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EXPLORATION OF BOARDROOM DECISION-MAKING

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**THE INFLUENCE OF BOARD CHAIRS ON DIRECTOR ENGAGEMENT:  
A CASE BASED EXPLORATION OF BOARDROOM DECISION-MAKING**

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## ABSTRACT

**Manuscript Type:** Empirical

**Research Question/Issue:** This study seeks to better understand how board chairs, as leaders and equals, shape the context for other directors to engage in their governance roles.

**Research Findings/Insights:** Using a combination of video-taped board meetings and semi-structured interviews with directors at three corporations, we found a generalized and negative association between chair involvement and directors' engagement during board meetings.

**Theoretical/Academic Implications:** Our empirical results suggest that the chair's role can be viewed as a paradox requiring both (i) strong leadership to counter managerial power, and (ii) a more subtle orientation as peer to fellow directors that enables other board members to contribute to boardroom decision-making. Moreover, our study revealed the transitory nature of both chair contributions and directors' engagement during meetings, highlighting the potential and need for further unpacking of the temporal dimensions of boardroom decision-making processes.

**Practitioner/Policy Implications:** Our analysis suggests a revision of the implicit prescription in the literature for board chairs to be active leaders who lead from the front. Given that chair involvement appears to reduce director engagement during meetings, our research hints at the need for a more supportive role of the chair during boardroom decision-making that is in line with non-traditional leadership models.

**Key Words:** Corporate Governance, Chairpersons, Board Processes, Individual Director Issues, Qualitative Data.

## INTRODUCTION

Practitioners believe that the chair of a board has a strong influence on effective corporate governance, particularly in Anglo governance systems (Kakabadse & Kakabadse, 2007; Levrau & Van den Berghe, 2013; Roberts, 2002). Yet despite this practical importance, the academic literature highlights there is much to learn by “further examining the board chair – firm performance relationship” (Withers & Fitza, 2017:1352). Perhaps the key challenge in researching chairs lies in the somewhat paradoxical nature of the position. On the one hand, the chair holds no special legal authority (Baxt, 2009) and is uniquely positioned in corporate life as ‘first among equals’ (Pick, 2009). Yet the chair is also widely considered the leader of the board (Furr & Furr, 2005; Garratt, 1999; Parker, 1990) and responsible for ensuring effective board performance (Kakabadse & Kakabadse, 2007; Levrau & Van den Berghe, 2013; Yar Hamidi, 2016).

Simultaneously being a leader and an equal complicates the application of standard governance theory to the role of the chair. For instance, agency theory would appear to rely solely on the leadership dimension, emphasizing how a strong, independent chair can be important to balance CEO power and control management self-interest (Krause, Semadeni & Cannella, 2014; Krause, Semadeni & Withers, 2016; Withers & Fitza, 2017). Thus, separating the role of CEO and board chair remains one of the most well-accepted and long-lived practitioner recommendations for effective corporate governance (Aguilera & Cuervo-Cazurra, 2009; Zattoni & Cuomo, 2008). Yet nearly 20 years of



evidence suggests that there is “no support for a systematic relationship” between firm leadership structure and firm performance with multiple meta-analyses finding no clear relationship between firm performance and the structure of the role (Dalton, Daily, Ellstrand & Johnson, 1998:280; Rhoades, Rechner & Sundaramurthy, 2001). Somewhat counterintuitively, Withers and Fitza (2017) find that it is the ‘equal’ element of the role of an independent chair – providing service and advice to management – that appears better linked to firm performance.

The overall weight of literature suggests we need a nuanced view on the role of a chair that provides perspective on the chair’s position as both a leader and an equal, with a particular emphasis on the contextual nature of how chairs may contribute. Early research that began to diverge from a uniform application of agency logic highlighted that the effect of role separation depended on the context of the firm – for instance, separating the roles made more sense in stable, munificent environments (Boyd, 1990), or when making decisions that more clearly are about controlling agency costs, such as CEO remuneration (Rhoades et al., 2001). When taken together with insights about the importance of the advising role of an independent chair (Withers & Fitza, 2017), this suggests that a good chair may need to do different things at different times to be fully effective.

Practice-oriented studies and advice have long provided a focus that more easily integrates the leadership-equal status of the chair by suggesting more generalised facilitative behaviours as important to effective chairing of the board. For example, chairs are often seen as

facilitating the effective processing of information at the board table via their role in developing and overseeing the agenda, ensuring directors are informed and participating, conducting the board meeting as well as keeping track of decisions and their implementation (Harrison & Murray, 2012; Kakabadse, Kakabadse & Barratt, 2006; Leblanc, 2005). In agency terminology, their role is to facilitate the group's control of agency costs. Similar studies have pointed to the longer-term role that a chair plays in building the capacity of the board to engage in its service or advising role by (i) composing and developing a competent board (Neubauer, 1997; Parker, 1990; Roberts, 2002) and (ii) managing relationships in and around the boardroom (i.e. building strong ties with management and stakeholders, particularly shareholders (Leblanc & Gillies, 2005; Yar Hamidi, 2016)).

We see a way forward in addressing the complexity of the role in studying how chairs go about their role of contributing to governance in the boardroom. Given the notorious difficulties in obtaining access (Leblanc & Gillies, 2005; Machold & Farquhar, 2013), there is very limited academic evidence of how chairs actually contribute during board meetings. Consequently, several scholars have noted an “[overreliance] on assumptions about board processes” (Krause et al., 2014:270; Lorsch, 2017; Tuggle, Sirmon, Reutzel & Bierman, 2010) and the chair's role in governance research. We aim to answer calls for “in-depth qualitative studies of corporate governance, and specifically of the role of the board chair” (Krause et al., 2014:281) by studying boards as “dynamic social systems” (Lorsch, 2017:2) using “first-hand observation of boardroom

behaviours” (p.26). While we recognize that a significant part of the chair’s role might be executed outside the boardroom (Huse, 2005; Kakabadse et al., 2006) and/or focus on the chair-CEO relationship (Kakabadse et al., 2006; Krause et al., 2014), we believe studying the chair’s behaviour in the boardroom is important as it is the only arena in which boards have legal authority to take decisions and is a core place for individual directors discharging their legal duties (Baxt, 2009; Lawler & Finegold, 2006). It also provides an opportunity to better understand the important relationships between the chair and other directors (Vandewaerde, Voordeckers, Lambrechts & Bammens, 2011), another subject that remains understudied in the literature.

Studying three board chairs in action allows us to illustrate how chair behaviours affect the contributions of their fellow directors and in so doing develop the literature in two ways. First, our results reveal an unexpected pattern of influence that underlines the leader/equal nature of the chair’s role. In contrast to the prevailing prescription of a strong chair, actively leading from the front to counterbalance the CEO’s power (Furr & Furr, 2005; Krause, 2017; Vandewaerde et al., 2011), our findings highlight it is more important for the chair to behave in a way that enables other directors to contribute. This hints at a less ‘visible’ role for the chair, more in line with concepts such as shared leadership (Conger & Lawler, 2009; Vandewaerde et al., 2011), servant leadership (Greenleaf & Spears, 2002) and transformational leadership (Cikaliuk, Erakovic, Jackson, Noonan et al., 2015; Dinh, Lord, Gardner, Meuser et al., 2014). Effective chairing appears to rely on harnessing the power of the group

rather than relying on the chair's individual power per se.

Second, by documenting the transitory and variable nature of boardroom behaviours, our research offers a potential explanation for why boards composed of capable and motivated directors may not always make the best decisions. The results document that both board chair behaviours and directors' engagement vary significantly within meetings. This means it would be difficult to imagine a uniform level of role execution across items (i.e. their critical questioning and provision of useful advice), a fact not unexpected in lengthy meetings. However, our results suggest the chair plays a critical role in orchestrating the engagement of the group and so underlines the potential of exploring the temporal dimensions of boardroom processes (Bezemer, Nicholson & Pugliese, 2014; Nicholson, Pugliese & Bezemer, 2017; Pettigrew, 1992; Pye & Pettigrew, 2005) in the pursuit of a better understanding of board decision-making and effectiveness.

The remainder of this paper is structured as follows. The next section reviews prior research on the role and impact of the board chair, and develops our two central research questions that guided our inductive study of boardroom decision-making. We then describe our data and methods before discussing the results emerging from our research. Finally, we elaborate on our findings, their implications and avenues for future studies.

## LITERATURE REVIEW AND CENTRAL RESEARCH QUESTIONS

There is a broad consensus in the corporate governance literature that effective board decision-making is crucial to good corporate governance (Forbes & Milliken, 1999). Effective board decision-making is thought to be central to the control of management self-interest (Fama & Jensen, 1983; Useem & Zelleke, 2006) as well as ensuring an effective strategy is put in place (Bailey & Peck, 2013; Rindova, 1999), and reflects the legal, group-based nature of boardroom power (Bainbridge, 2002). In essence, boards need to effectively prepare, discuss and judge information (Bailey & Peck, 2013; Brennan, Kirwan & Redmond, 2016) if they are to monitor, advise and strategize well (Hillman & Dalziel, 2003; Hillman, Nicholson & Shropshire, 2008; Pugliese, Bezemer, Zattoni, Huse et al., 2009). Consequently, governance scholars and practitioners have sought to understand the structures and processes thought to optimize board decision-making (Carter & Lorsch, 2004; Heemskerk, Heemskerk & Wats, 2017; Hendry, Kiel & Nicholson, 2010; Machold & Farquhar, 2013; McNulty, Pettigrew, Jobome & Morris, 2011; Nicholson et al., 2017; Pick, 2009).

More recently, recurrent governance scandals and anecdotal evidence of ineffective boards (Canyon, Judge & Useem, 2011; Machold & Farquhar, 2013) have fuelled a growing interest in understanding the key failure points in board decision-making. One stream of studies has highlighted how sub-optimal decisions arise from the politicised nature of board decision-making. Directors and managers use information

imbalances and influencing strategies steer a decision away from the firm's interest and toward self-interest or, indeed, just an incorrect result (Bailey & Peck, 2013; Maitlis, 2004; McNulty & Pettigrew, 1999; Pettigrew & McNulty, 1995). A separate but related stream has highlighted a form of unconscious bias in board decision-making due to process losses, i.e. inefficiencies and biases that result in lower quality decisions due to the group-based nature of decision-making (Forbes & Milliken, 1999; Minichilli, Zattoni, Nielsen & Huse, 2012; Westphal & Zajac, 2013). Thus, boards are thought to be susceptible to pluralistic ignorance (Westphal & Bednar, 2005), group polarization (Zhu, 2013), groupthink (Mellahi, 2005) and the marginalization of minority directors (Westphal & Milton, 2000).

The particular structural and legal attributes of a board mean that they may require quite marked decision-making supports and protocols to overcome problems of politicization and group process loss. Board decision-making is strikingly episodic, with directors having very limited face-to-face interaction over a year (Forbes & Milliken, 1999; Minichilli et al., 2012) making it difficult to develop and reinforce the routines, norms and culture that typically characterise high-performing groups (Finkelstein & Mooney, 2003; Hackman, 2002; Pugliese, Nicholson & Bezemer, 2015). Consequently, practitioners and regulators have repeatedly pointed to the importance of establishing appropriate structures and processes to support board decision-making - for example, annual calendars, board and committee charters, decision-making protocols and behavioural/ethical guidelines (Finkelstein & Mooney, 2003; Leblanc & Gillies, 2005; Useem & Zelleke, 2006). These recommendations have

included best-practice guidance on how to process information, for instance suggestions such as circulating the papers in a timely manner, documenting boardroom decision-making (Baxt, 2009; Nicholson & Kiel, 2004) and establishing support from other organisational actors such as the company secretary (Peij, Bezemer & Maassen, 2015; Erismann-Peyer, Steger & Salzmann, 2008; McNulty & Stewart, 2015). One actor thought to be particularly important to the effective functioning of the board is the board chair.

### **The Role of the Chair in Effective Boardroom Decision-Making**

The board chair is generally considered pivotal to the governance of corporations (Conger & Lawler, 2009; Krause, 2017; Krause et al., 2016; Withers & Fitza, 2017). The chair is positioned as the actor responsible for organising and overseeing decision-making processes in the boardroom by, making sure that the board (i) focuses on the right decision items, (ii) has the information required to make informed decisions, (iii) is not unduly influenced by the self-interest of managers and directors, and (iv) follows up on decisions taken (Kakabadse et al., 2006; Pettigrew & McNulty, 1995; Roberts, 2002; Useem & Zelleke, 2006; Withers & Fitza, 2017). The role in the decision-making process is strengthened by the chair's deeper and more holistic understanding of the firm developed via their lynchpin position as they key connection between the board and the CEO (Brennan et al., 2016; Kakabadse et al., 2006; Roberts, McNulty & Stiles, 2005).

This view of the role has been developed from an amalgamation of insights from key governance theories. Agency theory, for instance, suggests a board chair independent of management can orchestrate the board in a ‘balanced way’ and counteract any self-interest seeking by the CEO (Fama, 1980; Krause et al., 2014; Tuggle et al., 2010; Withers & Fitza, 2017). Resource dependence theory suggests a board’s chair adds value by bringing their own human and social capital into board decision-making and by enabling other directors to do so (Krause et al., 2016; Withers & Fitza, 2017). Similarly, other less pervasive theory also clearly suggests chairs have a significant impact on board decision-making (Bezemer, Peij, Maassen & Van Halder, 2012; Nicholson & Kiel, 2004; Roberts et al., 2005). These theoretical insights then provide guidance on the role of the chair – such as their role in agenda setting, information provision and encouraging director participation.

Given this central position of the board chair, it is somewhat surprising we know relatively little about how the chair acts in the key decision-making arena of the board meeting (Krause et al., 2014; Lorsch, 2017; Withers & Fitza, 2017). After all “it is during board meetings that much of the work of boards is accomplished, and it is there that processes of group interactions play out in such a substantive way” (Finkelstein & Mooney, 2003:110). The board meeting is the arena where directors and managers exchange and discuss information and come to an agreement (often consensus) around decisions (Brennan et al., 2016; Nicholson et al., 2017). Perhaps most importantly, from a legal perspective it is the critical arena as only the group (not individual directors) possesses authority which must be executed in this group setting



(Bainbridge, 2002; Heracleous & Lan, 2012; Kaufman & Englander, 2005; Lan & Heracleous, 2010). We contend that to better understand how chairs contribute to a board's decision-making and effectiveness, it is particularly important to study the chair in the boardroom. Thus, our first research question is:

*RQ1: How do board chairs contribute to boardroom decision-making processes?*

### **The Chair's Influence on Director Engagement**

If a board of directors is to make good decisions, it is important that individual directors engage in the decision-making process. The governance literature clearly highlights that directors need to ask critical questions, raise difficult issues, make suggestions, judge information and provide salient advice (Guerrero, Lapalme, Herrbach & Sequin, 2017; Hambrick, Misangyi & Park, 2015; Hillman et al., 2008; Pye & Pettigrew, 2005; Shropshire, 2010). Given such an importance of individual-level engagement in the decision-making process, early board studies investigated the problems associated with passive directors (e.g. Clendenin, 1972; Herman, 1981; Mace, 1971), and researchers noted that many directors seemed to be “attending meetings and registering votes without being mentally engaged with the issues facing the board” (Forbes & Milliken, 1999:494).

While more recent research suggests that boards have come a long way to overcoming intransigent passivity (Ingley & Van der Walt, 2005; Pugliese et al., 2009), recurrent governance scandals and corporate collapses continue to raise questions about directors' engagement in board decision-making (Conyon et al., 2011; Machold & Farquhar, 2013).

Outside directors may face particular challenges in engaging with a board's decision-making processes. First, the substantial information asymmetries facing outsiders means they typically have to rely more on information provided by insiders and expend more effort to grasp the issues at hand (Brennan et al., 2016; Roberts et al., 2005; Thomas, Schrage, Bellin & Marcotte, 2009). Second, this extra effort and reliance occurs in the context of only holding a part-time position – outside directors typically have full-time jobs and other professional commitments which may make it difficult to free up the necessary time to be fully engaged in a board's work (Ferris, Jagannathan & Pritchard, 2003; Pugliese et al., 2015). Third, behavioral governance studies have highlighted that the episodic nature of board work heightens the interpersonal risk associated with participating and speaking up as a director outside of the group's decision-making norms (Hambrick et al., 2015; Westphal & Khanna, 2003; Westphal & Zajac, 2013). Taken together, there are important reasons to believe directors face significant challenges to role engagement.

Despite the ongoing academic and practitioner focus on director (non)engagement, scholars have noted that “we know relatively little

about directors' engagement in the boardroom" (Hillman et al., 2008:441). Practice-based guidance suggests that the board chair can play a particularly important role in facilitating director engagement (AICD, 2006; Baxt, 2009; IOD, 2015) and ongoing academic work reinforces the importance of many of much of the chair's work – for instance, the chair's role in setting the general tone of governance, organising and overseeing boardroom decision-making, and being responsible for the performance of individual directors (Guerrero et al., 2016; Harrison & Murray, 2012; Leblanc & Gillies, 2005; Withers & Fitz, 2017). In particular, facilitating the meeting appears to be very important to director engagement in the decision process. A chair that facilitates a meeting well appears to create a predictable and safe arena in which directors can participate by removing uncertainties and ambiguities around boardroom processes and dynamics (Parker, 2007; Roberts et al., 2005). Additionally, when chairs guide and facilitate the dissemination and clarification of information (Kakabadse et al., 2006; Pettigrew & McNulty, 1995; Roberts, 2002), they set the stage for an effective meeting by seeking to ensure directors are in a position to meaningfully engage. With these possibilities in mind we set out to address our second research question:

*RQ2: How do a board chair's contributions to boardroom decision-making processes influence director engagement?*

## METHODS

### Methodological Approach

Given our focus on exploring how board chairs contribute to boardroom decision-making and therewith most likely affect the engagement of other directors, we employed a case-based approach to address our research questions (Colquitt & Zapata-Phelan, 2007; Marshall & Rossman, 2010). Such an approach is particularly useful as we are examining new phenomena in a context that is not generally well understood (Bansal, 2013; Eisenhardt, 1989; McNulty, Zattoni & Douglas, 2013) and is highly suitable for analysing the transitory nature of boardroom processes (Gehman, Glaser, Eisenhardt, Gioia et al., 2017; Langley, 1999).

Within the cases we used various data sources, tools and approaches to provide meaning around the role of the chair during decision-making and the impact on the engagement of others. A series of video-taped boardroom observations allowed us to “plunge ourselves deeply into the processes themselves” (Langley, 1999:691) and develop a novel coding scheme to capture chair behaviours during board meetings. Emerging research suggest that video-recordings are a particularly useful tool in studying the temporal aspects of group interactions, especially as the video-recordings allow researchers to go back and forth between the theory and data after the actual event (Christianson, 2016; Waller & Kaplan, 2016). Furthermore, semi-structured interviews with most of the meeting participants allowed us to triangulate data and develop an in-

depth understanding of how directors view their chair and experience their meetings.

### **Institutional Context and Case Selection**

We conduct our research within the Australian context. Australia, like most Anglo systems, has a long corporate governance tradition in which the duties and responsibilities of boards and directors are explicitly formulated in the Corporations Act 2001 that is supported by extensive case-law (Baxt, 2009; Kiel & Nicholson, 2002). Directors in Australia owe their primary duty to the company and the legal guidelines around insolvent trading are among the most stringent around the world. Australian boards use the one-tier board structure and have a long tradition of promoting board independence as a best-practice (Kiel & Nicholson, 2002). As such, splitting the roles of the CEO and the chair is a fairly standard practice in Australia. A milestone legal case for board chairs in Australia was *ASIC v Rich & Ors* (2003) in which the judge established that a chair is responsible for the general performance of the board (Baxt, 2009).

Within this institutional context two considerations guided the recruitment of our three case organizations (i.e. Red, Green and Yellow). First, as it is notoriously difficult to obtain access to the boardroom (Leblanc & Gillies, 2005; Machold & Farquhar, 2013), the cases were selected from a small group of Australian organisations that regularly approach one of the researchers for a boardroom evaluation. After a

process of trust building, the Red board expressed an interest in having several board meetings video-taped and analysed as part of the board evaluation process. Given that Red did not show any signs of potential distress or turmoil that might affect boardroom processes, and was structured as a typical Australian board (i.e. split CEO-chair positions, fully composed of outside directors and of an average board size for the industry and type of business), we pursued this opportunity. Second, we then theoretically sampled two other boards that as closely as possible resembled the Red one, so that we could focus on variation in inner board dynamics as a potential driver of the differences in decision-making, chair behaviours and director engagement throughout board meetings (Eisenhardt, 1989; Gehman et al., 2017). We therefore matched the cases based on the organizations' industry, geographical location, extent of regulatory pressure surrounding governance, and the source of revenues; likewise, the boards were relatively similar in terms of structure (i.e. the chair being independent) and composition (i.e. non-executive directors only). In each case we video-taped three board meetings and provided a formal evaluation at the end of this cycle.

Table 1 provides a general overview of the Red, Green and Yellow cases. While there is a clear difference in organisational size (i.e. Yellow being significantly larger than Red and Green), all three organisations operate in the same industry and are member based corporations. It is worth noting that directors of organisation with such a legal status face the same legal expectations regarding their fiduciary duties and duty of due care and diligence as directors in Australian for-profit organisations. As such, a minimum level of involvement in their control and service

roles was to be expected from all the involved directors individually. The boards were relatively similar in size (ranging from seven to eleven members), composition (all were comprised of non-executive directors with the majority being drawn from the membership), gender diversity and average tenure. In all cases it was standard practice for the CEO and/or acting CEO to attend the meetings, together with a minute secretary. All three chairs had a significant tenure as a director and chair within their organisation, with their gender and (non)membership background being the clearest differences amongst them.

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Insert Table 1 about here

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### **Data Collection**

To obtain a thorough understanding of the impact of chairs on decision-making during board meetings as well as for data triangulation purposes, we collected various types of data. First, members of the research team attended and video-taped three meetings for Red, Green and Yellow. The observations for Red and Green were conducted between November 2010 and April 2011, while Yellow was studied between July 2012 and

November 2012. The three meetings lasted 14 hours for Red, 6.5 hours for Green and 11.5 hours for Yellow, and only the in-camera sessions were not videoed. Each observation involved discretely setting up two or three cameras to capture all the angles around the board table and research team members also took notes during the meetings. Every participant provided written consent in advance and could ask for filming to stop at any moment (which was not requested at any point).

Second, to assess the influence of the chair's decision-making contributions on director engagement, we administered mini-surveys after the conclusion of every agenda item during the meetings. Given that engagement is an individual's affective-cognitive state which might not necessarily be reflected in actual boardroom behaviours, we followed the psychology tradition of using a survey instrument (e.g. Kahn, 1990; Rich, Lepine & Crawford, 2010; Schaufeli, Salanova, González-Romá & Bakker, 2002). As we wanted to minimize our interventions during meetings, we did not use extensive psychology measurements scales (see Schaufeli et al., 2002). Instead we decided to use one item (next to measures for different constructs), i.e. "how would you rate your level of engagement during this item?". Directors of Red and Green rated their level of engagement on a five-point scale ranging from very low to very high and members of Yellow rated it on a similar seven-point scale. We then normalized both scales to make them comparable across the cases. This resulted in a total of 340 individual-item engagement responses across the 61 observed agenda item discussions in Red, Green and Yellow.



Third, members of the research team conducted a series of semi-structured interviews with meeting participants. A total of 24 directors (eight at Red, five at Green and eleven at Yellow) and the three CEOs were interviewed by the same researcher, either face-to-face or by phone. Interviews focused on the performance of a board, but also included specific questions about the functioning of the chair and meeting effectiveness. A research assistant attended all interviews acting as a scribe to record what was said. On average interviews lasted between 30 and 60 minutes and the notes contained 33,334 words in total.

Fourth, to gain additional insights into the dynamics of the industry, organisations and boards, we collected annual reports, minutes from previous meetings and agendas and relevant industry reports. While these data will not be discussed further in this paper, they were used to build an initial profile of the boards before entering their boardrooms.

### **Data Analysis**

The data were analysed in two ways to discern chair-director engagement patterns during decision-making in the boardroom. First, we coded the video-taped chair behaviours in order to be able to explore whether there existed an association between those behaviours and the self-rated engagement scores of directors. The initial step involved a research assistant coding the instances where one of the chairs was talking by writing

accounts of what a chair did when (s)he spoke. As the research team was unable to locate an existing coding scheme in the literature to classify those chair accounts, we inductively and iteratively developed our own coding classifications consisting of eight sub-codes of specific chair behaviours and three higher-order codes (see Table 2 for definitions and examples). Two of the researchers then independently coded 369 of the total 1424 cases in which a chair contributed during a meeting and they agreed in 338 cases (percent agreement is 91.6%; Kappa is .896). After having established the reliability of the coding scheme, one of the researchers then coded all the 1424 incidents. As the number of times a board chair displayed a certain behaviour turned out to be impacted by the length of an agenda item, we standardized our chair behaviour measures by dividing them by the length of agenda items in minutes (i.e. the measures captures the incidence of chair behaviours per minute).

Second, the chair-director engagement association emerging from these quantitative pattern matching techniques (Langley, 1999) was subsequently matched against our qualitative evidence around the perceptions directors hold about their meetings and chairs. Following Van Maanen's approach (1989) to analysing interview data, the research team used open and axial coding techniques to assign first-order concepts and further explore the observed pattern. Moreover, the research team identified 'extreme cases' in the observations (i.e. low/high director engagement, low/high levels of chair involvement) to further examine how the chair influenced director engagement. The resulting qualitative evidence has selectively been used in the following results section to provide rich, thick descriptions and explanations for the observed patterns.

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Insert Table 2 about here  
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## **RESULTS AND FINDINGS**

### **Board Meetings at Red, Green & Yellow**

Our initial review of the nine video-taped board meetings indicated that they appeared to be conducive venues for group decision-making. All meetings involved multiple examples of (i) directors speaking up and raising issues, (ii) group debate about specific topics and (iii) effort by the group to come to a consensus around issues. Throughout this process the three boards followed recommendations by practitioners (cf. AICD, 2006; Baxt, 2009; IOD, 2015; Kiel & Nicholson, 2002). All boards, for example, (i) used pre-circulated agendas and papers to structure their meetings, (ii) kept track of decisions with an “action list”, (iii) were supported by a minutes secretary to document decision-making, (iv) moved and seconded motions and (v) had the chair open and close agenda items.

Our interviews corroborated the view of these board meetings being positive decision-making contexts. For instance, several directors on the Red board commented that “it’s the best board I have been on” (R2; similar comments from R3 and R4), stating that “we work well together” (R4) and that “decisions are made after frank and open discussion” (R5). Similarly, Green’s directors expressed positive sentiments about how meetings are run. They characterised them as “conducive for open discussions” (G1) and “strategic, not operational” (G4), noting that “all directors are engaged” (G4) and “there is mutual respect” (G1). While directors on the Yellow board were more mixed about views on their board meetings, several of them recognised that “by and large the board is very engaged compared to other boards I have been on” (Y4), “the dynamics are enjoyable” (Y1) and “it is a very functional board overall” (Y8). All these director views reassured us that we were not dealing with atypical or dysfunctional boards as directors did not appear to be operating under particular constraints or limitations.

### **Chair Behaviours during Board Meeting Decision-Making**

Having established the broad decision-making context was similar in the three boards, our next step in the analysis was to explore the role of the chair during the meeting. A review of the video-tapes revealed the chair played a central position in all three boards. The centrality of the chair was evident both literally and in terms of the interactions. The chair was often seated next to the CEO in a central position (at the head of the

table or in the middle along the long side), and was typically one of the most involved directors in discussions. The generally positive interview quotes about the functioning of chairs confirmed the important role of the chair during meetings (see Figure 1, bottom row), with directors noting that “the decision-making environment, set by the chair, is good” (Y6) and the board chair “drives the agenda, runs the meetings and drives part of the vision” (G1).

Over the 61 video-taped agenda item discussions, we observed 1424 incidents in which a board chair verbally contributed to the meeting. Figure 1 provides an overview of the relative amount of chair contributions (top row) and the breakdown into specific types of chair behaviours (middle row). As shown, the proportion of times a board chair spoke during discussions was higher for Green (32%) and Yellow (26%) than for Red (15%). An Anova-test indicated that the chairs of Green and Yellow were indeed on average more active than the chair of Red ( $F=17.27$ ;  $p<.001$ ). The breakdown of specific behaviours illustrates that there exist only relatively minor differences in the types of displayed chair behaviours. The main activity of all three chairs is facilitating the board meeting (ranging from 49% in Green to 59% in Red and Yellow), followed by giving personal views (ranging from 21% in Red to 27% in Green). In all three cases providing information was the activity in which the chairs were the least involved (ranging from 15% in Yellow to 24% in Green).

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Insert Figure 1 about here  
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### **Chairs Behaviours and their Influence on Director Engagement**

To assess the potential impact of chair behaviours, our next step was to review the interviews and video-tapes to better understand the engagement of other directors. A first observation in the interviews was that directors are generally positive about the level of engagement of their colleagues. Board members remarked that “individual directors are contributing to debates” (G1), “nobody is afraid to say anything or shift the discussion” (R3), “everyone has influence to some degree” (R5) and “all directors are engaged” (Y10). Such a view is also reflected in their own engagement ratings during meetings. Figures 2a, 2b and 2c provide a chronological overview of director engagement levels during meetings of the three boards. As shown, most of the self-ratings fall between 3 (average engagement) and 4 (high engagement), suggesting that directors typically feel engaged with what is being discussed. Across the three boards, directors of Yellow report on average the highest engagement scores: 3.7 versus 3.6 (Red) and 3.5 (Green). These differences, however, are non-significant ( $F=1.45$ ;  $p=.24$ ).

A striking observation from Figures 2a-2c is that there exists a fair amount of within-board variation in director engagement. The Red board illustrates this well with an unexpected discussion around the appointment of a new director (M3.i7.1 scoring a 4.8 on average board member engagement) and the presentation of an environmental report (M2.i7 scoring a 2.7 on average director engagement). Moreover, the length of most boxplots and spread of director engagement scores suggest that it is very uncommon for all directors to be highly engaged in any single discussion. This is generally corroborated by the interviews in which interviewees noted that “people seem to dip in and out during meetings” (Y11), “some directors have been so quiet” (R4) and “everyone contributes at different times on different topics” (R5). Also on the videos these temporal dynamics were discernible with directors being less engaged during discussions while, for example, fixing a boardroom chair, rushing out to take emergency calls, messaging on their personal devices or brewing coffee<sup>i</sup>.

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Insert Figure 2a, 2b and 2c about here  
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Given the temporal variations in director engagement across agenda items, in Table 3 we used pattern matching techniques (Langley, 1999) to explore whether an association existed between chair behaviours and director engagement. Whereas theory generally predicts a positive

influence of the chair's involvement (Kakabadse & Kakabadse, 2007; Roberts, 2002), surprisingly, our evidence provides stronger support for a negative association. In 46 out of 61 cases (75%) we find partial or full support for the notion that director engagement is lower when the chair is highly involved in a discussion (or vice versa). Interestingly, in Table 3 we could not observe a different pattern for strategic agenda items, thereby suggesting that this negative association appears to be generalizable across different types of agenda items (cf. Tuggle et al., 2010).

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Insert Table 3 about here  
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A re-examination of the interview transcripts provided a possible explanation for such a negative association between chair activity and director engagement. Several board members in Green and Yellow highlighted that a heavily involved chair undermined the agency of the other directors. For example, in the Green case a director described this as follows:



*“But [the Green chair] just says “this is what to do, do it” and then expects it to be implemented. This also comes across in board meetings. That makes the board lazy, because they have a chair who thinks for them. She needs to listen more, doesn’t have to fix it, solve it, the group can work on it.” (G5).*

Similarly, Yellow’s directors generally complimented the board chair for her involvement and commitment to the organisation, noting that she acted “almost [as] an executive chair” (Y5). At the same time several directors (Y4, Y5, Y6 and Y9) expressed their concerns about chair succession, given the significant contributions of the current chair. One Yellow director (Y6) described that this situation might actually have created a weakness:

*“The chair does a lot in this organisation. She is a driving force. Not sure whether that should actually be the case that the chair is driving the agenda. (...) She does it with the CEO, they are partners and that is important. Without that it would be a problem, the organisation would struggle without them. Yes, the chair creates a weakness through her involvement. She is doing it very well, but the organisation should be able to carry itself.” (Y5)*

That same director then continued by highlighting that the chair's involvement not only affected the organisation and board, but also their engagement as an individual:

*“I cannot be too critical, as I do not prepare well enough. I am too busy. But I do not have to drive the agenda. I am somewhat lazy because the chair is doing it. This approach has an impact on the board. (...) I know, it is very easy to take a soft ride if someone else does the work.” (Y5)*

### **Giving Personal Views as a Chair**

To further explore the mechanism(s) potentially explaining the negative association between chair behaviours and director engagement, we examined whether meeting facilitation, information provisioning and/or the giving of personal views by the chair were particularly related to the engagement of other directors in such a way. While the patterns in Figure 3 confirm the generally negative association, interestingly enough, only the giving of personal views was significantly ( $p=.03$ ) related to director engagement. Thus, chairs who voice a lot of personal views appear to undermine the involvement of others in the boardroom, whereas information provisioning ( $p=.06$ ) and meeting facilitation ( $p=.28$ ) appear to

have a more neutral impact on directors' engagement in group decision-making processes.

Particularly the interviews in the Green case corroborated such a view. For example, two of the Green directors noted and described how the giving of personal views of the chair affected decision-making and the engagement of other directors:

*The chair's opinion shuts down the discussion. She needs to sit back. It affects the robustness of the group. (...) The chair is expected to bring out ideas and discuss things but [chair] offers her opinion.*" (G5).

*"[Previous chair] had a participative approach, allowed others to discuss. [The Green chair] needs to allow others to participate. (...) The chair gives her opinion and then others won't speak up. [The previous chair] used to comment last. I would say most board members would not want to disagree with the chair. (...) I am concerned, because the chair is very opinionated about some things."* (G6).

Two other Green directors added to this by observing that "[the chair] sometimes consults the board, but has already made her decision" (G3) and "some things appear to have already been decided by the chair and CEO prior to the meeting" (G2), resulting in disengaged directors

and “excessive conformity” (G3) during some discussions.

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Insert Figure 3 about here

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## **DISCUSSION**

Our study was prompted by the observation that while the board chair is seen as a major actor influencing board and firm performance (Kakabadse & Kakabadse, 2007; Levrau & Van den Berghe, 2013; Roberts, 2002), we know relatively little about what they do and *how* they go about their role in the boardroom (Krause et al., 2014; Lorsch, 2017). We suggested that studying the chair in board meetings was particularly important given the unique position of the chair as ‘first among equals’ (Pick, 2009) and the role that board meetings play as the key formal arena where directors execute their group-based power (Baxt, 2009; Finkelstein & Mooney, 2003). Given the unique and somewhat paradoxical position of being an equal-leader, we paid particular attention to the practitioner focused and underexplored role of the chair in enabling their

fellow directors to carry out their roles (Harrison & Murray, 2012; Kakabadse et al., 2006; Leblanc, 2005).

Our key findings highlight that effective chairs *in the boardroom* are best described as enabling-equals rather than strong-leaders. In normal meeting time, effective chairs appear to concentrate on providing the structure and space for their colleagues to take up the board roles of monitoring and providing advice rather than single-handedly seeking to balance CEO power and control. Specifically, we found a generalized and significant negative association between chair interactions and other directors' engagement; the more a chair participates in a meeting, the lower the engagement of their fellow directors. Deeper analysis revealed that the association between board chair interaction and director engagement varied by the nature of that interaction. Specifically, when the board chair provides a lot of his/her own views during the meeting, director engagement is significantly lower. We also noted that the engagement of directors was a transitory and individual level phenomena, with each individual director 'switching on and off' from one item to another. Our findings suggest that the chair may play a key role in orchestrating the engagement and efforts of their colleagues during what can be lengthy but important meetings.

### **Paradox and the Chair's Contributions to Board Decision-Making**

Our evidence resonates with recent studies suggesting that a deeper understanding of corporate governance can be obtained via observations of

the actual processes involving multiple actors across multiple levels. Empirical work in corporate governance has tended to focus on only one aspect of a board's role (e.g. *either* monitoring *or* advising) in a cross sectional or fragmented fashion (cf. Hillman & Dalziel, 2003; Kiel & Nicholson, 2003; Nicholson & Kiel, 2007). This research highlights the interrelated, sequential nature of different orientations required in the role of chair to lead to an engaged board, providing insight into managing the contrast between being a leader and being an equal. In so doing it lends support to earlier findings that the dual nature of the role is important to effective governance (Gabrielsson, Huse & Minichilli, 2007; Withers & Fitza, 2017).

Our first insight is that the dual nature of the chair's role can best be understood as a mechanism central to facilitating the board's role as a check and balance on management. Clearly the board plays a role in balancing the power of the CEO (Fama & Jensen, 1983) but, in implementing this role, it would be easy for the chair to become an all-powerful actor and suffer from the same agency problems that face the modern CEO (Kakabadse & Kakabadse, 2007). Thus, the chair's role can be viewed as a paradox in that it requires strong leadership to counter managerial power but requires an orientation as peer to fellow board members. Our findings suggest that the group-based source of the board's power (Bainbridge, 2002) requires good chairs to build a sense of the collective mind of the board (Weick & Roberts, 1993) through the use of facilitation and decision processes that build consensus and use the wealth of experience around the boardroom table. Therewith, our analysis

contradicts the implicit prescription in the literature of the chair as an active leader who leads from the front (cf. Furr & Furr, 2005; Krause, 2017; Vandewaerde et al., 2011). Our empirical results highlight that significant chair involvement during boardroom discussions generally limits the engagement of other directors, i.e. the extent to which they are mentally present in the meeting. As such, this hints at the need for a more “invisible” role of the chair during board meetings. In so doing, we suspect the chair “take[s] steps to create a climate of respect, trust, and candour” (Sonnenfeld, 2002:110) that encourages their colleagues to participate in the role(s) required of them (Higgs, 2003). Building a participatory environment allows even a single director to influence the board to seize opportunities and/or avoid disaster (Sonnenfeld, 2002:111) despite the natural “relative distribution of influence among board members” (Finkelstein & Mooney, 2003:105).

At a deeper level, our insight into the boardroom behaviour of chairs suggests that, at least in the three cases we viewed, chairs manage the paradox of the role through a temporal separation of the leadership and peer roles (Poole & Van de Ven, 1989). While we observed that a more invisible role of the chair during board meetings was associated with greater engagement of directors (i.e. the peer role), interviewees also reported that a chair’s ability to drive the agenda and ensure the correct information was provided to the board were important. Thus, chairs appear to adopt a leadership role in the preparation for and follow-up from the peer role in the board meeting. This leadership role sees them ensuring directors are discussing the right things with the right information (Cadbury, 1990). For instance, Sonnenfeld (2002:109) commented it

was “stunning that Enron's chairman...never told the board that whistle-blower Sherron Watkins had raised major questions about financial irregularities”. By separating out these pre and post meeting leadership roles from the enabling role in-meeting, effective chairs appear to balance accumulating too much power with their lead role in counteracting potential management dominance.

Our second insight suggests that the enabling role of the chair is a core, underappreciated influence on each individual director's ability to employ their human and social capital (e.g. Higgs, 2003). Traditional governance theory has positioned directors' human and social capital as key antecedents (Forbes & Milliken, 1999; Hillman & Dalziel, 2003; Petrovic, 2008) of effective governance, but there is limited insight into the process by which these individual level attributes are combined to provide the group-level outcome required in the boardroom setting (Dalton & Dalton, 2011). Here, our direct observation of board meetings indicates that an individual director's engagement in the boardroom is transitory and directors thus will vary the extent to which they will bring themselves in discussions across different topics and agenda items. Given that “the more stirring [...] performances” (Kahn, 1990:692) require that individual directors are mentally present, this points to an important and under-researched boundary condition affecting the relationship between an individual's human and social capital and role performance. Only when directors are fully engaged, they will be able to realise their potential as a board member, i.e. ask the right monitoring questions, give sound advice and provide access to valuable resources.



More generally, this transitory nature of director engagement highlights a board's role performance and the contribution of individual directors to it, as varying significantly from agenda item to agenda item (cf. Bezemer et al., 2014; Pugliese et al., 2015). While it might not be realistic to expect every director to be fully engaged in each boardroom discussion, our results tentatively point to possible failure points in board decision-making, i.e. if enough directors are relatively switched off during crucial boardroom discussions, even a usually well-performing group might take the wrong decision or miss better alternatives. As such, this suggests that future work on the role performance of boards might benefit from switching from a focus on the average level of a board's role engagement at a specific point in time to understanding how it varies around this average during specific discussions (Hambrick et al., 2015; Nicholson et al., 2017). Our findings indicate the important role chairs play in creating a context that is conducive for directors to bring themselves into discussions in their role as a director.

### **Limitation and Avenues for Future Research**

Our research comes with a number of limitations that also provide avenues for future research. First, the focus of our study has been on understanding the contributions of chairs to decision-making and the impact of the engagement of other directors. Whereas our data corroborate the importance of chair behaviours during meetings, we neither assessed the quality of chair contributions nor the non-verbal behaviours

accompanying their speech (cf. Brundin & Nordqvist, 2008; Christianson, 2016; Congdon, Novack & Goldin-Meadow, 2016; Samra-Fredericks, 2000). Including both aspects in future works might help to build a more comprehensive framework for understanding how chairs influence the engagement of others, as not every chair contribution might have a similar impact in the boardroom.

Second, our research has been limited to the main arena in which boards take decisions and individual directors discharge their duties (Baxt, 2009; Lawler & Finegold, 2006), i.e. the boardroom. As a significant part of a chair's leadership role might be executed outside this arena (as hinted it in a few of our interview quotes), those outer-meeting chair activities may have affected our observed and reported dynamics in unknown ways. Given the dearth of research on the various venues in which boards execute their roles, our findings need to be treated with caution in this regard.

Third, given that we have investigated three boards of directors that were purposively sampled (i.e. one country, one industry and relative similar board compositions), the observed relationships between chair behaviours and other director engagement might be a function of a variety of contextual factors, such as the non-executive-director-only composition of the boards, dynamics in the CEO-chair relationships, the membership-based nature of these corporations and the Australian setting more generally. For instance, while we studied boards with mixed gender (in both the chair role and across board compositions) there potentially could be significant differences in the chair-director dynamics if

gender proportions were different (Adams & Ferreira, 2009; Azmat & Rentschler, 2017; Terjesen, Sealy & Singh, 2009).

### **CONCLUDING REMARKS**

By entering the boardrooms of three Australian organisations and studying the interactions between chairs and directors during decision-making processes, this study has illustrated the importance of the multi-level, processual nature of boardroom decision-making. Whereas most research on board role effectiveness focuses on group structures, processes and behaviours that are presented as largely monotonic (Forbes & Milliken, 1999; Machold & Farquhar, 2013; Zona, Gomez-Mejia & Withers, 2018), we have illustrated how contextual and transitory behaviours of individual board members like the chair affect other directors and their engagement in group decision-making. In that sense it is remarkable how little we know about individual directors' perceptions, emotions, feelings and thought processes, and how these individual-level factors affect a board's general role performance (cf. Hambrick et al., 2015; Nicholson et al., 2017), particularly when studied longitudinally. By describing and analysing how a chair's behaviour relates to the engagement of directors, we hope to have contributed to what an important and fertile ground for a stream of new board studies focused on psychological and behavioural processes in the boardroom.

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<sup>ii</sup> A multi-level analysis confirmed that director engagement is an individual level construct, as we did not find evidence of convergence of director engagement levels at an item-level (ICCs < 0.20). This generally supports the notion that it is individual directors that switch on and off during discussions.

**Table 1: Overview of the Three Cases – Organisations, Boards & Chairs**

	<b>Red</b>	<b>Green</b>	<b>Yellow</b>
<b>Organisation</b>			
Type	Member-based corporation	Member-based corporation	Member-based corporation
Annual Turnover	AUD \$5 million	AUD \$4 million	AUD \$50 million
<b>Board</b>			
Board size	8 non-executive directors	7 non-executive directors	11 non-executive directors
Directors' background	5 from the membership, 1 senior government employee, 1 regional government employee, 1 member with links to specific segment of the community	4 from the membership, 1 business professional, 1 partner with a professional services firm, 1 head of state government agency	8 from the membership, 3 independent directors that were appointed for their skills and expertise.
Gender diversity	6 males, 2 females	3 males, 4 females	6 males, 5 females
Average board tenure	6 years [1 year – 10 years]	4.5 years [0.5 year – 15 years]	4.7 years [1.3 year – 15 years]
CEO attending meetings	Yes	Yes + acting CEO	Yes
<b>Chair</b>			
Non-executive	Yes, from the membership	Yes, from the membership	Yes, not from the membership

Gender	Male	Female	Female
Chair appointment	2010	2009	2007
Board Experience	Director since 2000	Director since 2006	Director since 2006

**Table 2: Coding Scheme Used for Coding Chair Behaviours**

Role	Code	Description	Examples
Facilitating the Meeting	<b>Chair structuring</b>	Chair asking board members to comment on something (in general terms), introducing agenda items, giving directors the floor, summarizing discussions; everything associated with the flow of the meeting.	<ul style="list-style-type: none"> <li>• Chair tries to move the discussion on by cutting off a director.</li> <li>• Chair introduces the item and hands it over to a director.</li> <li>• Chair notes the 'excellent' job done by the audit committee (for minuting).</li> </ul>
	<b>Chair asking questions</b>	Chair asking board members specific questions, and directly asking their input on an issue.	<ul style="list-style-type: none"> <li>• Chair asks the CEO to comment on an issue.</li> <li>• Chair asks for input from a specific director.</li> <li>• Chair asks the CFO to clarify certain elements of the CFO report.</li> </ul>
	<b>Chair directing</b>	Chair giving people clear task to be completed.	<ul style="list-style-type: none"> <li>• Chair asks CEO to let them know how management feels about it.</li> <li>• Chair tells CFO that he needs to inform the board more on the issue.</li> <li>• Chair asks CEO to work up a suggested agenda based on comments.</li> </ul>

	<b>Chair socializing</b>	Chair socializing. Relates to social aspects; unrelated from direct content.	<ul style="list-style-type: none"> <li>• Chair talking to director on phone conference, general chat.</li> <li>• Chair talking to director about his/her glasses.</li> <li>• Chair makes a hilarious remark about an ongoing business.</li> </ul>
<b>Providing Information For Discussions</b>	<b>Chair clarifying issues</b>	Chair providing further information on an issue, answering questions (while not expressing his/her personal view), saying a piece of information is correct/incorrect.	<ul style="list-style-type: none"> <li>• Chair comments on why this document was prepared.</li> <li>• Chair clarifies what is happening in a proposed partnership.</li> <li>• Chair confirms what director is saying in response to another director's question.</li> <li>• Chair clarifies something said by CEO.</li> </ul>
	<b>Chair reporting</b>	Chair providing background information; presenting report to the board; reporting on a developing issue (completely neutral).	<ul style="list-style-type: none"> <li>• Chair presents summary of action points from the retreat.</li> <li>• Chair summarises the action for unsuccessful candidates for the vacant board position.</li> <li>• Chair informs board of a decision made around one of the issues in CEO report.</li> </ul>
<b>Giving Personal Views</b>	<b>Chair giving opinion</b>	Chair commenting on a remark from another director, clearly expressing an opinion; comment has a loading and is personal.	<ul style="list-style-type: none"> <li>• Chair supports suggestion from CEO.</li> <li>• Chair expresses satisfaction with what CFO is doing.</li> <li>• Chair comments on what another director says.</li> <li>• Chair states personal opinion on an issue.</li> </ul>
	<b>Chair suggesting</b>	Chair suggesting action to be taken.	<ul style="list-style-type: none"> <li>• Chair asks director to consider doing the presentation.</li> <li>• Chair suggests a wording change in position description.</li> <li>• Chair suggests another person who could be involved.</li> </ul>

**Table 3: Pattern Matching of Chair Behaviours and Director Engagement in the Three Boards**

Board	Meeting	Item	Item Description	Item Type**	Length	Chair Behaviours***	Director Engagement***	Pattern****
Red	1	6	Election of office bearers		10.2 mins	●	●	Contradict
Red	1	7	CEO report	Strategic	80.0 mins	○	●	Full support
Red	1	8	Environmental scan	Strategic	21.8 mins	●	⑤	Partial support
Red	1	10	Previous minutes		29.5 mins	⑤	⑤	Inconclusive

Red	1	11.1	Risk management committee		29.5 mins	⑤	●	Partial support
Red	2	6.1	CEO report	Strategic	58.3 mins	⑤	●	Partial support
Red	2	6.1.2	Discussion re (redacted*)	Strategic	10.8 mins	○	⑤	Partial support
Red	2	6.1.3	Stakeholder communication plan	Strategic	8.3 mins	⑤	⑤	Inconclusive
Red	2	7	Environmental Scan	Strategic	10.8 mins	⑤	○	Partial support
Red	2	8.1.3	CEO presentation strategic plan	Strategic	15.5 mins	○	⑤	Partial support
Red	2	8.2	Routines decisions – CEO reports		5.8 mins	●	○	Full support
Red	2	10.1	Risk management committee		24.5 mins	●	⑤	Partial support
Red	2	10.2	Governance committee		14.0 mins	⑤	⑤	Inconclusive
Red	2	10.3.1	Verbal report from (redacted)	Strategic	37.5 mins	⑤	●	Partial support
Red	2	X	Unexpected discussion on (redacted)		5.3 mins	○	⑤	Partial support
Red	3	6	CEO report	Strategic	117.0 mins	○	●	Full support
Red	3	6.1.1	Invitations to join (redacted)	Strategic	13.0 mins	●	○	Full support
Red	3	7.1.2	Unexpected item on board recruitment		36.5 mins	○	●	Full support
Red	3	7.2	Environmental scan	Strategic	28.0 mins	●	○	Full support
Red	3	8.1	CEO presentation of values statement	Strategic	33.0 mins	⑤	○	Partial support
Red	3	9.2	Previous minutes – matters arising		5.0 mins	●	○	Full support
Red	3	10.1	Risk management committee		34.7 mins	○	●	Full support
Green	1	2.1	Board meeting discussion		7.3 mins	⑤	○	Partial support
Green	1	2.2	Board subcommittees review		14.3 mins	●	○	Full support
Green	1	2.3	(Redacted*) report	Strategic	12.7 mins	○	○	Contradict
Green	1	2.4	Board retreat discussion		16.0 mins	●	○	Full support
Green	1	2.5	CEO report	Strategic	11.7 mins	○	○	Contradict
Green	2	2.1.1	Strategic issues (redacted)	Strategic	12.5 mins	●	⑤	Partial support
Green	2	2.2.1	Subcommittee – governance		18.8 mins	⑤	●	Partial support
Green	2	2.2.2	Subcommittee – finance		24.3 mins	⑤	⑤	Inconclusive
Green	2	2.2.3	(Redacted) update	Strategic	21.0 mins	○	⑤	Partial support
Green	2	2.2.4	Strategic issues (redacted)	Strategic	17.0 mins	⑤	⑤	Inconclusive



Board	Meeting	Item	Item Description	Item Type**	Length	Chair Behaviours***	Director Engagement***	Pattern****
Green	2	2.3	CEO Report	Strategic	13.0 mins	●	⑤	Partial support
Green	3	2.1.1	Board committee representation	Strategic	6.0 mins	●	⑤	Partial support
Green	3	2.2	(Redacted) update	Strategic	23.3 mins	⑤	●	Partial support
Green	3	2.3.2.2	(Redacted) update		8.8 mins	○	●	Full support
Green	3	2.3.3	Strategic issues (redacted)	Strategic	16.0 mins	●	●	Contradict
Green	3	2.4.1	Staff employment contracts		27.7 mins	○	●	Full support
Green	3	3.1	Chair report		8.8 mins	○	○	Contradict
Green	3	3.2	Meetings attended		8.2 mins	⑤	○	Partial support
Yellow	1	4	Statutory matters		7.4 mins	●	○	Full support
Yellow	1	5	Chair report		37.3 mins	●	○	Full support
Yellow	1	6	CEO report	Strategic	74.5 mins	○	○	Contradict
Yellow	1	7	Strategic initiative (redacted*)	Strategic	37.7 mins	○	○	Contradict
Yellow	1	9	Audit committee		27.8 mins	⑤	●	Partial support
Yellow	1	10	Strategic plan discussion	Strategic	19.7 mins	⑤	○	Partial support
Yellow	1	12	Financial budget		10.6 mins	⑤	⑤	Inconclusive
Yellow	1	15	Directors' report		39.1 mins	○	⑤	Partial support
Yellow	2	4	CEO report	Strategic	27.4 mins	○	⑤	Partial support
Yellow	2	5	Audit committee		43.4 mins	⑤	⑤	Inconclusive
Yellow	2	6	Statutory matters		7.0 mins	●	○	Full support
Yellow	2	7	Stakeholder committee		38.3 mins	⑤	●	Partial support
Yellow	2	8	Governance committee		24.8 mins	⑤	●	Partial support
Yellow	3	4	Statutory matters		6.1 mins	●	○	Full support
Yellow	3	6	Chair report		23.2 mins	●	⑤	Partial support
Yellow	3	7	CEO report	Strategic	69.6 mins	○	●	Full support
Yellow	3	8	Strategic initiative (redacted)	Strategic	35.5 mins	○	⑤	Partial support
Yellow	3	9	Board retreat discussion		43.0 mins	●	●	Contradict

Yellow	3	10	Audit committee		30.4 mins	◐	●	Partial support
Yellow	3	11	Governance committee		19.1 mins	●	○	Full support
Yellow	3	13	Directors' report		50.0 mins	○	●	Full support

\* Some details have been redacted to maintain confidentiality.

\*\* Only the strategic items have been flagged; the other items refer to governance- and/or operational-level issues.

\*\*\* ● = top 33% score within that specific board; ◐ = middle 33% score within that specific board; ○ = bottom 33% score within that specific board.

\*\*\*\* Column highlighting the extent to which each item confirms a negative association between chair behaviours and director engagement.



**Figure 1: Chair Behaviours and Director Perceptions across the Three Boards**

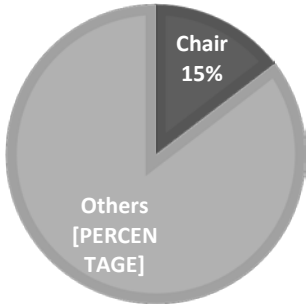
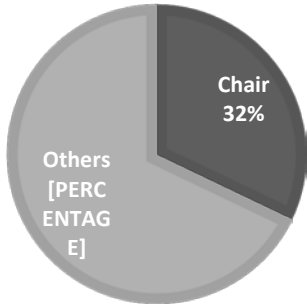
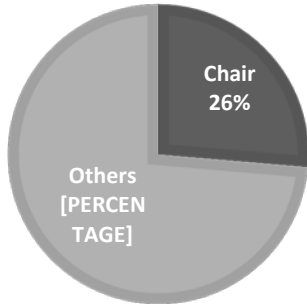


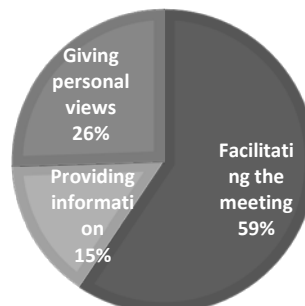
	<b>Red Board</b>	<b>Green Board</b>	<b>Yellow Board</b>
Percentage of chair behaviours during board meetings			
Breakdown of the various types of chair behaviours			
Typical examples of board members' perceptions about their board chair	<p><b>Positive Feedback:</b> The chair is “a (very) good chair” (R4, R6, R7) and “genuinely does a good job” (R5). Directors particularly mentioned his “networking ability” (R4, R1, R7) and informal way in which he chairs board meetings and lets discussions flow (R4, R6, R7).</p> <p><b>Critical Feedback:</b> “discussions sometimes lack direction” (R5) and the chair “perhaps sometimes is too agreeable” (R7).</p>	<p><b>Positive Feedback:</b> The chair “really steps up as a chair and takes the lead role” (G1), “is committed to objectives” (G3), “contributes a lot of time, effort and knowledge” (G4), “thinks things through” (G4) and “communicates well” (G4).</p> <p><b>Critical Feedback:</b> The chair is “sometimes not consultative” (G3), “gets far too operational” (G5) and “as a new chair [is still] learning the role of chair” (G5).</p>	<p><b>Positive Feedback:</b> “I admire her” (Y7) and “she is a fantastic chair” (Y4). The chair is a “strategic thinker who knows she needs to navigate” (Y7), “knows her business well” (Y1) and “[whose] grasp of issues and engagement of individuals is really impressive” (Y3).</p> <p><b>Critical Feedback:</b> The chair “needs to be clearer about what we have decided” (Y9) and “is sometimes leading the board, (...) swaying the board although not intentionally” (Y11).</p>

Figure 2a: Red Directors' Engagement Scores across Items

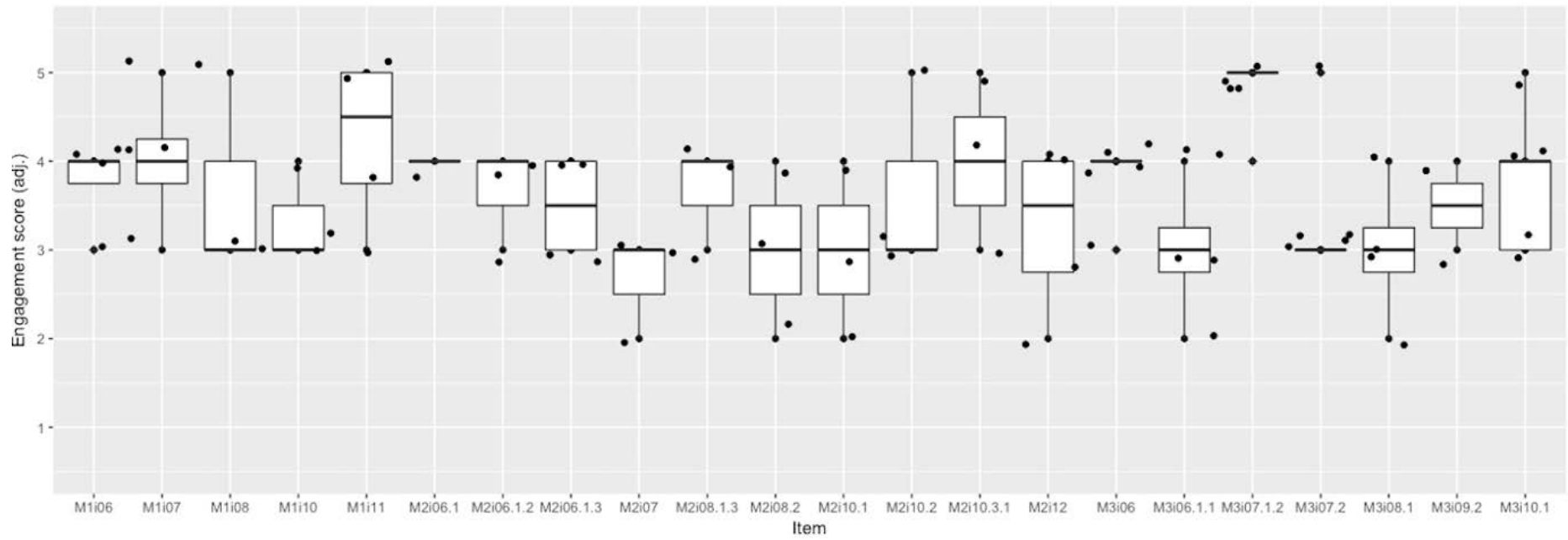


Figure 2b: Green Directors' Engagement Scores across Items

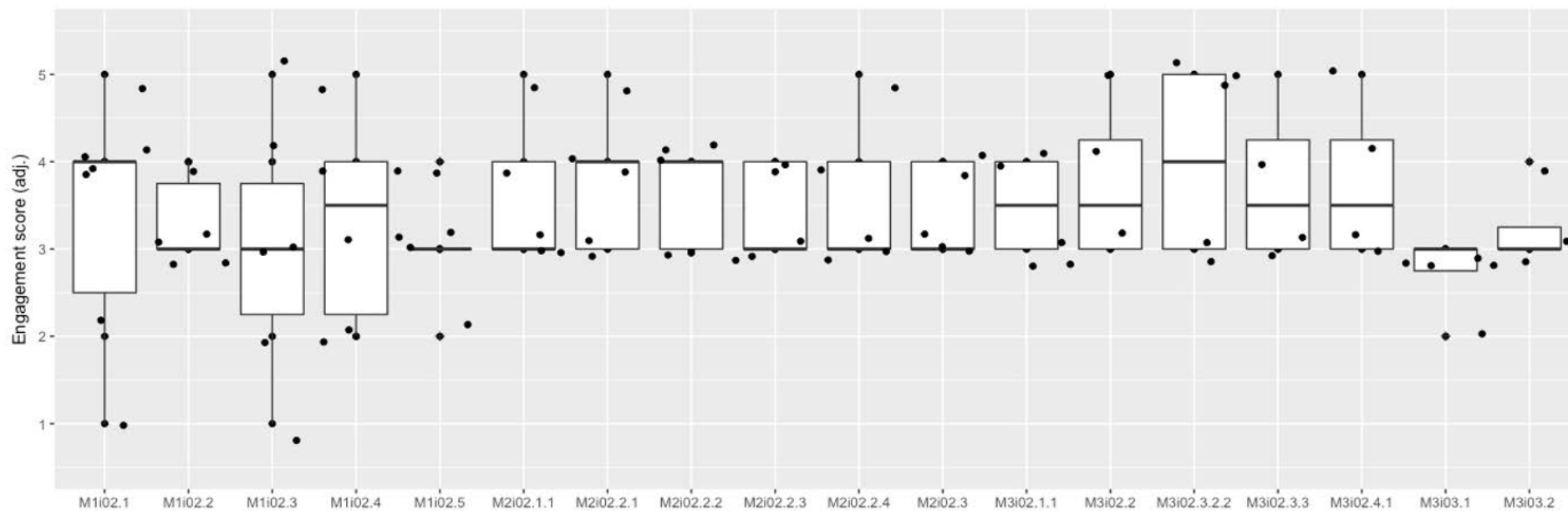
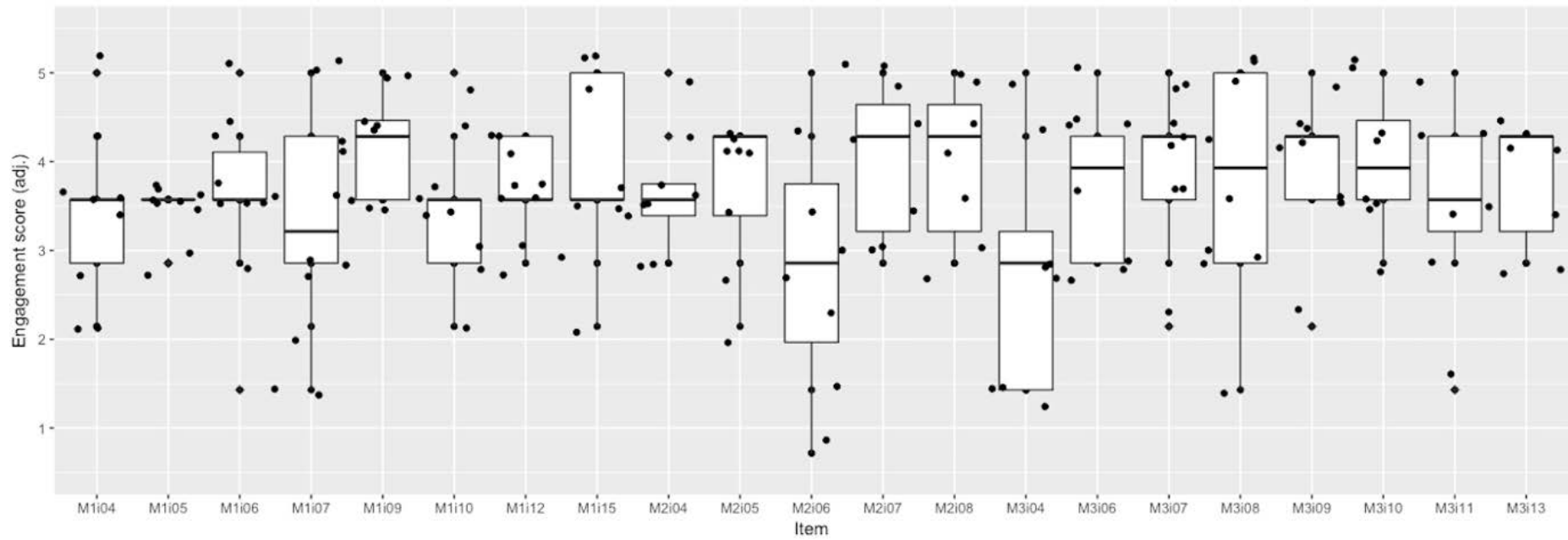
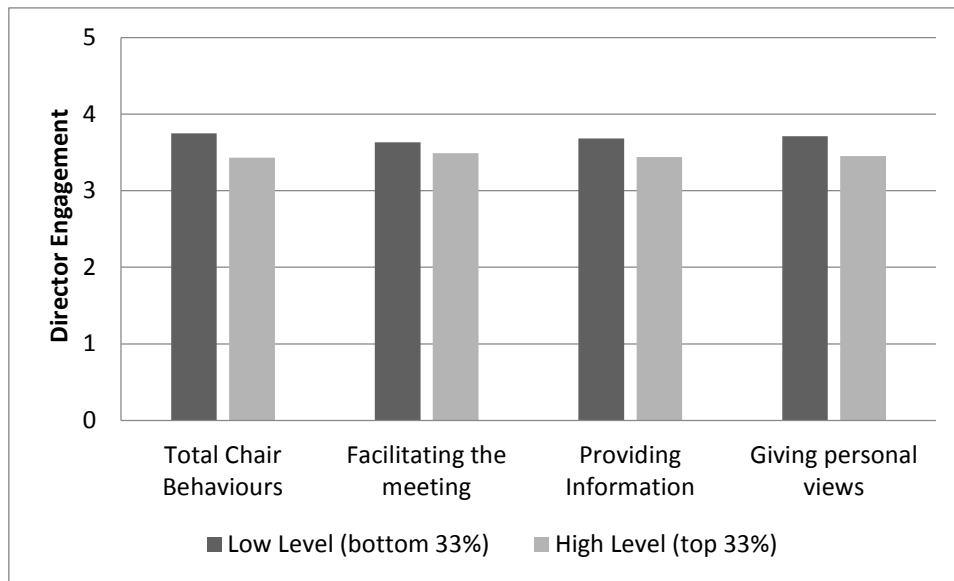


Figure 2c\*: Yellow Directors' Engagement Scores across Items



\* Note that Yellow's 7-point engagement scale was adjusted to align it with the 5-point engagement scales of RED and Green.

**Figure 3: The Impact of Chair Behaviours on Director Engagement\***

\* The engagement differences are significant in the cases of (i) total chair behaviours ( $p=0.01$ ) and (ii) the giving of personal views ( $p=.03$ ) (two-tailed tests).