively engage in risk assessment, scenario planning and communication strategies to foster resilience. Incorporating comprehensive crisis management protocols into governance frameworks enables organisations to weather uncertainties, emerging stronger while preserving trust among stakeholders and reinforcing the importance of resilient, transparent governance practices.

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Adaptive governance structures are needed that can address shareholder expectations and contribute to sustainable and resilient business practices. Governance itself must reflect the dynamic and evolving business environment. Regularly reviewing and updating governance frameworks is key to ensuring that governance remains effective in the face of ongoing change and challenges.





## Technology — the critical enabler

Technology-enabled governance solutions play a pivotal role in addressing emerging governance trends, providing organisations with the tools and frameworks to navigate the modern landscape's complexities. In facilitating enhanced transparency and accountability, organisations can **track and communicate their decision-making processes** in real time. This level of transparency is vital as stakeholders demand greater visibility of the inner workings of organisations.

Technology enables the streamlining of operations through **automation, reducing bureaucratic inefficiencies and enhancing overall efficiency**. The integration of **AI and data analytics** enables organisations to make informed decisions, identify patterns and forecast trends, promoting **agility and adaptability in governance**.

Technology-enabled governance solutions are instrumental in ensuring compliance with evolving regulatory frameworks. As laws and regulations constantly evolve, automated systems can help organisations stay up to date, mitigating the risks of non-compliance. In the context of sustainability and ethical practices, technology offers tools to **monitor and report** ESG metrics, enabling the demonstration of a commitment to responsible business practices. As remote and distributed work becomes more prevalent, technology facilitates **effective communication and collaboration** among decision-makers, regardless of physical location. Virtual governance meetings, **secure document sharing platforms and digital collaboration tools** contribute to the seamless functioning of governance in a globalised, interconnected world.

Technology-enabled governance solutions are critical in empowering businesses to embrace and adapt to the tenets of modern governance trends. From transparency and efficiency to compliance and sustainability, these **solutions provide the infrastructure** for businesses to thrive in an environment characterised by rapid change and heightened expectations from stakeholders. **Embracing technology is a strategic imperative for organisations to effectively navigate the complexities of contemporary governance.**

## About the author



**Dr. Alex Kokkonen** is a senior researcher and advisor for DXC, working with customers to solve their most pressing business issues via research-led advisory interventions. With over 25 years of experience, Alex brings extensive international and multi-industry experience from working in a variety of multidisciplinary leadership positions and diverse cultural settings for major blue-chip companies. She has driven IT and business research concepts into business transformations and holds two doctorates, one in IT and one in business. Prior to joining DXC, Alex held a variety of leadership roles, most recently in KPMG's CIO Advisory and Technology Enablement practice. Connect with Alex on [LinkedIn](#) and [X](#) (formerly known as Twitter).



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