

ICDM × MARSH EXCLUSIVE CEO DIALOGUE | FRIDAY 30 OCTOBER 2026

The CEO's Transformation Test

What makes, or breaks, execution

A quick reference guide for leaders who were not in the room: the opening perspective, the pay-and-performance session and the panel conversation, distilled into ideas you can use at your next board meeting.

Held under the Chatham House Rule. Ideas may be used; the identity and affiliation of speakers are not revealed. Remarks in this guide are therefore not attributed to individuals; presenters are named only for their own sessions.

Compiled by Nidthia Chelvam · Queberra

Photo: Louisa Poh, FCPA (LinkedIn)

THE SESSION AT A GLANCE

The programme and the people

Friday 30 October 2026 · 2:30 to 4:30 pm · ICDM Office (in person) and Zoom (hybrid)

Format

1. **Opening perspective.** ICDM sets the scene from its ASEAN Board Trends 2026/27 survey: where boards and management agree, and where they do not.
2. **Special presentation.** Marsh asks whether KPIs and rewards are built for transformation.
3. **Panel conversation.** "Behind the CEO's Door: The Unspoken Realities of Transformation," opened with a live poll, followed by audience questions.

The hosts

The Institute of Corporate Directors Malaysia (ICDM) and Marsh co-hosted an invitation-only dialogue for CEOs and senior leaders, with participants in the room and online.

Master of ceremonies: Zadil Hanief Mohamad Zaidi.

Key people

Opening perspective	**Jackie Mah**, President and CEO, Institute of Corporate Directors Malaysia (ICDM)
Special presentation	**Jacob Tan**, Partner and Asia Executive Compensation Leader, Marsh
Moderator	**Sridharan Nair**, Board Member, ICDM, and former Chairman, PwC Asia Pacific
Panellist	**Tan Sri Nazir Razak**, Chairman and Founding Partner, Ikhlas Capital
Panellist	**Dato' Ami Moris**, Group Managing Director, Cypark Resources Berhad; INED, Cagamas Berhad; former CEO, Maybank Investment Banking Group; Chair, CEO Action Network
Panellist	**Albern Murty**, Chief Executive Officer, CelcomDigi Berhad

Three questions the afternoon set out to answer

- What is the transformation journey, and why is it getting harder?
- What makes transformation difficult, particularly for CEOs?
- What does it take to turn ambition into execution?

How to use this guide

Pages 3 and 4 summarise the two presentations. Pages 5 and 6 gather the panel's ideas by theme, without attribution. Page 7 turns it all into a checklist for your next board or leadership meeting, with sources and further reading from others who were there.

OPENING PERSPECTIVE · ICDM

The dynamics that make or break a transformation

Presented by Jackie Mah, drawing on ICDM's ASEAN Board Trends 2026/27

Agreement on priorities is not alignment on how to lead

The survey drew **334 usable responses** (62% board, 38% management). Boards and management broadly agree on what matters:

- Financial and operational excellence leads at **66%**, then business-model transformation (60%) and digital and innovation leadership (57%).
- Sustainability and stakeholder trust ranks last, at **27%**.
- The gap is in *how* change is led and challenged.

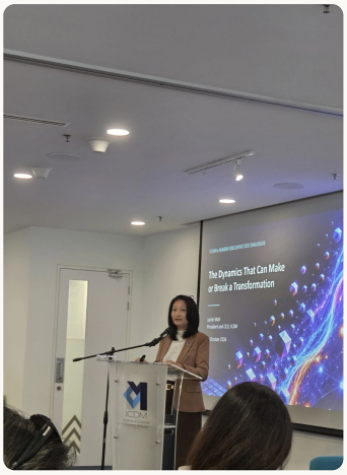

Photo: Chen Chow Yeoh, ICDM (LinkedIn)

Three gaps between boards and management

9 pts

Digital and innovation. Management ranks technology adoption higher (62% against 53%): they feel the urgency first.

10 pts

Boardroom participation. 64% of boards see healthy, balanced participation, against 54% of management.

17 pts

Leadership, culture and dynamics. The widest gap. Management wants more here (66%) than boards do (49%).

Source: ICDM, ASEAN Board Trends 2026/27. The 66% and 49% figures are on p.24 (n=267: 176 board, 91 management). 56% say at least one director should be replaced within two years.

Three scenarios boards recognise

1. **Certainty versus uncertainty.** Boards want assurance; management works in shifting markets. Pressure to sound certain can lead to over-optimistic reporting and delayed escalation.
2. **Support until performance slips.** Transformation needs upfront investment and a long payback. When a quarter declines, the board may revisit a decision. Was anything agreed beforehand about trade-offs?
3. **When confidence deteriorates.** More requests, more updates, and oversight drifts toward operational control. Is the board interfering, or is it stepping in where authority was unclear?

Four questions for every CEO

1. **Direction.** What must change in the business model, and what must be protected (customer trust, core values, institutional knowledge)?
2. **Capability.** What do you have inside, and what can you borrow from outside?
3. **Legacy measures.** Are old KPIs and incentives anchoring the organisation to its past?
4. **The hard conversation.** Which transformation issue do you find hardest to raise openly with the board?

Closing message: agree early who does what. The board needs to define its role in the transformation, the CEO what to execute and how to mobilise the workforce. ICDM urged leaders to advocate a board evaluation as a platform for honest conversations.

SPECIAL PRESENTATION · MARSH

From strategy to performance: are your KPIs and rewards built for transformation?

Presented by Jacob Tan, Partner and Asia Executive Compensation Leader, Marsh

The session used a Formula 1 lens. A racing team answers to regulators, owners, an audience of stakeholders and a whole crew, not only a driver. Transformation is the same: it wins or loses on how well the entire organisation works together, and pay is the gearbox that connects strategy to behaviour.

CIRCUIT

Tune for the track. No two businesses race the same circuit. Avoid one-size-fits-all strategy or pay; tailor the scorecard to each business.

ENGINE

Reward speed, not noise. A loud engine is not a fast lap. Balance growth, efficiency and return, and do not pay for vanity metrics.

GOAL

Build the next car. Winning this lap is not enough. The myth of business as usual is the risk; incentivise leaders to think about what is next.

An illustrative case: one bonus rule, two very different CEOs

A group ties half of every bonus to top-line growth. A steady bank subsidiary delivers strong profit but flat growth. A fintech subsidiary grows fast. The fintech pays out well above target; the bank pays out far below. Both CEOs argue their case: one carried the profits, the other is building the future.

The fix described

- A group-level metric, with a gate: if a business unit misses its threshold, the group bonus is forfeited.
- Unit-specific KPIs that fit the business, for example net revenue, operational risk and retention for the bank; revenue growth, active users and product milestones for the fintech.

Engine measures to balance

- **Speed:** volume and market share.
- **Efficiency:** margin, or acquisition cost against sales.
- **Return:** total shareholder return, or exit value.

Two ways to put transformation into pay

A. Embed it in core plans. About half the KPIs measure transformation. Easy to implement, but short-term earnings can lose focus.

B. Add an overlay. Keep the normal scheme and add a one-off transformation incentive for those driving change. The business keeps running; the tension is deliberate.

Four questions to take away

1. Make it a priority. If transformation is not in the scorecard, it is probably not getting attention.

2. Reward progress. Multi-year change needs early milestones: adoption, redesigned workflows, productivity.

3. Allow adaptation. Transformations seldom go to plan; build in flexibility when assumptions change.

4. Pay for value. Adoption is the first step. The final reward should follow business impact.

The case is illustrative, not a real company. Summary of the presentation; slides are Marsh's and are not reproduced.

PANEL CONVERSATION · PART 1

Behind the CEO's door: the unspoken realities

Moderated by Sridharan Nair. Ideas are shared without attribution under the Chatham House Rule.

The opening poll

"What is the biggest execution risk in transformation?" Culture led, followed by the leadership team and then the CEO. Strategy sat near the bottom of the list. (Mid-vote snapshot; no counts shown.)

1. The culture
2. The leadership team
3. The CEO
4. The board-CEO dynamic
5. The strategy
6. The organisation

What the panel said

Culture is whatever the CEO tolerates. One view: nothing in the strategy lacks the CEO's acceptance and nothing in the culture escapes the CEO's tone. Another: the leadership team drives culture. A third: CEO, culture and leadership team are one energy; a mismatch in any breaks the transformation.

Transformation is not a phase. It begins when you ask whether you are leading the market or the market is leading you. It covers people and culture, not only financials. Some panellists no longer use the word at all: it is the willingness to change every day.

Urgency without destabilising. A burning platform helps, whether an acquisition that widens the footprint or a distress turnaround. Sometimes you do need to shake the tree. Pair it with clear accountability, clear messaging and dated deliverables.

Different phases need different leaders. An early, forceful phase may need a decisive CEO and a board aligned to the agenda. Later, the board and CEO should debate openly. The debate is healthy, but pointless when the two sides are far apart.

Fear of one mistake produces CEOs who cruise. Leaders should be judged on net performance, not a single error. When boards punish failure but hesitate to reward success, people play safe, just when businesses need to change more often.

The greenhouse economy. Organisations used to be their own referees. Now anyone with AI can fact-check the narrative. Management is consuming AI daily; boards need more training so that fluency is not left to management alone. The transformation office increasingly lives inside the organisation, not beside it.

With hindsight

- Be bolder, earlier, on people and on writing off legacy systems.
- Fix the plumbing before chasing the share price.
- Do not let research-analyst expectations set the pace of change.
- Keep ego in check: it is the most common blind spot.

PANEL CONVERSATION · PART 2

People, scorecards and the board-CEO relationship

Ideas from the panel and the floor, shared without attribution.

Judging your leadership team

- Test whether leaders can deliver a different strategy, and be ready to test yourself too.
- Review the management team and the board composition together. Match the C-suite to the phase, and look two years ahead.
- A leader's useful tenure may be three to five years; refresh deliberately, the CEO included.
- Decide on leadership roles quickly. A vacancy invites politics and exits, and a poor decision can be undone.
- Keep missionaries (loyal, trusted) and mercenaries (highly skilled, mobile); manage them differently and use both.
- The hardest conversations are about performance, before they become about departure.

Scorecards and the short term

- **Keep KPIs dynamic.** Annual targets drift when the world moves. Changing an instruction without changing the KPI leaves people optimising for the old brief.
- **Quarterly results shape behaviour.** Build the future into the scorecard; set three-year outcomes alongside the year.
- **Mind the soft side.** Teamwork and behaviour give the CEO latitude to drive collaboration.
- **One scorecard after a merger.** The same scorecard for every executive, and tell the board the realistic share loss up front.
- **Educate the market.** Reporting itself may need to transform; analysts must understand what sustainable growth means.

Board and CEO: roles and chemistry

- The Chair and CEO relationship matters most, with the chair of the nomination and remuneration committee as the third corner.
- A board is a sounding board, not a second management team. When things are tough, be a more present sounding board, and do more homework.
- Ex-operators on boards must make the mental move from running to challenging.
- Management must be transparent. When you have not done something, say so: it builds the trust that keeps the board out of the driver's seat.
- Directors should come from different backgrounds: CEO, CFO, technology, innovation and governance, not only accounting and finance.
- The CEO should have a say in the board's composition and tell the chair what kind of board is needed.
- Speak when you know what you are talking about.

Taking the board to the ground

Soul and culture are felt on the ground. Take directors to meet dealers, stores and customers so they understand the business before they judge it. Respect the range of experience on the board and put it to work.

Board ideas that drew debate

- A rolling seat for a younger director, around age 30: diversity of age, not only gender and race.
- Equity alignment for non-executive directors.
- Whether a nine-year independent tenure limit still fits fast-moving businesses.
- Induction that focuses on the value a director can add to management.

REFERENCE CHECKLIST

Take it to your next board meeting

Ten lessons in brief

1. Agreeing on priorities is not the same as agreeing who leads the change.
2. The widest gap in the survey: 66% of management against 49% of boards on leadership, culture and dynamics.
3. Culture is whatever the CEO tolerates.
4. Judge leaders on net performance, or they will cruise.
5. Transformation is a daily willingness to change, not a project phase.
6. Change the KPI when you change the direction.
7. Pay for progress and value, not noise.
8. A board is a sounding board, not another management team.
9. AI means anyone can fact-check the story; boards need fluency too.
10. Say the hard thing early, to the board.

Rules to agree while the quarter is green

1. Name the KPI that may slip, by how much, and for how long.
2. Define what the board may ask for in a slump, before the slump. Change the scorecard and the reward in the same meeting as the strategy.
3. Have the CEO table the one transformation issue that is hardest to discuss.

Rules written in a downturn read as distrust. Rules written in good weather read as governance.

Questions for the next meeting

- What did we agree beforehand about trade-offs if the numbers dip?
- Does our scorecard still match our strategy?
- When did the board last visit the ground?
- Which board does our CEO need?
- Who owns the transformation: board, CEO or both?
- Have we evaluated the board against these gaps?

Sources and further reading

Primary: ICDM, *ASEAN Board Trends 2026/27: Future-Ready or Falling Behind?* (survey figures, pp.24 to 25 and priorities section). ICDM × Marsh Exclusive CEO Dialogue, "The CEO's Transformation Test", 30 Oct 2026 (programme and presentations).

Other voices from the room (LinkedIn recaps, with thanks to their authors):

- **Louisa Poh, FCPA**: "Fix the plane whilst you fly" and four takeaways. lnkd.in/p/g4QqcBvE
- **Chen Chow Yeoh, ICDM**: thirty numbered learning pointers from the panel. lnkd.in/p/gyci8BBN
- **Alex Lam, ICDM**: "Governance will be the death of entrepreneurship" and five takeaways. lnkd.in/p/gzkPS3wn
- **Dr. Christina SS Ooi, FCMI**: the questions the panel explored. lnkd.in/p/geMgqbEn
- **Dephy Oon**: boards can only challenge what they can see. lnkd.in/p/gCpka-gW

Photos: panel photo by Louisa Poh; opening-session photo by Chen Chow Yeoh, both from their LinkedIn posts. An independent summary compiled from the session record and public posts. It is not an official ICDM or Marsh publication; any errors are the compiler's. Chatham House Rule observed.