A Qualitative Study of Engagement and Strategic Value in UK Nomination Committees

Doctor of Philosophy

Henley Business School

Jennifer Simnett

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Declaration of Original Authorship

I confirm that this thesis, including all tables and figures, is my own work. The use of all material from other sources has been properly and fully acknowledged.

Jennifer Simnett

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Abstract

The revised 2018 UK Corporate Governance Code came into effect in January 2019 and both extended the remit and empowered nomination committees. The consultation for review will open in mid-2022. This is the context for this exploratory study investigating strategic value from UK nomination committees. The role of the nomination committee chair is examined to understand how they engage with committee members, both inside and outside of formal meetings, to realise strategic value to the board.

Nomination committees and their chairs are the least researched committees and committee chairs. They are typically responsible for the recruitment and selection of executive and non-executive directors, succession planning and diversity. In over 80% of FTSE 350 companies, the board chair is the nomination committee chair as permitted by the UK Code.

Thirty-three FTSE All Share board directors were interviewed and data was thematically analysed focussing on engagement, strategic value, future governance regulation and impact from Covid-19. Strategic value was found to be realised through a holistic interpretation which takes the broadest definition of diversity, goes deep into the organisation for succession planning and entails long-range forecasting of skills for board and committee composition. This contributes to knowledge about the dynamics of nomination committees, the committee chair role and how it can be optimised to realise strategic value to the board via an emergent model.

Role theory is extended to better understand role overload by non-executive directors, role duality when the board chair is also nomination committee chair, and role conflict for the CEO on workforce engagement.

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Last but not least, I am appreciative of all my friends and family members, both at Henley Business School and outside of academia, who have encouraged and supported me in my PhD studies.

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Glossary of Terms

NC – nomination committee, sometimes abbreviated to 'noms', 'nomco' or 'nomcom'

NCC – nomination committee chair

NCM – nomination committee member

AC – audit committee

ACC – audit committee chair

RC – remuneration committee

RCC – remuneration committee chair

NED – non-executive director

SID – senior independent director

CEO – chief executive officer

CFO – chief financial officer

DesNED – designated non-executive director

Co Sec – company secretary

Exec – Executive team

FRC – Financial Reporting Council

SME – small or medium-sized enterprise

TMT – top management team

OECD – Organisation for Economic Co-operation and Development

REIT – Real Estate Investment Trust

EDs – Executive Directors

EM – earnings management

SOX – Sarbanes Oxley

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Chapter One: Introduction

1.1 Chapter One Overview

This introductory chapter sets the scene for this research study on nomination committees. It describes the aim and objectives of the study and outlines the research questions. Its' contribution to both theory and practice are summarised, followed by an explanation of the structure of this document. The next section explains the purpose and benefits of corporate governance and the unitary system in the UK as background. Board sub-committees are discussed, followed by a justification for the study of nomination committees and the author's personal motivation.

1.2 Research Rationale

This section presents the research aim, objectives and research question for this study. There is an explanation of the current context of UK corporate governance and an introduction to board sub-committees. The unitary board as the governance system in the UK is described and illustrated. This introductory section also presents the author's motivation and justifies why nomination committees (NCs) are an important area for new research.

1.2.1 Purpose and Benefits of Corporate Governance. There are many definitions of corporate governance, but a simple one is a 'system by which companies are directed and controlled' (Cadbury Report, 1992) or a more recent one is 'the formal structures, informal structures and processes that exist in oversight roles and responsibilities in the corporate context' (Hambrick, Werder & Zajac, 2008:381). In terms of the key actors involved in governance, these are shareholders, directors and executives as the 'three major forces that are responsible for determining corporate direction and actions' (Monks & Minnow, 2012 in Li,

Terjesen & Umans, 2018:44). The purpose of governance is to increase global growth and sustainability based on relationships between a company's executive managers, board, shareholders and other key stakeholders, but also, of relevance to this study, with a focus on relational dynamics, which is expressed by the Organisation for Economic Co-operation and Development (OECD) as:

> 'The purpose of corporate governance is to help build an environment
>
> of trust, transparency and accountability necessary for fostering long-term
>
> investment, financial stability and business integrity, thereby supporting
>
> stronger growth and more inclusive societies' (OECD, 2015)

The first UK code was introduced by the Cadbury Committee in 1992. It introduced the three sub-committees (audit, remuneration and nomination), proposed the separation of CEO and chair, as well as recommended at least three non-executive directors (NEDs) on a board (Doble, 1997). Subsequently, there has been a more pronounced focus on governance in the UK since the 2007–8 financial crisis (Almanie, 2021). The term 'corporate governance' assumed a common meaning in the UK during 1985–2012 in response to the 'excesses' (L'Huillier, 2014:301) of executive salaries, the loose management of director appointments and short-term executive rewards. UK corporate governance codes have traditionally adopted a voluntary 'comply or explain' approach to compliance, which is argued as being 'soft governance' and 'reflexive', suggesting continuous learning and improvement (Veldman & Willmott, 2016:582). UK codes have traditionally promoted shareholder primacy whereas key stakeholder groups such as customers, suppliers and employees have now taken on greater importance in corporate governance, as reflected in both section 172 of the UK Companies Act 2006 and the 2018 UK Corporate Governance Code (Financial Reporting Council, 2018).

Agency theory is the prominent theory adopted, where the principals hire agents on their behalf to monitor the company executives and manage conflicts of interest between owners and managers (L'Huillier, 2014). In recent years, a review of governance codes has been prompted by corporate scandals to prevent future economic loss and build the UK economy: 'solving economic problems is the main purpose of corporate governance reform' (Almanie, 2021).

Corporate governance is claimed to have many benefits. It has been shown to provide financial stability and protect the interests of institutional investors especially in Anglo-American regimes (Soederberg, 2003). Improved risk-adjusted performance was found to be associated with governance over different durations from three to ten years in U.S. firms. However, only the large and small companies realised this benefit, which was not evidenced in mid-sized firms (Shank, 2013). In South Africa, another Anglo-based regime, the benefits of corporate governance were found to be numerous and included stakeholder benefits such as good use of resources, positive reputation and reduced risk of corruption; ability to raise capital; ease within mergers and acquisitions; competitive advantage; and performance and sustainability (Sarah, 2017).

1.2.2 Unitary Board. This section describes a unitary board as the governance system adopted in the UK and other Anglo-American countries such as the U.S., Canada and Australia. The 'comply or explain' model inherent in the UK Code is a distinguishing feature of the unitary board and does not constrain companies in adhering to all provisions and principles so long as they have a viable explanation. However, the Wates Principles for large companies, such as the FTSE 100 companies in the UK, are considered even more lenient on compliance (Almanie, 2021). Board culture is one central area of governance where the Financial Reporting Council (FRC) is attempting to pin down board effectiveness due to the behavioural aspects of

past corporate scandals (Almanie, 2021). This study will focus on NCs within the unitary system in the UK as illustrated in Figure 1 below.

However, governance research, both quantitative and qualitative, is highly context-dependent due in part to countries operating very different systems of corporate governance. For example, the role of shareholders in corporate governance, especially in director nominations, is often debated in the U.S. and Europe (Nordberg, 2007). Corporate governance in Sweden follows a two-tier system but has the unique feature of the NC being wholly populated by shareholders. The board chair may be invited to NC meetings for information sharing. Both controlling and small shareholders are equally powerful in the Swedish NC and they monitor the management team together, openly negotiating their compromises with regards to the business of the NC (Poulsen, Strand & Thomsen, 2010).

Switzerland and Germany have a management board of inside executive directors to set strategy and decide how internal processes can be optimised, and a supervisory board of outside independent directors who are responsible for budgets, appointment to both boards and control (Nordberg, 2007). The dual board approach structurally separates management and oversight activities, which is seen as a benefit of this system. In Germany, the CEO sits on both the management and supervisory boards, but the latter has more narrowly defined responsibilities when compared to its Swiss counterpart (Nordberg, 2007). Unusually, the number of board members in Germany is legislated relative to the number of employees; for example, six board members for a company with fewer than 2,000 employees (Fiss, 2006). The U.S., Canada and Australia operate under a unitary system, but application of their respective codes creates varied governance environments.

Figure 1 below illustrates a typical UK listed company board and committee structure.

Board of Directors
Chair

| SID | NEDs | Co Sec | CEO | Executives |

Audit Committee	**Remuneration Committee**	**Nomination Committee**
Committee Chair	Committee Chair	Committee Chair
NEDs & Exec	NEDs & Exec	NEDs & Exec
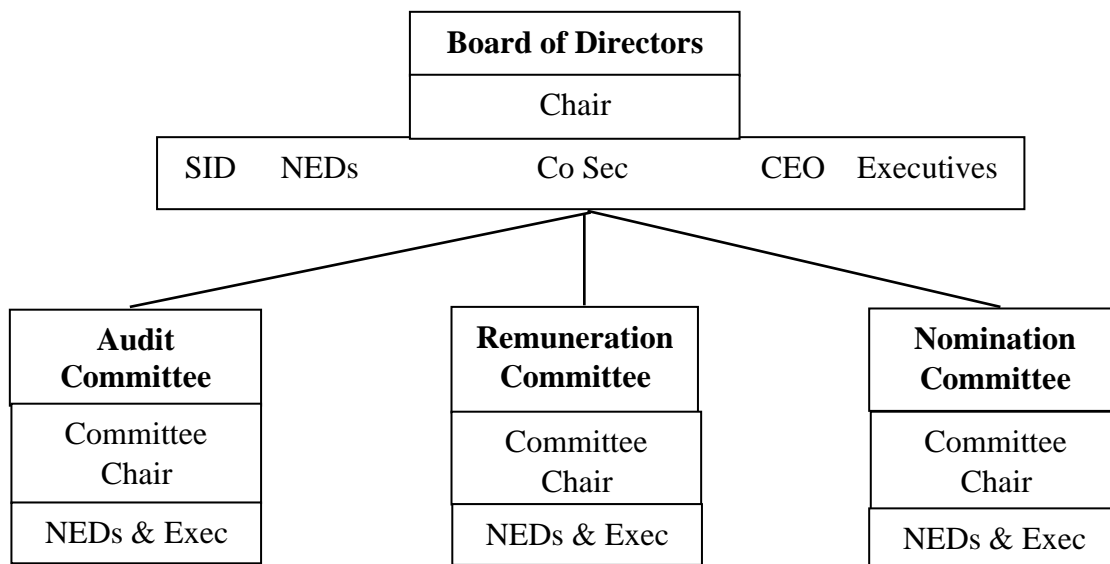
Figure 1. Typical UK unitary system (author's own design)

1.2.3 Introduction to Board Sub-committees. There is a trend that European corporate governance codes are increasingly dependent on board committees for good governance, in that they 'reflect a trend towards reliance on board committees' (Weil, Gitshal & Manges, 2002 in Hussain & Mallin, 2003:251). Board committees are a key driver of good practice: 'effectiveness of the board may also be buttressed by the appointment of committees' (Cadbury, 1992 in McNulty, Florackis & Ormrod, 2013:66). The dynamic between board and committees can be perceived as circular as one impacts the other in turn: 'since the composition of corporate boards is partly determined by such committees, the more effective the committees, the better the boards which they serve' (Vafeas, 1999:203). The acknowledged rationale for a board having sub-committees is to share the workload and concentrate effort on logically grouped tasks in 'delegating specific tasks from the main board to a smaller group and harnessing the contribution of non-executive directors' (Spira & Bender, 2004:489). Committee work is central to the good functioning of the board of directors, committees being 'specialized subgroups that exist to perform many of the board's most critical functions' (Kolev

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et al, 2019:1138). However, clarity on the utility of committees is often lacking, and this is a central research theme here.

Committees, it is claimed, are a good proxy for governance quality (Yeh, Chung & Liu, 2011), yet it has been suggested that board committees can create obstacles to communication and decision-making (Adams, Raganathan & Tumarkin, 2020). Alternatively, they can mitigate problems of communication, coordination and free riders (Reeb & Upadhyay, 2010). A committee is a vehicle to help steer an organisation, providing leadership and a controlling function, but it can also be perceived as a hindrance or 'mutation process' (Das, 2019:3). The strategic force of an NC has long been overlooked with the spotlight usually falling on audit committees (ACs) and remuneration committees (RCs) (Spira & Bender, 2004). Some researchers have commented on this oversight: 'there is a dearth of studies which focus specifically on NCs' (Kaczmarek, Kimino & Pye, 2012a:474). An NC is generally the last committee to be established (Kaczmarek, Kimino & Pye, 2012a). The typical approach has been quantitative in terms of understanding the determinants of NCs: 'there is a paucity of research in understanding the determinants of nomination committee notwithstanding the importance of an independent nomination committee in board selection process' (Bhuiyan & Habib, 2011:54). So, despite the FRC having formalised the role of the NC, it has nonetheless been dubbed the 'Cinderella committee' (EY & ICSA, 2016:6) and to date, it has received the least amount of attention of all sub-committees.

The benefits of committees are seen as being threefold, providing: (1) the ability to focus on functional detail, (2) an effective process for decision-making and (3) greater ownership in resolution of issues. However, they also incur costs, both financial and in terms of the segregation of information (Chen & Wu, 2016). Of the four threats to board effectiveness identified in the literature, one is an unhelpful culture in which committees are purely part of the process, the implication being that they add no value (Clune et al, 2019). There has been

little research on strategic outcomes from any committees including NCs, other than on aspects of financial performance emerging from them (Agyemang-Mintah, 2015). No literature has been found on strategic value from NCs.

1.2.4 Why Study Nomination Committees? The concept of the NC was introduced in the UK by the Cadbury Report (1992) as a means of enhancing board directors' ability to monitor and advise. In 1998, it was stipulated that NCs should be 'accepted as best practice' (Hampel, 1998:29). Subsequently, a formal mandate prescribed that all listed UK companies should have an NC to ensure the optimum independence of board directors and that all committee directors should be independent (Higgs, 2003). The number of companies with an NC trebled between 1988 and 1993, albeit remaining quite low, while the NED role increased in importance, and a more transparent and objective nomination process became evident (Conyon, 1994). In contrast, the New York Stock Exchange (NYSE) requires all three main committees be in place, whereas the National Association of Securities Dealers Automated Quotations (NASDAQ) only stipulates the presence of audit and compensation committees (Garg, Li & Shaw, 2018). There is no involvement and no formal role in nominations by institutional investors in UK companies (Main, 1994).

The recent broadening of NCs' remit in the revised 2018 UK Corporate Governance Code has been in effect since January 2019 (Financial Reporting Council, 2018). Reviewers of the 2018 Code claim that 'the more forward-looking strategic element of the nomination committee's role is an emerging one' (EY & ICSA, 2016:20). The call to realise a more strategic role vis-à-vis the board (EY & ICSA, 2016) is the context for this research study. Strategy is primarily the role of the board, but committees play their part: 'the role of strategy and enterprise risk rests with the full Board, but committee structure should also support this, particularly at the inception stage of governance focus on value creation' (Leblanc, 2013:299).

However, defining strategic value in corporate governance is problematic (Cossin & Metayer, 2014) and often results in a generic statement such as 'what's best for the viability and continued wellbeing of the organisation' (Pande & Ansari, 2014:70). The 2018 Code also endows NCs with a broader accountability, expanding from just process and policy to reporting more instrumental actions and outcomes: 'its work should be co-ordinated with existing board discussions about company strategy' (EY & ICSA, 2016:8).

The wider UK remit of the 2018 Code spans director recruitment (non-executive and executive), induction and development; talent pipeline and succession planning; board composition including diversity; and board effectiveness and evaluation (Financial Reporting Council, 2018). NCs are increasingly being seen as pivotal to the empowerment of the board and as 'one of the most important elements of corporate governance' (Nachemson-Ekwall & Mayer, 2018:1). They are central to good governance as they 'play a major role in building the board of the future' (Rhodes, 2014:17). However, the NC is the youngest and least researched of al board institutions (Kaczmarek & Nyuur, 2016) and so has lacked the same scrutiny afforded other committees. This situation prevails despite the attention drawn to them in the 2018 Code: 'a further area requiring investigation is how various board committees' function, in particular the nomination and ESG committees' (Kakabadse & Morley, 2021:193). There is also a lack of clarity about how NEDs are engaged both inside and outside of formal meetings: 'equally poorly understood is the impact of the formal and informal dynamics that take place among directors inside and outside the boardroom' (Kakabadse & Morley, 2021:193).

There is growing emphasis from the FRC in the UK that the NC should be strategically aligned with the board and the organisation's strategy, with an explicit link to board effectiveness. NCs' remit for board recruitment stipulates that it must 'take into account the company's strategic priorities' (Financial Reporting Council, July 2018: 24). With regard to meeting its diversity targets, the NC is charged with 'meeting diversity objectives and strategies

for the company as a whole' (Financial Reporting Council, July 2018: 24). Skills matrices should be designed such that the mapping of the existing board skillset is 'against that required to execute strategy' (Financial Reporting Council, July 2018: 25). In terms of succession planning, the NC must 'inform and manage the long-term succession strategy' (Financial Reporting Council, July 2018: 26). There is also an explicit requirement for the NC with regard to board evaluation, with the aim of ensuring all committees align with the board: 'effectiveness of board committees, and how they are connected with the main board' (Financial Reporting Council, July 2018: 29). A further backdrop to the present study, with reference to the UK, is the anticipation of a closer policing of boards by the new UK regulatory body, the Audit, Reporting and Governance Authority (ARGA) (Kingman, 2018).

It is evident that there is a growing imperative to examine the diversity work of the NC. The Parker Review (2017) set long-term targets for ethnic diversity: at least one director of colour on FTSE 100 boards by 2021 or by 2024 for FTSE 250 companies. Accountability for such targets is placed squarely at the door of NCs and nomination committee chairs (NCCs) which means engaging with different stakeholders and recruitment consultants to promote and demonstrate a diverse culture, including cognitive or intellectual diversity: 'major investors are now more likely to vote against re-election of the nomination committee chair if demonstrable progress [on gender quotas] isn't realised' (Company Matters, 2020:3). This includes ensuring an ethnic diversity of candidates is evident in succession planning and candidate shortlists. This mandate accords greater significance to the NC, not least because of the issue's impact on the company's employer branding, values and supply chain. The Parker Review (2017) also stipulated that maximum diversity of NC members is important to create distance from the stereotype of directors as middle aged, middle class and male. The report emphasises the need for clarity about the role and remit of the NC and its chair in relation to diversity, board appointments and disclosure in annual reports. Recently, UK listed company annual reports

have positioned NCs as broader people and culture committees to reflect an expanded remit, which can include workforce engagement, culture, cognitive or intellectual diversity and wellbeing (EY, 2021).

The slower adoption of NCs suggests that the full and true value of these committees is not perceived by boards and organisations: 'the economic rationale for NC is not clear-cut', especially when compared to the financially oriented ACs and RCs (Kaczmarek, Kimino & Pye, 2012a:485). The central importance of sub-committees is growing and they all, but especially NCs, 'remain relatively under-researched although have heightened importance with regard to effective board functioning' (Brown, Steen & Foreman, 2009 in Kaczmarek, Kimino & Pye, 2012a:474). This overdue spotlight is even further emphasised in extant research about the NCC whose role has been overlooked: 'the expertise of the NCC and their contribution toward the corporation and its performance is still found to be scarce' (Chaudhry, Roomi & Aftab, 2020:623). This is an area ripe for further exploration and qualitative research: 'very few studies are found about what expertise is needed in the NCC and how they can benefit the firm' (Chaudhry, Roomi & Atfab, 2020:623). However, they go on to show that NCs and NCCs have an effect on firm performance: 'NC plays an important role in the success and failure of a company, but the literature seems to be silent about the role of its chair in organisational performance' (Chaudhry, Roomi & Aftab, 2020: 622). This study aims to rectify this perception of NCs and the role of NCCs in demonstrating their full strategic contribution to the board for academics, policymakers and practitioners.

Research on NCs has typically focused on selected tasks such as director selection, board composition and independence. Much of the research has been empirical and generic about all committees associating them with board size and impact on financial performance. While there is research carried out on NCs in a wide range of countries, sectors, companies and boards, it is challenging to make comparisons when the concepts of engagement, committee

dynamics and strategic value are so contextual. It is not desirable to draw conclusions without in-depth qualitative research that generates theory. Academics claim that more qualitative research is needed to understand internal board and committee processes at work and their business-oriented strategic outcomes, the latter of which are neglected. It is timely now to look at this research question, especially since the 2018 UK Corporate Governance Code and NC's wider remit for the future, for example on diversity and inclusion and 'its objectives and linkage to company strategy' (Financial Reporting Council, 2018:9). Geographically, research on NCs has spanned the UK (Kaczmarek & Nyuur, 2016), New Zealand (Ferkins & Shilbury, 2012), Australia (Pugliese, Nicholson & Bezemer, 2015), Germany (Walther & Morner, 2014), the U.S. (Valenti, 2008), Sweden (Carlsson, 2007), Russia (Berezinets, Ilina & Cherkasskaya, 2017), Malaysia (Annuar & Rashid, 2015) and Ghana (Appiah, Asamoah & Osei, 2016). This list, although not exhaustive, illustrates global interest, but there is little integration of results as every study tends to be highly contextual.

1.2.5 Personal Motivation. This research question on the topic of NCs is an imperative for academic research, not least because UK corporate governance has become a highly dynamic and changing field in recent years and this board committee has not invited sufficient attention. The 2018 UK Corporate Governance Code, which came into effect in January 2019, put the NC under a spotlight by expanding both its remit and its mandate. The FRC is scheduled to open a consultation to review the 2018 Code during the latter half of 2022, consequently this study is both pertinent and timely.

However, there are also professional and personal motivations for studying UK listed NCs. I have practitioner experience as an executive director on boards and committees, having been an interim transformation director for 15 years in small and medium-sized enterprises (SMEs) across diverse sectors. I am currently a non-executive director (NED), interim vice-

chair of the board and chair of the nomination and remuneration committee for a London-based housing association. Previously I held several trustee roles in UK national charities. My background as a NED and my experience of chairing an NC is germane to this qualitative and interpretative study on committee dynamics. I am keen to use this PhD to transition my career into board advisory work and add to my NED portfolio. My interest in corporate governance and my ambitions therein are undoubtedly a key motivation for this study. My experience will inevitably shape my interpretation of the literature, engagement with participants, data collection and analysis as both a researcher and practitioner.

This section has explored the purpose and benefits of corporate governance, described the unitary board and introduced board sub-committees. It has provided a justification for this study on NCs and explained the motivation for this study. The next section outlines the research aim, objectives and the research questions.

1.3 Research Aim, Objectives and Question

This section outlines the research aim and objectives of this study. It also presents the initial research question to be investigated.

1.3.1 Research Aim. This research project and literature review aims to understand how NCCs engage with executive and non-executive committee members to generate strategic value in terms of their remit; understand the processes and dynamics of if and how this happens; identify the desirable behaviours, skills and characteristics on the part of the NCC; and clarify the differential strategic impact of NC activities as recommendations to the board of directors which contribute to and impact the corporate strategy and the business. The context of this research aim is the recent 2018 UK Corporate Governance Code which broadened the remit of

NCs with a wish that they should become more strategic in their output (E&Y, 2016). The role of committee chair is not regulated and rarely the focus of academic research.

The aim can be simply stated: to explore how nomination committees can generate strategic value for boards.

1.3.2 Research Objectives. A systematic quantitative literature review (SQLR) has been conducted on both a broad context of board dynamics and board leadership and the NC remit with the key concepts contained within the research question. A guiding framework was devised based on role theory as the guiding approach. This framework will subsequently be explored through a qualitative approach to data collection and analysis. The data analysis will lead to the development of a conceptual model for strategic value creation by NCs and this will be related to the theoretical framework. Finally, a discussion of the results will reposition the role and importance of NCs with researchers and practitioners. Therefore, the research objectives can be summarised as the following:

- to carry out an SQLR
- to devise a guiding framework within the context of a theoretical lens
- to investigate this framework via a qualitative research design
- to develop a model from analysis and conclusions from data
- to relate the model to a theoretical framework.

1.3.3 Research Question. The main research question is 'how does the chair of the nomination committee engage with committee members to realise strategic value for the board?' Figure 2 shows the overlapping areas of interest for this study and the positioning of the research question.
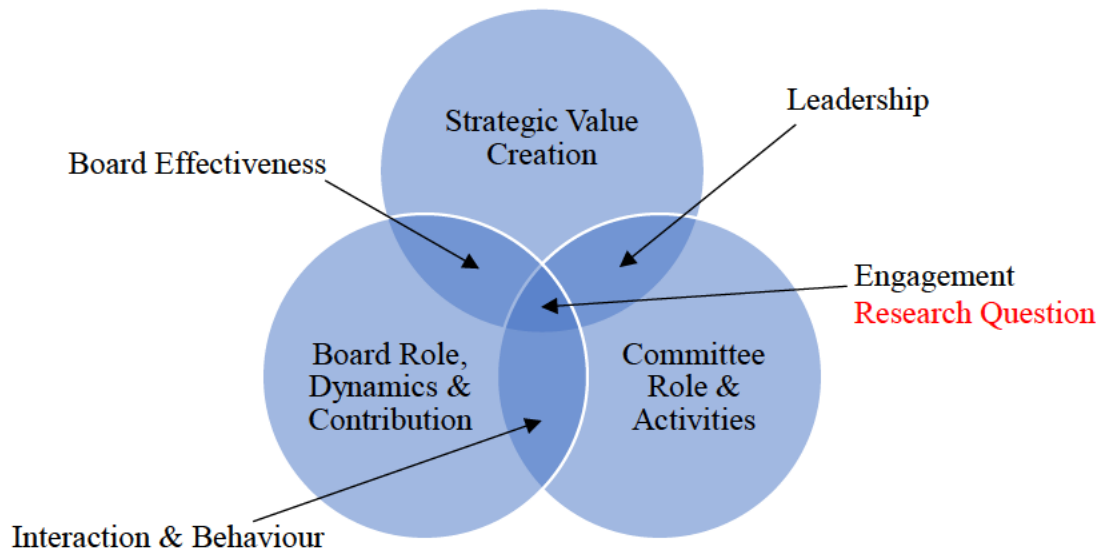
Figure 2. Guiding framework showing areas of interest and focus of research question (author's own design)

This section has outlined the research aim, objectives and research questions. The next section summarises the research contribution to both academia and practice.

1.4 Research Contribution

This section summarises the contribution this research study makes to both academic theory and governance practitioners within the UK but with application to other Anglo-American unitary systems of governance. Contribution to academic research is of itself problematic. It can be subjective or depend on prior experience (academic or practitioner) but must be judged original and differentiate itself from the field, as such it 'must be considered legitimate by assessors' (Gendron, 2013:XII). PhD contribution to theory may offer clear new evidence or just a hint of possibility, which can change over time and space, but is deemed to be 'always fragile and uncertain' (Gendron, 2013:X). A helpful model of contribution is posited by Nicholson et al (2018) which divides progress into incremental (gap-spotting), revelatory (bigger gap or ground-breaking), replicatory (further generalisation) and consolidatory (meta-

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analysis or state-of-the-art reviews). Their conceptual model of contribution widens the field from purely incremental, gap-spotting studies and would potentially position this research study as a revelatory contribution.

1.4.1 Contribution to Academia. This section describes the contribution to the application of theory and to academia from this study on NCs. It is a holistic study which breaks new ground in investigating how NCCs engage both within and outside of NC meetings, and the impact on this engagement from operating virtually due to Covid-19. NCs have rarely been studied during the pandemic so these are new research findings which weigh up the relative benefits and costs of virtual meetings and the diminishing opportunities for informal interaction. This study also examines strategic value from NCs, which has not been researched before and proposes that, as the most strategic of all board committees, NCs can be highly active on strategic focus and value as output when previously strategy had been considered solely the remit of the board with committees being purely tactical.

The role of the NCC is examined in depth as a previously untouched subject area in qualitative and exploratory study. The necessary skills for an NCC are largely perceived as soft skills in addition to business knowledge, emotional intelligence and sophisticated process facilitation both inside and outside the NC meetings. Extant literature has not yet explored the informal interaction of NC members outside of NC meetings and so this is also new knowledge. This study also highlights and examines the feature of UK listed companies and the UK Code, which allows the board chair to be the NCC. This positioning is explored in terms of how it impacts strategic value as output from the NC.

The remit of NCs in UK listed companies can be one-dimensional or extend into a people and culture committee, as delegated by the board. This has its advantages and disadvantages for the CEO, if on the NC, and can indicate where a dual board chair is

empowering the NC but also driving their own agenda. The context of the 2018 UK Corporate Governance Code is pertinent now as this version has only been in effect for three financial years and is due to be reviewed during 2022.

The guiding theory for this study is role theory. Through the research on NCs, this theory has been extended in terms of role conflict to the scenarios in UK listed companies of board chairs as NCCs and when the CEO is on the NC and this committee is accountable for the new regulation on workforce engagement. There is also an extension of role theory on the overboarding of NEDs on NCs as role overload which presents potential risk to monitoring and independence.

1.4.2 Contribution for Practitioners. This section describes the contribution from this study for practitioners, including board directors, company secretaries and corporate governance consultants. It also makes a timely contribution to the regulator, the FRC, about what UK FTSE board directors want future regulation to do for their businesses and suggests areas where the regulator may wish to focus their efforts as part of the consultation and review of the 2018 UK Corporate Governance Code. It also highlights the challenges for NCs from operating during 2020-21 and Covid-19.

The areas highlighted by this study for potential review are the NC name and flexibility of remit, which can vary widely from one company to the next: it may be purely focused on board composition and recruitment or have evolved into a more comprehensive and wide-ranging remit of people and culture topics, delegated by the board and reflected in the NC terms of reference. There are some individual elements of feedback that could have significant impact in demonstrating good practice and creating more strategic value as output from NCs. This includes a broader definition of meritocracy to allow more diversity on boards and committees;

a review of the tenure rule, which dictates that board director step down after nine years' service; a necessity for succession plans to be reviewed after completion to ensure that they were fit for purpose; and consideration of changing the name 'NC' to reflect a broader strategic remit more accurately. There is also general NED feedback about the nature and quantity of governance regulation, in that some of it becomes a constraint to board and committee effectiveness.

The contribution to practitioners also illustrates how NCs have operated and continue to operate during the ongoing fluctuations and economic challenges of Covid-19. It distils the advantages and disadvantages of virtual operation and how this has affected working relationships, chairing NC meetings, engagement, debate and conflict resolution.

This section has summarised the contribution of this study to academia and practice. The next section describes the structure of this thesis so the reader can more easily navigate through subsequent chapters.

1.5 Thesis Structure

The structure of this thesis begins with Chapter One, an introduction which describes the context and recent history of corporate governance, in both the U.S. and the UK. Chapter One outlines my motivation and interest in nomination committees since the application of the 2018 UK Corporate Governance Code. It also explains the research aim, objectives and contribution to both theory and practice. Chapter Two expands on the approach adopted in the SQLR and discusses the literature using the framework from Forbes & Milliken's 1999 study. It also covers ten of the central theories in corporate governance, justifying the selection of role theory as the guiding theory for this study. Chapter Three goes into detail about the research methodology and justifies the ontology, epistemology and research design. It describes the pilot

study and its results, how participants were contacted, the main study data collection in qualitative interviews and includes a discussion of the study's validity and reliability. Chapter Four covers the coding and categories of the interview data in NVivo 12 and discusses the thematic analysis. The four themes are discussed within the context of the guiding theory and the extant literature. The final chapter, Chapter Five, summarises the research conclusions and restates the contribution to academia and practitioners from this study. Chapter Five also includes a model of the role of the NCC in engaging NC members to realise strategic value to the board as an emerging model, along with limitations of the study and my personal reflections on the PhD experience.

1.6 Chapter Summary

This introductory chapter has aimed to set the scene for this research study by providing an explanation of the purpose of corporate governance, the unitary system and board sub-committees. It presents the personal motivation for this study and the current UK context for nomination committees. The research rationale with the research aim, objectives and research questions are presented. The research contribution is summarised encompassing that for academic theory and that for governance practice. Finally, this chapter has outlined the structure of this thesis to aid the reader in navigating this thesis.

Chapter Two: Literature Review

2.1 Chapter Two Overview

This chapter outlines a literature review on all aspects of the nomination committee (NC). It explains the approach and aims to review the full breadth of literature relevant for this study on NCs, nomination committee chairs (NCCs), engagement and strategy value as the main concepts within the research question. It covers the context of the board of directors, board committees and NC, then explores the key concepts in the research question as well as the areas of NC responsibility. It adopts the discipline and rigour of a systematic quantitative literature review (SQLR). The final part of the chapter is focused on theoretical frameworks, which are described and critiqued in relation to the research question, before justifying role theory as the selected guiding theory. Figure 3 below explains the overview of the literature review in diagrammatic form.

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        │  Board & Committee: │
        │   Purpose and Value │
        │    Characteristics  │
        │       Dynamics      │
        │       Outcomes      │
        └──────────┬──────────┘
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        │   Committee Chairs  │
        └──────────┬──────────┘
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        │ Nomination Committee│
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      │Engagement │ │Strategic Value│
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          │    Research Gap     │
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          │    Theoretical      │
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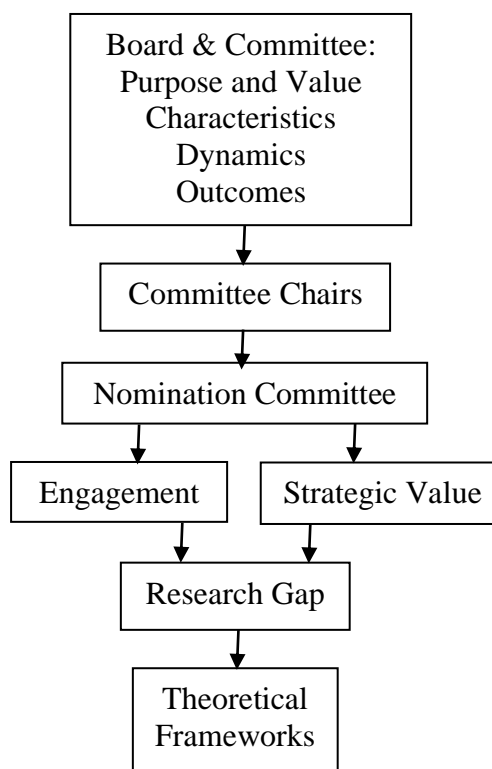
Figure 3. Overview of literature review chapter (author's own design)

2.2 Literature Review Approach

This section builds on the research aim, objectives and research question for this study. It explains the reasons behind deciding to pursue a systematic literature review which is the foundation for reviewing the extant literature for this study.

As part of the first term's lecture module on literature review, there was a lecture on systematic literature reviews at Henley Business School. Doctoral students were given a paper by the lecturer and his co-authors, Mariani et al (2018), about a systematic review in the hospitality and tourism sector. This approach provided a structured route map and clear process for enquiry. As a little applied tool in corporate governance, there was also the opportunity to experiment and see how comprehensively it could collate the full breadth and depth of literature related to NCs. This was especially challenging as NCs have relatively fewer academic papers available when compared to audit committees (ACs) and remuneration committees (RCs). This approach also gave a vehicle to adopt a quantitative approach to literature review to better understand the shape and size of the extant literature. Moreover, as this research was focused on the NCC with less research than the other committee chairs, it required a broad scope of search encompassing many elements of UK unitary governance.

2.3 Systematic Literature Review Process

This section describes the approach adopted for completing the SQLR. It covers a step-by-step process to give the optimum transparency on the decisions made at each juncture in the process and how this review arrived at the final dataset. The SQLR was completed during May 2020 and not redone in its entirety but updated with any newly published relevant studies (of which there were only a few and none directly relating to the research question). The section ends with some analysis and descriptive statistics on the systematic literature review output.

The aim of the literature review is to gather and review all the relevant and related journal papers that have been written in a specific area: 'a systematic literature review aims to consider all available and eligible evidence; therefore, finding all the evidence is a key component of conducting a comprehensive literature review' (Bruce & Mollison, 2004:14). An SQLR can be defined as a process of searching and collating literature, followed by organising it in a way that helps to understand the quantity and nature of extant research: 'a systematic review is a critical synthesis of research evidence, which involves analysis of all available and relevant evidence in a systematic, objective and robust manner' (Bruce & Mollison, 2004:13).

The lack of an integrated and systematic review of the literature on any of the board committees is considered overdue (Kolev et al, 2019). There are no known systematic literature reviews on NCs (zero returns on Scopus, Web of Science and Business Source Complete when searched with the Boolean keywords 'nominat* committee*' AND 'systematic literature review' or 'literature review'). A systematic review of literature is considered a recommended approach for early-career PhD researchers in anticipation of their need to 'publish or perish' (Pickering & Byrne, 2014:534). This approach to literature review provides a more structured process to follow than the traditional narrative method of literature review. This systematic literature review follows the process of Tranfield & Denyer (2003:209) as 'replicable, scientific and transparent'. A systematic quantitative method gives an opportunity for a structured and deductive approach, that is, to start with the research question, survey the literature to date and collate a broad set of academic articles on NC. The process in this study distilled key themes not only on NC but also with reference to other committees and boards where research may be generalisable to NC. The keyword search results have included papers focused on other board committees, such as audit and remuneration committees, so may have skewed the review, but they also mention NC or have potential relevance to this research question so have been

included. There was a later broadening of the search terms into the context of board leadership, roles and dynamics, which is explained in the following process.

Firstly, keyword searches were carried out on 'nominat* committee' to allow access to both 'nominating' and 'nomination'. The research question was then deconstructed into its component parts and keyword searches were conducted on all these elements. This list of concepts included 'value', 'strateg*', 'contribution', 'effective*', 'committee chair', 'impact', 'engagement' and 'role'. These keywords were paired via the Boolean 'AND' with 'nominat* committee', 'committee chair', 'board sub-committee*' and 'sub-committee*' to provide a long list for the initial keyword searches in both Scopus and Business Source Complete. Singular and plural versions of keywords were included with the Boolean asterisk and sub-committee both with and without a hyphen. There were some further amendments to keywords such as shortening Boolean searches such as 'behavio*'. Keyword searches were also included for the range of output activities that make up the remit of an NC (independence, director selection, succession planning, diversity, board composition and board evaluation). On comparing the initial results from Scopus and Business Source Complete, it was decided to use only the Scopus database as it omitted unwanted company announcements. The keyword searches were checked in Web of Science, but the resulting totals were significantly lower, which confirmed Scopus as the database of choice.

The second step in the process was to further refine the search results using the search criteria as follows:

- keywords appearing in the article title, abstract or author keywords
- taking articles categorised under Business, Management & Accounting

- including journal articles, reviews and conference papers only (excluding newspaper articles and book chapters)

- only articles published since 1992 (when the Cadbury Report (1992) stipulated the creation of NCs for all listed UK companies).

Based on these criteria, Scopus references 1,874 sources. At this stage, the first 50 papers were reviewed; however, it was felt that the searches needed broadening to capture articles about board-committee dynamics and behaviour, leadership and the senior independent director role. Therefore, a further nine keyword searches were added. At this point, it was also decided to include 'decision-making' paired with NC, board committee and committee chair as earlier in the process. The resulting papers were found to already be included so no new articles were added, and this was taken as a signal that the keyword search process had reached saturation. This complete process resulted in 404 articles after duplicates were removed.

A third step was to restrict the articles to 3- and 4-star journals as classified by the Chartered Association of Business Schools. Of the 149 three- and 4-star journal articles, 100 were selected as relevant. As this total number was considered slightly low for a comprehensive literature review, it was decided to also include two-star articles. There were 113 two-star articles, of which 32 were selected, making a total of 132 articles for the final dataset. An illustration of how articles were selected is that CEO duality and gender diversity papers were included as relevant to this study, but articles solely about CEO compensation with no reference to NC were excluded as irrelevant to the research question.

A fourth step was to create a spreadsheet analysis of the 132 articles and then split them into four themes of board/committee characteristics, board/committee dynamics, board-/committee-level outcomes and firm-level outcomes. This approach was taken from the Forbes & Milliken model (1999). This model reflects the key areas of output from this systematic

quantitative literature review, which covers 51 journals of which 35.3% are 4-star 37.3% are 3-star and 27.4% are 2-star journals. There were only 27 (21.3%) papers dedicated to NC alone. A total of 19 (14.4%) papers focused on other committees with one combining audit committees (ACs) and NCs. All committees together were the subject of 29 (22.0%) papers and the majority of 57 (43.2%) articles were about board level. Other descriptive statistics are shown in table 1 below.

1993–2001	12 / 9.1%		Qualitative	25 / 18.9%		UK	24 / 18.2%
2002–2010	46 / 34.8%		Quantitative	80 / 60.6%		U.S & Canada	57 / 43.2%
2011–2020	74 / 56.1%		Mixed methods	4 / 3.1%		Europe (ex UK)	22 / 16.7%
2 stars	32 / 24.2%		Conceptual	9 / 6.8%		Australia & NZ	10 / 7.6%
3 stars	61 / 46.2%		Discussion	9 / 6.8%		Global/multiple	8 / 6.0%
4 stars	39 / 29.6%		Review	5 / 3.8%		Asia, Africa, Middle East	11 / 8.3%

Table 1. Descriptive statistics from systematic quantitative literature review (author's own design)

A final step was adopted after my confirmation interview where it was suggested by one of my internal examiners that I should include *FTSE UK listed* as a search on Scopus. This was done at a later stage and paired with *nominat committee* but resulted in zero papers found. To be certain of not missing anything, I also searched purely on *FTSE UK listed* and found three papers, which were unrelated to this study, NC, board committees or dynamics.

All 132 papers of interest to this research question were analysed in terms of any insights for the research question. The Forbes & Milliken (1999) model has been used to

structure this part of the literature review as it is a seminal work in corporate governance and reflects the key areas of analysis in this study, i.e. the inputs, processes and outputs of boards and committees. The Forbes & Milliken model (1999) is not without its critics as recent researchers have retested the model and identified gaps, such as the absence of evidence for cognitive conflicts (Heemskerk, 2019). It was not feasible to have another researcher cross-check the inclusion and classification of the academic papers, so this omission is offered as a limitation of this study. While the search terms applied are sufficiently broad to include all the key relationships of an NCC, the total number of papers selected is relatively small due in part to NC being the least discussed of the board committees and in part to the use of only one database, Scopus. This research study is focused on the UK unitary system of corporate governance; however, the selected papers for the literature review span other governance systems in different geographies.

The next section explains the framework used for analysing the literature resulting from the SQLR.

2.4 Literature Review Framework

This section discusses the 132 papers in the final dataset structured around board purpose and value, board and committee characteristics, board and committee dynamics, board and committee-level outcomes, firm outcomes and committees. The four levels of Forbes & Milliken's 1999 model are 'topped and tailed' with sections on board purpose and value, and finally a section on committees, as shown below in figure 4 below. This framework is used to review the literature from the SQLR.

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│      2.4.1 Board Purpose and Value       │
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│  2.4.2 Board and Committee Characteristics │
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│    2.4.3 Board and Committee Dynamics    │
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│  2.4.4 Board and Committee-Level Outcomes │
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│       2.4.5 Firm-Level Outcomes          │
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┌─────────────────────────────────────────┐
│          2.4.6 Committees                │
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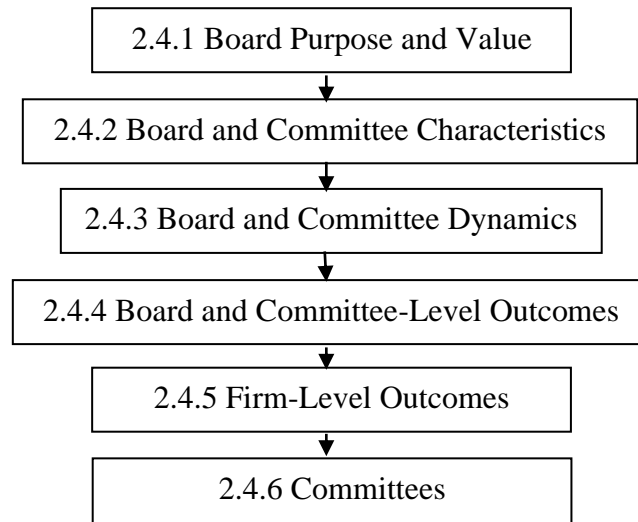
Figure 4. Literature review framework for SQLR (author's own design)

Much research about boards and corporate governance has been directed by two drivers: shareholder value and the U.S. need to publish. The U.S. 'publish or perish' motivation has resulted in research, which is easy to publish, for example, on easily accessible data ('lamp syndrome') using easy methodological approaches ('hammer syndrome') usually referred to as 'the lamp and hammer syndrome' (Huse, 2003:219). In practice, this has resulted in research dubbed 'input-output' which attempts to identify governance characteristics linked to increased shareholder value typically among U.S. Fortune 500 firms. This approach is now widely viewed as overly conservative, biased and neglectful of important research questions (Huse, 2003).

Board behaviour was originally interpreted by scholars as inputs (competencies, skills of directors) and outputs (vision, strategy, delegation to management), but then researchers started probing the process in the middle, or the dynamics of organising and running the board (Neill & Dulewicz, 2010). This process focus was dubbed the 'black box' by Leighton & Thain in 1997 (Leblanc & Schwartz, 2007:846), as 'the board of directors remains a kind of "black box", whose internal workings can only be surmised from public information about decisions announced and actions taken' (Leblanc & Schwartz, 2007:846). This model was developed

into the Forbes & Milliken model (1999) with four levels: board characteristics, board processes, board-level outcomes and firm-level outcomes (Forbes & Milliken, 1999).

2.4.1 Board Purpose and Value. Boards are essentially problem-solving vehicles of a complex task, with various factions and agendas present in their episodic decision-making meetings. Their benefits include actions to 'reduce complexity, create accountability, and facilitate cooperation and coordination between stakeholders' (van Ees, Gabrielsson & Huse, 2009:308). However, in doing so, the individuals and sub-groups involved in these decision-making processes add to their complexity, typically, that of protecting the interests of shareholders or 'mediating between various coalitions of internal and external actors and establishing controls to ensure that organizational effort is directed toward achieving the goals that the dominant coalition has set' (van Ees, Gabrielsson & Huse, 2009:308). The emphasis in the literature in terms of board purpose is that of collaboration: 'the premise that the purpose of the board is to enable cooperation' (van Ees, Gabrielsson & Huse, 2009:308). This takes place through the resolution of conflict and engaging in group processes of organising information and gathering knowledge for control of the board's activities. Consequently, the board is an enabler of cooperation and the application of knowledge (van Ees, Gabrielsson & Huse, 2009).

Corporate governance research has long been interested in the traits that differentiate leaders from non-leaders on board tasks, such as monitoring executive directors (EDs), strategy development, risk management and culture. The convention to develop 'robust measures' based on qualitative research and then test them in quantitative studies have been considered a best practice approach (Heracleous, 1999:257). This research focus on characteristics started out from governance codes looking at directors' 'skill and care' to 'act honestly and in good faith' (Heracleous, 1999:257) and measuring the gap between expectations and reality to draw

conclusions about board effectiveness. One issue identified was that there are a myriad of definitions of leadership, a 'rich diversity' which are both broad and deep, focusing on behaviour, process, vision and performance outcomes (Heracleous, 1999:258). Subsequent research streams on board leadership have examined personality, persuasion, goal attainment and group processes, the culmination of which led to the amalgamated approach in the early 1990s of inherited and learned traits (Bouchard et al, 1990 as cited in Heracleous, 1999). This academic focus was further developed into a contingency approach which conflated traits, actions and context into such leadership models as situational leadership, that is, leadership styles dictated by the decision context (Heracleous, 1999). Leadership styles evolved into charismatic or transformational leadership, seeing leaders as visionaries (Heracleous, 1999). Corporate governance and leadership research then bifurcates with later research into models of boards as 'managerial', where boards play a direct role in managing the firm, and 'supervisory', where boards monitor EDs who manage the firm (Schwartz-Ziv & Weisbach, 2013:349).

The role of the board director is often interpreted as how they contribute to board effectiveness. However, the research history on board effectiveness has been broad and varied, specifically to do with direction, control and sustainability of the company (Petrovic, 2008). These activities have been approached as task-oriented and studied alongside director characteristics and behaviours, but researchers have neglected to define board outputs and instead associated these variables directly with firm and financial performance. Output has been defined as cognitive as a result of social dynamics (Petrovic, 2008). This social system invites debates such as similarity/attraction, trust and commitment, independence and conflict. Consequently, it has proven challenging to distinguish between individual and collective inputs and outputs (Petrovic, 2008). Board effectiveness is contextual and so researchers have made a distinction between the group and individual levels of analysis when examining effectiveness.

The lack of consensus on board effectiveness has not been helped by different streams of thinking such as individual board directors, structural elements, board dynamics or board effectiveness as board culture.

Six major roles have been proposed as core activities for board directors. These are the roles of linking, coordinating, controlling, strategising, maintaining and supporting (Hung, 1998). There is little detail in the definitions provided for these roles and some likely overlap, for example, between the elements of control and maintenance. Linking, coordinating and maintenance are all described as the firm's activities with external stakeholders, with coordinating incorporating negotiation and compromise, and linking emphasising the social relationship between companies when there are interlocked directors with each serving on multiple boards (Hung, 1998). Control is focused on ensuring that the organisation achieves its objectives through the actions of the management team. The strategic role is about process and outcomes but acknowledges boards' different aspects of involvement in strategic decisions. Finally, the support role is focused on management decisions and support for the organisation (Hung, 1998).

2.4.2 Board and Committee Characteristics. This section looks at board and committee characteristics, which have traditionally been an extensive field of interest for researchers. It encompasses the characteristics of boards and committees such as structure, composition and attributes of boards, committees and their members, especially as it links to other aspects of board and committee functioning.

Board composition in terms of gender and ethnic diversity has been developed with the help of similarity-attraction theory, homosocial reproduction and social identity, which have all been shown as relevant to the operations of NC (Kaczmarek, Kimino & Pye, 2012a). In UK

FTSE 350 companies, it was found that having the CEO on the NC with a majority of independent directors leads to a lack of board cohesiveness resulting from a demographic fault line. If the NC does not intervene in the selection process, then the CEO will hire both executive and non-executive directors (NEDs) like him/herself in terms of age, gender, nationality, financial background, education and board tenure. These researchers also developed their ideas in a further paper about faultlines being based on social category characteristics and social identities such as age, gender and ethnicity, which would clearly be divisive on any board or committee (Kaczmarek, Kimino & Pye, 2012b). 'Factional demographic faultlines' (Veltrop et al, 2015:145) caused by board demographic diversity, do negatively affect board performance via social categorisation processes, but can be prevented by board reflexive behaviour as a deep level of information processing. If the faultline is triggered, they can escalate into social categorisation; however, there is no effect if they go unnoticed (Veltrop et al, 2015).

The effect of new corporate governance codes on board and committee characteristics have been a theme for researchers. After the Sarbanes-Oxley Act (SOX) in 2002, researchers examined board and committee monitoring with a specific focus on ACs. Adopting the proxies of number of board and AC meetings to measure board monitoring, it was found that prior performance, firm characteristics and governance characteristics were important determinants of board activity (Brick & Chidambaran, 2010).

Indices of corporate governance have been employed by scholars to research a basket of characteristics. A board governance index, which claimed to also cover sub-committee measures, included the presence of an NC, a NED or board chair as NCC, a majority of independent NEDs on an NC, board size and the total number of NEDs in UK listed companies between 1999 and 2008 (Shaukat & Trojanowski, 2018). The results found a strong and positive association between this index and firm operating performance and market value, but

also found that a weak index indicated higher managerial power and information asymmetries (Shaukat & Trojanowski 2018). Over the period examined, the board governance index increased, showing the effect of the Hampel and Higgs Reports (1998, 2003 respectively) which proposed that the NCC should be the chair of the board or an independent director, and the majority of NC members should be independent (Shaukat & Trojanowski, 2018).

2.4.3 Board and Committee Dynamics. This section moves beyond characteristics of boards and committees to the internal processes and behaviours of what happens within board and committee meetings; an area of research that has proven problematic in terms of access and confidentiality.

A study of public sector non-profit organisations in the U.S. found that values were positively related to board behaviour (Gazley, 2014) due to the board directors being committed to the public cause and good citizenship: 'a public service ethos' (Gazley, 2014:736). The claim is that board culture or climate and context is important in predicting board behaviour, which is a largely overlooked area of study in corporate governance. Conceptual models of different types of boards have attempted to explain board behaviour in terms of financial or industrial emphasis (Jonnergaard & Svensson, (1995). This early typology gave four combinations of high or low financial and industrial emphasis (Jonnergaard & Svensson, 1995) but little explanation as to how these orientations affected board behaviour. In terms of a definition of what happens between inputs to and outputs from the board: 'board dynamics are the "sparks" that fly from the interplay between the "flints" of intellectual capital' (Nicholson & Kiel, 2004:452). It is claimed that only 12% of governance research is focused on board process and dynamics so this area 'remains a "black box" begging for light' (Charas & Perelli, 2013:176).

Recent research is beginning to interrogate the NC for a more holistic understanding of behaviour and social dynamics. With an emphasis on information processing and a methodology of multiple case studies of German public companies, a conceptual framework is derived for NC information processing between different stakeholder groups (NC members, executives, shareholders) for executive succession (Walther, Calabro & Morner, 2017). The multiple case study approach used eight companies giving a breadth and depth to the results. However, only 14 of the 44 interviews conducted were with members of the NC and there is no indication as to whether these committee members were chairing or leading the NC. In terms of behaviours and process, the full scope of information sharing is explored, including how disagreement is absorbed, diverse opinions are integrated and the leadership of the board chair is executed. However, much of the discussion is about the board chair so there is arguably a missed opportunity to examine the dynamics of the NC.

Board monitoring is of great interest to researchers in corporate governance, in that monitoring quality and intensity improves when the majority of directors on the main committees are independent (Falaye, Hoitash & Hoitash, 2011). However, stronger monitoring was found to result in weaker strategic advising, poor acquisition performance and reduced corporate innovation (Falaye, Hoitash & Hoitash, 2011). NCs were part of the sample although pre-2002, only 60% of the sample had an NC, as did 97% of the sample companies by 2004. This is relevant to this study in that a NC is a largely independent committee and this result suggests that it falls on the NCC to ensure a balance of monitoring and strategic advice, where poor strategic advising is considered more detrimental than the benefits of improved monitoring (Falaye, Hoitash & Hoitash, 2011). With regards to the monitoring role of boards, research has concluded that there are too many obstacles to overcome for boards to effectively monitor management, as monitoring is highly contextual and therefore they dispute 'one size fits all' (Boivie et al, 2016:348). These barriers include director incentives, skills, board

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leadership, group dynamics, information asymmetry and structural characteristics such as board size (Boivie et al, 2016). This contingency approach has gained some following in academia with studies across different types and sizes of organisation and sector.

In opening the 'black box' of decision-making, board members' commitment was found to be more important than board demographics in predicting board task performance (Minichilli, Zattoni & Zona, 2009:55). Commitment and performance were found to be contextual to the firm and industry. Commitment is defined as 'will' in applying power sources within the structure and context of the boardroom. This characteristic is especially present in strategic decision-making and may improve the group performance. Minichilli, Zattoni & Zona (2009) operationalised commitment as the amount of preparation undertaken before a board meeting and the level of involvement and effort in discussion during a board meeting. These activities were paired together as commitment (Minichilli, Zattoni & Zona, 2009), however it can be argued that preparation is being conscientious and not necessarily emotionally committed. Nevertheless, Minichilli, Zattoni & Zona (2009) predicted that commitment would be positively associated to advisory, networking and strategic task participation, in themselves three very different activities.

Several researchers have called for a more holistic behavioural approach to board dynamics, which incorporates board-management and board-stakeholder relationships as well as board dynamics (Erakovic & Overall, 2010). Behavioural theory combines individuals and teams in value creation: 'different people working together in a board-level environment genuinely adds value to the organisation' (Erakovic & Overall, 2010:255). It is critical for good corporate governance to prevent issues such as dysfunction, disengagement and lack of role expertise, and promote 'an active and engaged board' (Erakovic & Overall, 2010:256). A grounded theory approach has been adopted with 40 New Zealand directors from 12 companies to investigate insights about effective board behaviour. The findings show a three-way dynamic

between trust, cognition and emotions, moderated by skills and experience. This model brings together the salient aspects of board teamwork that create an open dialogue, seen as 'the single best indication of board effectiveness' (Erakovic & Overall, 2010:257). The elements of this grounded theory model are all relevant to this study of how the NCC manages the NC resources to realise strategic value to the board.

Extant research has been accused of neglecting the affective or emotional side of board dynamics and board decision-making, especially when considering the more informal variables in director selection such as own knowledge, values, motivation, engagement and questioning or 'groupthink' (Maharaj, 2009:106). This model, building on Janis's original definition of groupthink as 'a deterioration of mental efficiency, reality testing and moral judgement that results from in-group pressures' (Maharaj, 2009:114), appears to inverse the original definition to construct a completely different definition of more positive behaviours, namely motivation, engagement and questioning, where it can be argued that motivation and engagement are closely aligned but questioning does not necessarily assume the presence of the other two behaviours. Maharaj (2009:115) gives a definition as 'groupthink as a construct measures whether board members know the skills and experience of one another' which is a leap and seemingly unrelated to the behaviours of motivation, engagement and questioning. It illustrates the complexity of related and unrelated behaviours in the boardroom and the difficulty with which researchers distil them for examination, so acts as a cautionary note for this study on NCC engagement with NC committee members.

Cognitive and motivational patterns of the board have been investigated to link director ability and willingness to cooperate in optimum board decision-making (Morner, Renger & Valle Thiele, 2010). These two elements of behaviour are both individual and collective as a 'collective interaction' but with the former being driven either intrinsically (satisfaction) or extrinsically (reward, status, recognition) (Morner, Renger & Valle Thiele, 2010:328). Too

little dissimilarity in cognitive patterns can result in 'myopia' of the board (Morner, Renger & Valle Thiele, 2010:336) but too much can result in director turnover. In relation to this study, if the NC selects new directors, the optimum behavioural repertoire should be part of the selection and therefore part of the remit of NC.

Personality differences have not been found to explain or influence affective conflict, but some aspects of diversity demographics, namely gender and tenure, do moderate the relationship between personality, diversity, and cognitive and affective conflict on boards (Walker, Machold & Ahmed, 2015). The implication for NCs is that personality is rarely tested alongside skills and competencies as part of a selection process. Pivotal personalities such as the board chair or NCC could improve or worsen both cognitive and affective conflict. The study of personality is in itself problematic in terms of traits associated with observable behaviours and whether directors adopt a certain persona in board and committee meetings.

Another concept in the dialogue on board dynamics and 'episodic decision-making groups' is 'process losses' (Forbes & Milliken, 1999:492) which incorporates both coordination and motivation loss due to the quality of teamwork or relationship factors stemming from poor communication among directors. There is mixed evidence relating to the chair's leadership style, but process loss increases as board size and under-performance increase (Neill & Dulewicz, 2010). These findings support the view that board relationships are crucial yet often neglected as a central aspect of board effectiveness (Neill & Dulewicz, 2010). For this study, it is assumed that relationships will be as important for NCCs in their engagement with committee members as for board members.

In a study of both individual and group perspectives in two Australian company board meetings, individual director interactions were found to be multidimensional and dynamic, but group interactions were consistent across agenda items (Pugliese, Nicholson & Bezemer,

2015). The videotaped board meetings were triangulated with director interviews and secondary data for optimum reliability. It appeared that only a few directors led the discussion of agenda items but the contributors – including committee chairs – changed for each agenda item so that all directors were included: 'directors' inclusiveness and evenness of participation was associated with higher perceptions of board effectiveness' (Pugliese, Nicholson & Bezemer, 2015:1). However, when the board focused on more operational matters, director participation was less balanced and a poorer quality discussion ensued when compared to discussion of strategic matters (Pugliese, Nicholson & Bezemer, 2015). These findings not only give us insight into how effective NCCs may engage with NC members to realise strategic value, but also comment on the optimum skillsets of those NC members.

Researchers have predicted that female directors will be treated as an outgroup and experience negative boardroom dynamics (Mathisen, Ogaard & Marnburg, 2013). Female directors with non-traditional educational backgrounds perceived board dynamics more negatively, but, for the majority of female directors, there was no difference in their experience of justice, cohesion or conflict when compared to male directors (Mathisen, Ogaard & Marnburg, 2013). Studies show that female directors are positively associated with board strategic control and they have a beneficial effect on board effectiveness, which is mediated by increased board development activities and lower levels of conflict (Nielsen & Huse, 2010). However, there is no evidence for any direct link between female directors and open debate on boards in Norway (Nielsen & Huse, 2010).

Many studies claim to link female directors with corporate performance but few ask 'why' or 'how' questions (Bart & McQueen, 2013:93). The answer has been posited as a reliance on three methods of reasoning: personal interest or 'let's make a deal', normative or 'don't rock the boat' and complex moral reasoning (CMR) or taking multiple viewpoints into account and acting in the best interests of the organisation (Bart & McQueen, 2013:95). CMR

is important when competing or conflicting perspectives are at stake and can lead to better quality and equitable decisions. Female directors were found to score significantly higher than their male counterparts on CMR by drawing on more collaborative and consensual skills and behaviours. Consequently, they were less inhibited by 'rocking the boat', whereas male directors scored higher on normative reasoning (Bart & McQueen, 2013:96). This skillset may inform this study in terms of gender diversity on NCs and whether the NCC is a female.

2.4.4 Board and Committee Level Outcomes. This section is progressing the themes to outputs of the board and committees at the levels of board and committee, not the organisation.

Early research on NCs has looked for differentiators between firms with NCs and those without them. The presence of an NC has been taken as a proxy for board quality but studies have also asked about the relationship between NCs and board quality and how NCs enhance board independence (Vafeas, 1999). This relationship was studied by examining the proportion of NEDs on the board, how independent they were and how many director posts were held by NEDs. The results showed that the extent of independence of the NC was the only influencer of board quality (Vafeas, 1999). This study aimed to investigate how the NCC generates other forms of strategic value, aside from an independent board. A very small proportion of NCs focus on descriptors of high performance among committees: 'evaluation of committees' performance is less rigorous than for main boards' (Dulewicz & Herbert, 2008:99). However, board performance has been found to be most affected by new director appointments, which has implications for NCs and director induction (Dulewicz & Herbert, 2008).

Board effectiveness is another concept that is widely used in the extant corporate governance literature. Four threats to board effectiveness have been identified: (1) the chair's

disengagement in board evaluation, (2) CEO over-influence, (3) risk of litigation in board evaluations and (4) an unhelpful board culture where 'governance committees may become ceremonial' (Clune et al, 2019:37). It is said that the accountable areas of governance committees are not always transparent or do not 'involve readily observable company outcomes that are easy for stakeholders to evaluate' (Clune et al, 2019:36). The same could be suggested for NCs and their work. How diversity contributes to board effectiveness is the subject of a study that defined board effectiveness as board control tasks including involvement in corporate social responsibility (CSR) among Norwegian firms (Huse, Nielsen & Hagen, 2009). They conclude that more research is needed on how women contribute to boards, but this study does uncover some areas of board functioning that inform board effectiveness. These areas include positive strategic control, open and constructive discussions, higher board member esteem and competencies that develop a 'board working style' (Huse, Nielsen & Hagen, 2009:594). These soft skills could be of interest in this study of NCCs and how they engage with committee members to create committee effectiveness in terms of strategic value.

To address the fragmentary nature of research in this area, a holistic model, which interprets the board as an open system, illustrates how human capital is applied focusing on inputs and outputs for value creation (Nicholson & Kiel, 2004). This framework considers both group and individual outputs and inputs from both internal and external environments. The open system has an optimum balance or fit but will adapt to close any gap in congruence and find its optimal level for effectiveness. There is an emphasis on roles and behaviours within the board, which are outputs from intellectual capital, defined as knowledge, experience, relationships, information and routines. Intellectual capital is divided into human (individual capability), social (interpersonal), structural (institutional and formal) and cultural (accepted practices and ways of working) capital (Nicholson & Kiel, 2004). As a diagnostic framework, the missing piece is communication or some other dynamics to glue together these different

aspects of intellectual capital on a board. There is mention of a transformation process but very little explanation as to what happens or how the different types of intellectual capital are metabolised. Intellectual capital could be part of the answer for this study as the key to unlocking how the NCC engages with committee members.

2.4.5 Firm-level Outcomes. This section is the last pillar in the Forbes & Milliken (1999) model and is about output at the organisational level. Determinants or outcomes that impact the company are often of interest to scholars, especially as they come with both benefits and costs.

The differences between large and smaller boards has long been debated, with more independent directors seen as a costly remedy to address the issues such as social loafing from larger, more independent boards (Reeb & Upadhyay, 2010). Even when committees are categorised as either monitoring or advisory, both types are found to be positively related to firm performance, except committees on small or more insider boards which are negatively associated with firm performance (Reeb & Upadhyay, 2010). The correlation between NC and corporate governance is high (Reeb & Upadhyay, 2010) adding to the justification and importance of understanding more about how this takes place and how the NCC can influence it.

Firm financial performance is a common firm-level outcome, often with some aspect of financial performance being associated with board or director characteristics. This may be similar skillsets among directors, which lead to outperformance of the firm (Adams, Akyol & Verwijmeren, 2018). The most common skills for directors were found to be financial and accounting expertise and company business knowledge, which were held by 38% of the U.S. sample of almost 800 companies (Adams, Akyol & Verwijmeren, 2018). This is particularly

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of interest since governance codes (2009 amendment in U.S.) have stipulated the disclosure of directors' experience, qualifications and skills that justify their selection by the NC. However, the disclosure doesn't ask for soft skills, such as facilitation or engagement by a committee chair, and such skills are typically referred to as generic 'leadership' with little or no explanation for how they occur (Adams, Akyol & Verwijmeren, 2018:642).

Board quality has also been investigated as a proxy of the proportion of outside directors, where quality refers to board control and resources (Appiah & Chizema, 2016). This broad term was predicted to be a mediator and mitigator between NC effectiveness and corporate bankruptcy in UK listed companies, in that NC effectiveness would lower the likelihood of bankruptcy. The relationship between NC effectiveness and bankruptcy was a negative but insignificant one, suggesting that NC effectiveness alone is not sufficient to prevent corporate bankruptcy (Appiah & Chizema, 2016). NC effectiveness was based on a basket of characteristics: presence of NC, an independent NCC, independent NC, NC size and frequency of meetings. This effectiveness index is arguably very narrow for such a broad concept as effectiveness of a committee and omits anything about the director characteristics or the dynamics of the meetings.

In meta-analyses of over 130 studies, there is little interrogation of the process or dynamics between board structures and firm financial performance and there is a risk of over-reliance on structure in the 'marriage of structure and process' (Dalton & Dalton, 2005:S95). There is plentiful empirical research that supports supposed best practice in terms of structure or composition whereas an evolved view is that structure cannot compensate for a lack of process: 'no amount of structure can overcome a failure in process' (Dalton & Dalton, 2005:S95). The proliferation of studies rooted in agency theory and the often tenuous links between board structures and firm performance have been questioned as mythical: 'effective corporate governance: a unicorn?' (Dalton & Dalton, 2005:S96).

High governance firms as measured by both board structure (size, CEO duality, director age, gender and outsider representation) and governance practices (board oversight, management execution, public disclosure, emissions accounting and strategic planning) have been associated with higher performing firms when studying 98 global carbon-intensive companies (Galbreath, 2010). Both characteristics and task behaviour are posited as leading to effectiveness: 'corporate governance is of great importance to the oversight and strategic direction of firms' (Galbreath, 2010:337).

Another financial measurement in terms of firm performance is earnings manipulation practice, especially in Spain where the NC consists of and is constrained by institutional directors (Osma & Noguer, 2007). The existence and composition of such a NC was found to limit earnings manipulation practices (Osma & Noguer, 2007). Even when western corporate governance practices are applied to Asian companies, their effect is seen to be positive in associating NC with firm performance and market value (Nowland, 2007).

Stock price reaction is another firm outcome that has been linked to independent director selections. These reactions are significantly lower when the CEO is involved (Shivdasani & Yermack, 1999). When there is no NC or the CEO is a member of the NC, firms are found to select fewer independent directors and a greater quantity of grey or outside directors who, by definition, have conflicts of interest (Shivdasani & Yermack, 1999). They posit that the probability of an independent board increases from 28% when the CEO is involved in the director nomination process to 55% when the CEO is not involved (Shivdasani & Yermack, 1999).

A team perspective as opposed to an individual director focus is rarely applied to the study of boards and committees. However, when the board functions as a team, it has been found to be eight times more accurate as a predictor of corporate performance than individual

director demographics (Charas, 2015). Economic value was created via the reduction in information asymmetry and improvement of directors' responses to team cultural and social norms. These norms, encompassing social networks, a cultural intelligence quotient and high levels of team interaction, had a significant positive impact on corporate profitability through 'value-creating activities such as strategy development, succession planning, business operations, developing human capital and risk management' (Charas, 2015:125). If we approach NC as a team involved in strategic tasks, then there could be some generalisable insights to the effectiveness of committees such as the NC. The high-performance team model has been applied to the board and shown to positively impact effectiveness.

Some studies identify the moderators in the relationship between board characteristics and firm outcomes. Extreme risk was found to be a moderator between greater board gender diversity and improved firm financial performance among 500 Australian listed firms (Hutchinson, Mack & Plastow, 2015). There is relatively little research about indirect relationships and it is often underplayed; as in this case, where the core findings show the presence of a NC and female directors on the NC are positively associated with board gender diversity (Hutchinson, Mack & Plastow, 2015). Gender is often related to financial performance and more specifically to return on assets (ROA) where the association is considered to be endogenous but with no effect on either the board or committees (Carter et al, 2010).

Value creation as a firm outcome is another rarely researched phenomenon. In a study of compliance with corporate governance codes and the board and committees' task of creating shareholder wealth, the researchers highlight that board work can be imbalanced away from value creation and tipped towards compliance (Nordberg, 2007). Compliance is about 'rubberstamping' decisions (Nordberg, 2007:16) whereas the value of corporate governance should ideally be to create new strategic value and not merely to 'prevent value-erosion'

(Nordberg, 2007:20). Only four board processes were examined in the Nordberg (2007) study (setting direction, marshalling resources, controlling and reporting, evaluating and enhancing) whereas it can be argued that board work entails numerous other processes.

2.4.6 Committees. This section explores the generic research that encompasses one or more sub-committees of the board. It explains some of the research background on committees and aims to highlight aspects that have been shown to be applicable to NCs or are potentially transferable to NCs.

Committees are an important source of information for boards. A survey of Fortune 500 firms in the U.S. investigated information and information flows in board meetings, encompassing the source, format, amount, number of meetings, number of board members and preparation time spent by directors (Winfrey, 1993). The results showed that significant discussion and analysis were delegated to committees with 22% of information at board meetings coming from committees and 25% of information provided to directors were reports from committees (Winfrey, 1993). Post SOX in the U.S., it was found that board committees meet more often, are larger and more independent. Their directors are more likely to be lawyers/consultants, financial experts and retired executives, and also less likely to hold current executive roles. On the downside, there is evidence of significant increases in director pay and director costs, especially in smaller firms (Linck, Netter & Yang, 2009). Among small and medium-sized firms, pre-SOX, 80% of them had no NC, compared to 70% post-SOX (Linck, Netter & Yang, 2009).

From 2000 onwards, there was much interest among scholars on how the Cadbury (1992) and Hampel (1998) reports changed the role of sub-committees, such as audit and remuneration committees, two committees that are aligned in their financial orientation. One

query was whether these developments created a dilemma for committees: 'strategist or monitor – is there a tension?' (Spira & Bender, 2004:491). The conclusion was that of the three possible roles – control, strategic and institutional – audit and remuneration committees were control mechanisms for the board, but with the caveat that there was more investigation required: 'structure and composition of board sub-committees can be mandated: conduct and relationships cannot' (Spira & Bender, 2004:498). Unfortunately, there was no similar spotlight cast on NCs: 'we are not aware of any studies which focus on nomination committees' (Spira & Bender, 2004:498).

The qualifications of board committee members as compared to non-committee members have also been investigated, looking at qualification type, tenure, age, internal and external activity (Bilimoria & Piderit, 1994). Committee members tended to have longer board tenure, be older, served on fewer other committees and shown evidence of external activity. New committee members tended to be outside directors, have external directorships, shorter tenure and be younger. The homogeneity evident among committee directors highlights the importance of director selection on committees (Bilimoria & Piderit, 1994).

With the increase in responsibilities for board committees, the frequency of 'linking pin' or overlap directors serving on multiple committees within a firm has increased. For example, the same independent director may serve on both the audit and remuneration committees or remuneration and NCs. These linking pins have been shown to improve monitoring due to greater knowledge exchange and information flow, which in turn benefits decision-making. However, when linking pin directors are dissolved or removed from one committee, monitoring decreases (Brandes, Dharwadkar & Suh, 2016). When focusing on committee assignments and director background, studies have shown that board experience is important in appointing directors to NCs and compensation committee among U.S. Fortune 500 firms, but not for ACs (Peterson & Philpot, 2007). Linking pin directors on both NCs and

RCs, and therefore typically accountable for both CEO succession and compensation, were found to have no interactive effect (Essman et al, 2021). However, there was evidence to show that linking pin directors led to more internal rather than external CEO succession (Essman et al, 2021).

Quantitative studies have examined the determinants of sub-committees including NCs (Reeb & Upadhyay, 2010; Bhuiyan & Habib, 2011). Committees were found to be positively related to board size and include a greater proportion of independent board directors (Reeb & Upadhyay, 2010). Their conclusions were drawn regardless of the business or sector and largely based on a comparison of the top half with the bottom half of the ranked organisations. This 50/50 cut of data was arbitrary and a somewhat crude division, which could have skewed the results. The sample firms had a broad range of committees, from one to nine; arguably too wide a range on which to generalise results. The study shows no differentiation on the activities of the committees, other than whether they were mainly monitoring (as in the case of NCs) or advisory, so no conclusions can be drawn on their strategic value creation. The presence of committees is claimed to be paramount, suggesting that the study measured presenteeism rather than committee activities or outputs (Reeb & Upadhyay, 2010). Committees can offset the negative associations of board size and independent directors (Reeb & Upadhyay, 2010), but no explanations are provided on how or in relation to committee attributes. Regarding the NC, there was no significant association with firm performance when this committee was present or not, and no indication of causality. However, it has been found that NCs exist within larger firms with more governance regulation and busy directors (Bhuiyan & Habib, 2011) but the costs outweigh the benefits for firms with smaller boards and a greater proportion of inside directors (Reeb & Upadhyay, 2010). Although costs are not explicitly defined, the inference is that they are related to efficiency and process, rather than financial cost. Boards persist in

creating more committees for efficacy and improved governance (Kolev et al, 2019) but better understanding about exactly how they operate and impact the board is needed.

2.5 Committee Chairs

This section focusses on the research about committee chairs and groups the extant literature according to research on their value, characteristics, similarity and busyness, their soft skills, and committee chairs as boundary spanners or gatekeepers. It concludes with a perspective on power and the committee chair.

Most research undertaken on committee chairs is about the role of the audit committee chair (ACC), which is perceived as a demanding role: managing the auditors, management and committee members, setting the agendas and facilitating committee meetings (Jaafar, Wan-Hussain & Bamahros, 2016). Qualitative research about the role and attributes of committee chairs are sparse with little about how the ACC influences AC effectiveness (Jaafar, Wan-Hussain & Bamahros, 2016). However, some early work examined AC effectiveness by analysing minutes of AC meetings (Spira, 1998). Access to live committee meetings was not considered feasible, which is a perennial issue with research into the dynamics of board and committees. Evidence shows that a new ACC may rearrange the established patterns of seating (Spira, 1998) but the research does not go further to shed any light on the effectiveness of the ACC role. The board chair and ACC roles have received much attention in research (Kallamu & Saat, 2015) but hardly any studies interview NCCs or examine how the NC is led, its decision-making processes, dynamics and how it creates value through its recommendations to the board (Clune et al, 2014).

2.5.1 Value. It was found that directors are 'undervalued' when they are passed over for promotion to board and committee chair roles (even if they are better qualified than their peers), which in turn creates a 'negative board climate' (Garg, Li & Shaw, 2018:429). The worse this climate becomes, the higher the turnover of these 'undervalued' directors, with even the CEO more likely to leave (Garg, Li & Shaw, 2018). 'Board undervaluation' of board and committee chairs is associated with director turnover, leading to poorer firm performance, which is summarised as the sum of board turnover, board recruitment and how these elements affect firm performance (Garg, Li & Shaw, 2018:429). It has been claimed that the remuneration committee chair (RCC) needs to exercise considerable control over the CEO and/or board chair if they also sit on the RC. An ACC can reduce the likelihood of a director exiting the board by 29% but serving as RCC increases the likelihood of directors exiting the firm by 23% (Boivie, Graffin & Pollock, 2012). The RCC is viewed as critical: it 'emerges as a pivotal actor' (Main et al, 2008: 225) and this role is a 'relatively onerous one' (Main et al, 2008: 229), in terms of managing the flow of information, negotiating with and countering the influence of the CEO and board chair (Main et al, 2008). These generic activities and skills could equally relate to the NCC.

2.5.2 Characteristics. Typically, scholars have focused on the ACC role in terms of committee chair effectiveness by measuring such characteristics as committee chair tenure, financial accounting expertise or overlap with other committees (Al-Qublani, Kamardin & Shafie, 2020; Baatwah, Salleh & Stewart, 2019; Ghafran & Yasmin, 2018; Tanyi & Smith, 2015; Abernathy et al, 2014). This tradition has neglected any chairing attributes or personal behaviours. If ACC research is generalisable to the NCC, then this becomes more feasible with the proposal of an effectiveness index for future research and finding more innovative proxies rather than taking director age as a proxy for experience (Al-Qublani, Kamardin & Shafie,

2020). When the interaction between the committee chair and shareholders is examined, there is evidence that shareholder support is lower for ACCs without accounting expertise (Gal-Or, Hoitash & Hoitash, 2018). When the ACC is an accounting expert, then shareholders were found to grant higher voter rights and, overall, ACCs with accounting expertise perform better (Gal-Or, Hoitash & Hoitash, 2018). These findings prompt the question as to what is the core experience or qualification that could differentiate NCCs as only human resources (HR) expertise has been identified as an equivalent to financial accounting expertise in ACCs (Chaudhry, Roomi & Aftab, 2020). This rare study compared ACC and NCC functional, monitoring and experiential expertise and its effects on the financial performance of the firm (Chaudhry, Roomi & Aftab, 2020). Financial and monitoring expertise were significantly and positively related to firm performance for the ACCs but experiential expertise was not. NCC experiential expertise was found to have positively influenced several financial indicators of firm performance, such as return on assets, return on equity and net profit margin. There was found to be no significant influence of monitoring and HR expertise of the NCC on financial performance. It appeared that educational or experiential expertise was sufficient credibility for the NCC: 'acceptability of the committee and its output' (Chaudhry, Roomi & Aftab, 2020: 622). When probing further, it was evident that confidence was boosted if NCCs could ensure robust appointment and appraisal of board directors with any conflict being resolved (Chaudhry, Roomi & Aftab, 2020).

Research findings have shown that there is a significant positive relationship for the board chair as NCC with earnings management (EM), for example, creative accounting which can lead to fraud. However, there was a negative relationship in the case of the board chair as RCC. This suggests that the lack of independence in the board chair being the NCC, can lead to EM and the risk of fraud (Al-Absy, Ismail & Chandren, 2018). However, EM is deterred or minimised when the board chair is the RCC. This study was focused on Malaysian companies,

whereas in the UK, the board chair is not permitted to chair the RCC but can chair the NCC (Financial Reporting Council, 2018). When examining the influence of ACC characteristics, most of them (age, tenure, gender and ethnicity) were associated with EM (Al-Absy, Ismail & Chandren, 2019). The results show tenure and ethnicity of the ACC to be associated with a low level of EM, whereas the ACC's gender, namely being female, is associated with the greater risk of EM (Al-Absy, Ismail & Chandren, 2019).

2.5.3 Similarity and Busyness. Busyness is a term that has been applied to both multiple directorships and multiple committee memberships. Generally, directors who sit on multiple boards are more likely to become committee chairs and similarity-attraction theory shows that, when directors are demographically and socially similar, they are more likely to be accepted as both members and chairs of committees (Zhu, Shen & Hillman, 2014). Research has shown that ACCs with multiple ACC positions are associated with higher abnormal accruals but are more likely to meet or beat financial benchmarks (Tanyi & Smith, 2015). The busyness hypothesis suggests an overcommitted committee chair and is seen to weaken the activities of monitoring and oversight. Research findings show that the ACC has significantly higher multiple directorships than AC members so risking busyness (Jaafar, Wan-Hussain & Bamahros, 2016). These findings are generalisable to the role of NCC. However, there is no evidence that multiple or busy directors 'shirk their responsibilities' on board committees and, therefore, arguably no need for directors to limit their directorships, even when multiple directors chair more committees and receive more compensation (Ferris, Jagannathan & Pritchard, 2003:1087).

The RC as a social entity was examined by Belliveau, O'Reilly & Wade (1996) taking social capital (as opposed to human capital i.e. skills and experience) as a combination of social similarity and social status. In RCC and CEO dyads, social similarity was found not to

influence CEO pay. However, a higher social status RCC lowers CEO pay and CEOs with higher social status receive more pay. In that the RCC works most closely with the CEO, they are able to control the information flow to RC members. The RCC is also evaluating CEO performance 'heuristically' (Belliveau, O'Reilly & Wade, 1996:1573) or through trial and error. This unique examination of the committee chair role raises questions about the social dynamics of the independent committee chair's interaction with the most senior executive board role, both within and outside of committee meetings.

2.5.4 Soft Skills. A recent qualitative study went into more depth on ACC activities (Khemakhem & Fontaine, 2019). The interactions of the ACC were compared before, during and after formal committee meetings. Stakeholder management was a central part of the role, in that ACCs were found to 'manage multiple relationships and possess well-developed leadership abilities beyond financial expertise' (Khemakhem & Fontaine, 2019:457). These soft skills included communication, establishing trust, monitoring management and leadership skills, which encompassed listening, empathy, asking questions, consensus building, teamwork, judgement and tenacity. Functional expertise was a given, but it was the soft skills of the ACC that differentiated them. The emphasis on soft skills offers insight into the role of the committee chair and NCC. In a further study of Tunisian listed companies, interview data was analysed from 12 ACCs investigating the ACC's relationships with board and senior management. The most significant parts of the ACC's role derived from informal meetings, in which the ACC performed a 'mediating role in resolving auditor-manager conflict' (Oussii, Klibi & Ouertani, 2019:683). This collaborative and conciliatory focus is related to the oversight process of the quality of financial reporting, which is a unique accountability for an AC.

2.5.5 Boundary Spanner. The role of the committee chair has been linked to being a gatekeeper or boundary spanner. The ACC as a boundary spanner was studied in 130 UK listed companies. It was found that in conversations about financial reporting quality, only 37% of them were between the ACC, auditing partner and the chief financial officer (CFO), with 35% having no involvement from the ACC or AC (Beattie, Fearnley & Hines, 2014). The researchers conclude that there was inadequate engagement by ACCs on financial reporting issues and engagement was worse among small and medium sized companies. The gatekeeping role is seen as one-directional (information access is blocked) and so is encompassed into the boundary spanner role, where information flows back and forth both within and between organisational groups, in this case, between the CFO, the auditing partner and the ACC. The boundary spanner role has its roots in resource dependency theory as a means of the ACC managing the supply of resources, especially in times of uncertainty and change (Beattie, Fearnley & Hines, 2014). The role of the NCC as a boundary spanner has some traction in terms of boundary spanning external consultants, for example, recruitment consultants, and an internal HR director. It could be argued that every chair or committee chair should be a boundary spanner as this function is shown to improve teamworking.

2.5.6 Power. Committee chairs exercise more power than other committee members, as they set the agenda. However research has focused on the power of the CEO or board chair to the neglect of committee chairs (Kolev et al, 2019). Relative to AC's significant power, committee research has placed NC low on the agenda, as the least acceptable committee to form and the one with the most limited value to the board due to its supposed narrow remit of director selection (Carson, 2002). NC is seen as an insurance policy against the misplaced power of managers, especially the CEO who may unduly influence the selection of directors. The Cadbury Report (1992) was reviewed by Main (1994) and provides a perspective on the

power of the NC just after NCs were formally mandated for all UK listed companies. The report is commended for not attempting to micromanage company boards but criticises that 'it set only the minimum of specific parameters' (Main, 1994:168) with interpretation and implementation left to the board chair. Any director selection is attributed to the board chair where 'choice seems to rest effectively with the chair' (Main, 1994:164), so indicating that the NCC or the NC in its entirety, was disempowered in managing director selection at this time. By definition, committee chairs have greater power (Kolev et al, 2019) but relatively little is known about how they apply this power.

To further understand the power of the ACC in comparison to the NCC, Finkelstein's (1992) types of power can help shed further light on these roles. Although originally applied to top management teams (TMTs), the model is relative so can be applied beyond the ACC and NCC roles to other board roles. Power is contextual so will vary from one business to another and is rooted in strategic choice, but the model doesn't address how power is exerted (Finkelstein, 1992). The four types of power are structural, ownership, expert and prestige. Structural power is formal organisational power from the director's place in the hierarchy and implies authority dependent on job titles and compensation. The CEO or board chair are examples of structural power. Ownership power is seen in a strong agent of the shareholder such as founders or relatives on the board or committee, or directors who own an equity stake in the business. Expert power is dependent on functional experience or 'critical expertise' (Finkelstein, 1992:514), which contributes to the task environment of the business. It is important in managing uncertainty and finding solutions in critical areas of the business. Expert power takes into account positions held in other organisations and equates to the advisor role of board directors. Prestige power is about reputation and networks, being a boundary spanner with an elite education and multiple director roles, allowing considerable influence over stakeholders, referred to as 'gilt-edged qualifications and powerful friends' (Finkelstein,

1992:510). Within UK listed companies, the ACC typically has an accounting or financial background and education, therefore is likely to represent expert power. They may also bring prestige power through their qualifications and networks. These types of power within the ACC role seems entirely appropriate for the work of a board committee, providing strategic recommendations to the board (Finkelstein, 1992).

2.6 Nomination Committee

This section focuses on the work and relationships of the NC. It covers the NC purpose and value to the board and organisation as a governance vehicle. It then steps through the five broad areas of the NC remit, discussing extant research in each area of accountability. The section then explores what we know about the board relationships that interface with the NCC, namely, the NEDs, senior or lead independent director (SID or LID), board chair, the chair/CEO relationship and the CEO as the senior executive. Figure 5 below illustrates the structure of this section 2.6.

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│ 2.6.1  Nomination Committee      │
│         Purpose and Value        │
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┌─────────────────────────────────┐      ┌──────────────────────────┐
│ 2.6.2  Nomination Committee Remit│─────▶│ 2.6.2.1 Recruitment      │
└─────────────────────────────────┘      │ and Selection            │
              │                           │                          │
              ▼                           │ 2.6.2.2 Diversity and    │
┌─────────────────────────────────┐      │ Inclusion                │
│ 2.6.3  Nomination Committee Chair│      │                          │
└─────────────────────────────────┘      │ 2.6.2.3 Talent Pipeline  │
              │                           │ and Succession           │
              ▼                           │ Planning                 │
┌──────────────────┐ ┌─────────────────┐ │                          │
│ 2.6.4.1 Non-     │◀│ 2.6.4  Board    │ │ 2.6.2.4 Induction and    │
│ executive        │ │ Interfaces      │ │ Development              │
│ Directors        │ └─────────────────┘ │                          │
│                  │                     │ 2.6.2.5 Board            │
│ 2.6.4.2 Senior   │                     │ Evaluation and           │
│ Independent      │                     │ Effectiveness            │
│ Director         │                     └──────────────────────────┘
│                  │
│ 2.6.4.3 Board Chair│
│                  │
│ 2.6.4.4 Board Chair│
│ and CEO Relationship│
│                  │
│ 2.6.4.5 Chief    │
│ Executive Officer│
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Figure 5. Structure of section 2.6 (author's own design)

2.6.1 Nomination Committee Purpose and Value. This study is concerned with the NCC in UK listed companies where there is a one-tier system of a combined board of executive directors (EDs) and NEDs. This Anglo-Saxon model has three core committees: audit, remuneration and nomination committees. The two-tier system, as seen in Germany, separates the executives from the non-executives, called the managerial and supervisory boards respectively. Committees tend to be the same or similar to the one tier system. In the Swedish system, there are three levels: the owners who attend the Annual General Meeting (AGM), a board of directors and the executive management (Carlsson, 2007). The NC consists of the largest shareholders and the chair of the board. There is a high degree of transparency as the AGM appoints the nominating committee every year and Swedish shareholders may propose NC members (Carlsson, 2007). The role of shareholders in nominations is contentious between

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the U.S. and UK systems but both agree on the ideal exclusion of the CEO and Finance Director (Nordberg, 2007). The Chinese governance structure is unique, with its two-tier system with both the supervisory board and board of directors being composed of independent directors (Farag & Mallin, 2015). The governance committee in the U.S. performs many of the same activities as a NC in the UK and elsewhere, namely, nominations, succession and board evaluation. They also oversee the effective functioning of the board (Clune et al, 2019). In terms of disclosure to shareholders, boards in Canada are obligated to provide role specifications for committee chairs and show that the assessment actions were acted upon (Leblanc, 2005). The NC prepares the role specification for the board chair and defines the process for assessing the skills and competencies of the board (Leblanc, 2005).

The purpose of the NC is simply described by scholars as robust director selection and review of board performance: 'professionalisation' in a 'format which is formal, rigorous and transparent' (Kaczmarek & Nyuur, 2016:95). The majority of directors should be independent and the general function of the NC is to improve board effectiveness (Kaczmarek & Nyuur, 2016). NC has its own terms of reference which stipulates its composition, number of formal meetings and areas of accountability. Its' work should be disclosed in the firm's annual report. Disclosure should include the company's diversity strategy and actions, and any use of external search or recruitment consultancies (Kaczmarek & Nyuur, 2016). There is an acknowledgement that companies are reviewing the NC role and activities within a context of greater scrutiny: 'companies were expanding the role of their nomination committees' (EY & ICSA, 2016:4).

The presence of NCs has been found to be associated with board size and leverage, suggesting that it has value if it is used to its maximum advantage (Carson, 2002). As NCs are formed for board efficiency, then it would be expected that their presence would contribute to value creation, even though they are dubbed 'a corporate governance mechanism in

development' (Carson, 2002:14). It is arguable that NCs have yet to fulfil their potential power and contribution as they are slowly developed through subsequent governance codes.

2.6.2 Nomination Committee Remit. This section takes each aspect of the remit of NC and outlines some of the most relevant research. The NC remit is as that most recently mandated in the 2018 UK Corporate Governance Code. This can be split into five distinct areas: recruitment and selection of both executive and non-executive board and committee directors; diversity and inclusion in all its forms; talent pipeline and succession planning for executive and non-executive director roles; director induction, professional development and board training; and finally, board evaluation and effectiveness, whether measured formally or informally. The 2018 Code stipulates that 'the board should establish a nomination committee to lead the process for appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession' (Financial Reporting Council, 2018:8). It should be noted that induction per se is not mentioned explicitly in the 2018 UK Corporate Governance Code but is taken as included in the references to director development.

On the subject of board evaluations, the 2018 Code states clearly that 'there should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair and individual directors' (Financial Reporting Council, 2018:9). The accountability and follow-up is firmly placed with the board chair as the Code expands by saying 'the chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board' (Financial Reporting Council, 2018:9). There is also an emphasis on the responsibility of individual directors who 'should engage with the process and take appropriate action when development needs have been identified' (Financial Reporting Council, 2018:9).

2.6.2.1 Recruitment and Selection. NCs are responsible for recruiting new executive and board directors who contribute to the overall board composition of skills and experience. Although over 50% of companies listed on NYSE had NCs in 1993, 89% of those surveyed by Korn Ferry still relied on recommendations from the board chair or dual CEO for the appointment of new board members (Salmon, 1993). The report recommended that the NCC should drive candidate criteria and both board and committee assignments through the NC (Salmon, 1993). Introducing independent directors as a fundamental feature of the boardroom was seen as strengthening dynamics but little was known about the processes behind how they influence the content of corporate strategy (Salmon, 1993). The true value of independent directors was initially seen as 'decorations on the organizational Christmas tree' (Pettigrew & McNulty, 1995:847). Before 1992, the language of boardrooms was seen as a combination of expertise and commitment, especially through the board chair and NEDs, whose roles were 'skill and will in converting potential power into actual influence' (Pettigrew & McNulty, 1995:847). A tripartite model of power and influence was introduced via EDs, NEDs and shareholders (Pettigrew & McNulty, 1995). This model of power has been cascaded down to committees including the NC.

Selection as a key part of the NC role was found to identify three types of NC in German listed companies (Walther & Morner, 2014). These were labelled as 'active' with high concentrations of director involvement and high definition in structuring the selection process; 'consultative' with mid-level involvement; and 'box-ticking' with low-level involvement from NC members (Walther & Morner, 2014:136). The latter type, 'box-ticking', merely rationalised and ratified the decision of the CEO or shareholders. This does not tell us whether these NC members were as involved in other NC tasks yet is endorsed as 'how NCs actually work' (Walther & Morner, 2014:143). There is no attempt to associate these three types with successful recruitment or any other kind of outcome but the active NC does succeed in

following a 'professionalised' selection process (Walther & Morner, 2014:147). These findings illustrate the wide variability of NCs in one of their activities. These types, from in-depth interviews with 27 NC members of 12 supervisory boards, suggest internal behaviours and how decisions are made on director selection as they appear to 'act symbolically and rationalise decisions already taken by the CEO or main shareholders' (Walther & Morner, 2014:136). This could form part of a springboard into how the chair of NC engages with committee members.

This heterogeneity among NCs in how they approach tasks was evident in a study of the comprehensiveness (planning and candidate evaluation) in director selection (Walther, Morner & Calabro, 2017). The sampled companies split into three types of NC as unplanned (low planning and low evaluation), inclusive (high planning and high evaluation) and projecting (high planning and low evaluation) based on the mutual and collective interaction around the task, the board chair leadership in structuring the selection process and employing high facilitation skills, and the nature and timing of information exchange between the CEO and board chair. Despite the focus being on process, the resulting types are linked to strategic value creation (Walther, Morner & Calabro, 2017) but there is no association with successful outcomes in terms of director selection or the insights into the influence of the NCC.

When looking at board and committee selection processes and board composition, studies have typically gathered qualitative data from interviews but rarely from direct observation, often considered but dismissed when cost and access is problematic. In their study of Swedish national sports organisations (NSOs), Stenling et al (2019) evaluated selection criteria and how they were ranked. Their data is arguably not as in-depth, as board member interviews were each less than one hour. Although this study evaluated characteristics, behaviour, life conditions, teamwork and representation of director candidates, the true agenda appears to be a gender versus merit argument rather than understanding the board selection process they profess to be researching. Several other researchers have investigated board size

and composition but, even though they refer to the Cadbury Report (1992), there is no mention or reference to NCs or the role of the NCC (Hussain & Hadi, 2019). More recently, board selection processes and outcomes in board composition were examined in terms of the hierarchies of selection criteria (Stenling et al, 2019). Among a sample of Swedish sports organisations where NC members were interviewed, the findings distilled into five nomination process profiles, which were combinations of efficiency and representation. Insights included that the more focus on efficiency in conducting the process, the less emphasis was given to selecting a representative shortlist (Stenling et al, 2019).

2.6.2.2 Diversity and Inclusion. Diversity and the inclusion of minority groups, encompassing gender, ethnicity, sexuality, culture, age, experience and cognition, is part of the remit of the NC and well represented in this systematic literature review with 14 papers mentioning diversity. However, the research focus is largely on gender diversity, with mentions of ethnic and age diversity, and solely looks at the task of director selection. The majority of studies are empirical, based on secondary data. Findings are often linked to financial performance but the relationship shows no significant effect, but no negative effect either (Carter et al, 2010). Similarly, there has been no association found between gender diversity, PhD qualifications or foreign directors and financial performance (Assenga, Aly & Hussainey, 2018). This endogeneity is speculated to be due to moderating variables, as relating gender diversity to either financial performance or firm value can change the results (Hutchinson, Mack & Plastow, 2015). The presence of an NC and female directors on the NC is a familiar lens for looking at secondary data within diversity studies. Findings reveal either no relationship with board size, composition, the presence of an NC or males on the NC (Appiah, Asamoah & Osei, 2016) or a positive effect with these variables (Guldiken et al, 2019). The presence of a female director as chair of an NC appears to have no effect on the probability of

hiring more females. Guldiken et al (2019) surmise that the CEO as a strategic leader can be a gatekeeper to a more diverse board. The ten expert interviews only focussed on director selection rather than any other aspect of working with a diverse board or committee. High individual ability was found to be more effective than diversity on the board or committee (Amini et al, 2017). Consequently, there remain some unanswered questions on how best the NC can realise strategic value with managing diversity on the board and committees.

Diversity has been expanded as a concept in corporate governance to incorporate diversity of viewpoint and the social responsibility to all of the company's stakeholders: 'diversity as an expression of the broadening of the merit principle' (Van der Walt & Ingley, 2003:219). This is offered as the motivation behind securing board positions with directors from different backgrounds. A taxonomy has been developed for board diversity and its implications for decision-making which forms criteria for the appointment of directors; these are age, gender, ethnicity, discipline, independence, culture, industry background and religion (Van der Walt & Ingley, 2003). There is a healthy cynicism that diversity is an instant solution for creating an effective board, whereas the focus is better placed on 'merit criteria' for director selection which is a broader issue for boards 'to bring together in a cohesive manner the balance of expertise and perspectives required for effective functioning and decision-making' (Van der Walt & Ingley, 2003:232).

NC nominations of female board directors presented to the board are typically merely ratified by the board. However, a female on a NC makes the process more objective and thorough or 'more robust and broader' but with no effect if the NCC is female (Guldiken et al, 2019:2038). It appears that a single female on the board is considered tokenism, but if more than one female is recruited to the board, there are more female managers and a female director on the NC, then these factors increase the likelihood of further female appointments; that is, the benefits of gender diverse boards are only realised when there are multiple female directors

(Guldiken et al, 2019). The same effect was seen for boards, NCs and younger board members (another form of diversity on boards). A similar result was found with women board members, in which there was more effective monitoring when the board consisted of a critical mass of over 30% females (Alkalbani, Cuomo & Mallin, 2019).

In Australia, researchers found that the most common route to a board position was to be recommended by the CEO or a board member (Sheridan & Milgate, 2005). Female directors gave credit to high visibility and family contacts to account for being nominated to boards. Females have to be publicly reputable and acknowledged as such 'before NC will risk having a woman on the board' (Sheridan & Milgate, 2005:847). In investigating gender and board performance, there is little evidence that a minority of women on boards have anything but an insignificant effect on board performance but the global and contentious debate around female quotas continues (Kakabadse et al, 2015).

Diversity on boards and committees is a characteristic that has been very popular with researchers globally. Typically, it has been found that listed firms and financial institutions are more likely to have diverse boards (Appiah, Asamoah & Osei, 2016). Several studies have found that the presence of an NC is associated with a more diverse board in advanced governance jurisdictions, but this wasn't found to be the case in Ghana (Appiah, Asamoah & Osei, 2016), probably due to Ghana being a developing country. The presence of a NC tends to indicate diversity of skills and characteristics on the board as the NC is accountable for new director selection. If the NC lacks diverse committee members, then it will impact diversity on the board. This is important, as the committee composition, including NCs, is crucial for credibility or 'establishing legitimacy' with key internal and external stakeholders (Groening, 2019:64). By adopting a similarity-attraction approach, it is suggested that the NC is a change agent or 'internal change mechanism' for gender and ethnic diversity, and if the NC is diverse,

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then the board will be diverse, especially based on colour as relevant for listed companies on Johannesburg Stock Exchange (Mans-Kemp & Viviers, 2019:648).

External pressure on male directors has been shown to have a positive effect on the increase of female directors if gender is highlighted in the selection process (Knippen, Shen & Zhu, 2019). However, it appears that male directors treat new female directors as an 'outgroup' and select them only when the number of board seats are increased, rather than as a replacement for male directors (Knippen, Shen & Zhu, 2019:1123). Female directors were found to be less likely to serve on a major board committee, including NC, when compared to those directors added as substitutes for male directors (Knippen, Shen & Zhu, 2019). These are salient findings for NC to ensure fairness and manage unconscious bias in selection of directors. The sources of external pressure are not defined but assumed to be various including regulators, the marketplace, stakeholder groups and media, where each source could potentially produce a different effect. From group theory, there is little evidence that gender diversity in board composition affects the expression of minority views and high individual ability has been shown to be more effective than group diversity (Amini et al, 2017). When considering ability in groups, a robust finding is that a lack of ability in groups is predictive of the inclination to accept others' judgement and agree despite having doubt privately (Amini et al, 2017).

2.6.2.3 Talent Pipeline and Succession Planning. Harnessing the best talent both internally and externally to the organisation for the executive team, board and committees is one of the accountabilities of NCs but is often not formalised (Mans-Kemp & Flanagan, 2022). In fact, in the UK, the Financial Reporting Council (FRC) has directed NCs to take an interest in how talent is managed throughout the organisation (Financial Reporting Council, July 2018). Identifying candidates in the pipeline and nurturing talent provides the foundation for successful succession planning. However, only 23% of boards have a formal succession

process for committee chairs (Griffin et al, 2017). It is claimed that an appropriate board culture is required for succession planning with a suite of initiatives such as role modelling, rotating high potential executives, recruiting for a breadth of experience and assessing for potential (Alleman & Kalt, 2017). Unfortunately many boards do very little to create a talent pipeline for succession planning, even though 80% of new CEOs are internally appointed (Wilson & Kelly, 2010). Therefore, it is not only imperative that a succession plan exists for the CEO, but also that there is regular assessment of board leadership, even to the extent of establishing a 'talent development committee' of the board (Wilson & Kelly, 2010:56). Succession planning for the CEO role is central to the role of the NC, but frequently aspects of succession are researched without any mention of NCs. Disruptive succession is commonplace and viewed as a failure of governance by the board: CEO succession can in turn trigger high levels of board turnover and shareholders disapprove of the use of interim CEOs, unless it is a surprise departure or a changing industry landscape, when there is more acceptance of an interim CEO (Marcel, Cowen & Ballinger, 2017). It is therefore critical for succession to be ideally planned in advance and managed by the NC as a strategic output. However, succession as 'future proofing' (Jayne, 2003:20) or creating competitive advantage can be fraught with problems for the board. Even with planning, 'boards often fail to identify suitable candidates' (Walther, Calabro & Morner, 2017:2200).

Information processing theory has been applied to the NC task of succession cases of CEOs and CFOs in large publicly traded German companies. Although a two-tier system, there is an NC but no reference to any NCC leading this committee. However, research with NC members (14 out of 44 semi-structured interviews) found four key information processing mechanisms in succession: (1) information sharing among NC members, absorbing disagreement and integrating different opinions; (2) board chair leadership; (3)breadth and depth of information sharing between executives and NC; and (4) if and how shareholders

influence the succession process (Walther, Calabro & Morner, 2017). It is unclear whether any differences were captured between the two executive roles of CEO and CFO, and German NCs are wholly independent, which may have skewed results.

CEO succession has a place in the extant literature as it is pivotal to a company's potential success and is part of the remit of the NC. Research has found that an independent NC with few directorships and therefore improved information asymmetry, lowers the likelihood of the CEO being dismissed. If NC directors are overcommitted, then this negates the positive effect of having an NC (Zhang, 2008). If there is information asymmetry at the time of CEO succession, then a new CEO is subsequently dismissed when more and better information is obtained about them (Zhang, 2008). The likelihood of dismissal is higher if the new CEO is from outside of the company or if the previous CEO was dismissed. These findings were the output from a quantitative study which hypothesised that NC directors with a large number of directorships would decrease CEO dismissal (Zhang, 2008), suggesting that these directors are too busy to focus on CEO performance rather than the fact they possess imperfect information.

Succession and the company strategy need to be aligned, especially for the critical strategic leadership roles. There is often low confidence that suitable internal talent exists in an acceptable timeframe (Jayne, 2003). A lack of both internal and external candidates means that boards need to be more accountable to create an effective executive team and consequently, maintain business performance (Jayne, 2003). Part of the succession planning process is crystallising and documenting what is meant by leadership potential (Jayne, 2003), which is instrumental to realising strategic value to the board.

2.6.2.4 Induction and Development. Director induction and training were first stipulated as important in the 2003 Combined Code in the UK for all directors of listed companies and the audit and remuneration committees (Long, 2008). It is the board chair's responsibility to ensure there is a 'full, formal and tailored induction' for every director and an induction checklist is included in the Code (Long, 2008:41). The Higgs Report (2003) also gave NEDs the individual responsibility to ensure they receive an induction and they 'should insist' on it covering both inside and outside of the boardroom (Long, 2008:41). However, during the same year, a Mori poll found that only 24% of directors received any formal induction (Long, 2008). The research literature indicates that director development can improve board performance and therefore company performance (Mans-Kemp & Viviers, 2018).

Induction and development of board directors is part of the chair's responsibility to assure the competence of the board and committees. Induction is important to reduce information asymmetry and assure the credibility of NEDs in their roles (Long, 2008). Surveys have found that in the UK unitary system, directors and board don't always receive the development they require to be more effective (Coulson-Thomas, 2008). Historically, directors were recruited for their experience and this was sufficient evidence that they had a full skillset of competencies, so they received no preparation or ongoing training (Garratt, 2005). An Institute of Directors survey in 1998 found that only 6% of newly appointed directors received a 'proper board induction' but 61% agreed that directors should receive a formal induction (Coulson-Thomas, 2008:364). An induction, driven by the chair, should include directors' legal obligations; the remits of committees; process information about agendas, papers, meetings; the company secretary role; and also experiential activities, such as customer or site visits (Coulson-Thomas, 2008). Each new director should receive an induction pack including a board manual, role specification, contract, legal obligations, terms of reference, conflict of

interest declaration and policy, memorandum and articles of association (Garratt, 2005, Long, 2008). Induction content should include board culture, risk, operations, executive team roles and language and terminology of the business: 'induction is a useful way to establish board relationships, values and expectations early in the board life cycle' (Long, 2008:45). It should cover strategic perceptions, decision making, analysis and use of information, communication, interaction with others, achievement of results and fiduciary duties, and should be repeated when the board member is reappointed for a second or third term (Long, 2008).

There is also an emphasis on self-improvement activities such as mentoring with a board colleague, attending conferences and corporate events, networking opportunities and other informal mechanisms that help induct the new board member and optimise shareholder wealth albeit with a cost in time and money (Mans-Kemp & Viviers, 2018). Induction can be perceived as a source of competitive advantage which qualifies it a strategic output from the NC. Therefore 'competent enough' (Mans-Kemp & Viviers, 2018:6) is not sufficient to integrate a new board member but induction needs to create 'efficient integrated thinking' (Mans-Kemp & Viviers, 2018:5) through continuous development. It can be argued that knowledge transfer is also within the remit of the NC when the board member eventually leaves the role.

2.6.2.5 Board Evaluation and Effectiveness. Since the late 1990s governance codes across different geographies have stipulated board evaluation and disclosure of results, as 'governance codes in themselves cannot guarantee good conduct' (Long, 2006:549). Board evaluation is also in response to pressure from shareholders and investors for increased transparency. However, this stipulation has met with resistance from directors claiming that such evaluations will damage board teamwork, even though they have been forced to accept the link between board effectiveness and firm performance (Long, 2006). Another more salient

criticism with this increasing accountability has been a risk of reducing the strategic value of board evaluation to a process: 'external scrutiny and regulation can breed a culture of process over a culture of enterprise' (Long, 2006:554). However, it is often left for companies to decide exactly how they design and administer board evaluations (Rasmussen, 2015). This process is owned and driven by the NC in the UK and many other unitary systems such as Norway (Rasmussen, 2015).

In testing the relationship between board evaluations and board effectiveness, a multiple case study methodology was adopted with large listed Norwegian companies, which found that evaluations created value for board members rather than stakeholders or the firm (Rasmussen, 2015). These findings were based on evaluating the board as a group or on an individual basis. The drivers for evaluating the boards were institutional investors, regulators and shareholders, so about compliance rather than the board seeing any inherent value itself or being motivated by self-improvement or to 'maintain their competitive edge' (Cadbury, 2002 in Rasmussen, 2015:86). There is little evidence in the research for follow-up after an evaluation and this confirms value to the board rather than at any other level (Rasmussen, 2015).

Recent evidence shows that only 55% of boards evaluate their individual directors so they 'optimise the contribution' of board members (Griffin et al, 2017:9) and the findings point to evaluations falling short of providing thorough oversight of strategy, risk management, financial reporting, performance measurement, compensation and succession planning. Value creation is inherent in the process of reviewing individual director contributions. Only 53% of directors felt their board colleagues expressed honest viewpoints in the presence of the executive team so work is needed on directors improving the way they contribute (Griffin et al, 2017). If it is assumed that the role of the board is to discipline executives and non-executives, then board evaluation should highlight any issues for resolution. However, studies

have found that bad performance doesn't necessarily result in dismissal. This is due to the executive trying to demonstrate their competence or 'executive activism signals competence' and the board rewards this activism by retaining the executive (Dominguez-Martinez, Swank & Visser, 2008:11).

Board evaluation studies tend to focus on the two dimensions of task and teamworking (Forbes & Milliken, 1999). Part of the difficulty and acceptability of robust board evaluations is that this type of appraisal is horizontal with peers, whereas a management appraisal is vertical and reflects the organisational hierarchy. Examination of the interpersonal dynamics often causes discomfort to board members compared to more objective measures of individual and board performance. Typically, there is an assessment of board function, process, size, composition, director independence and competence, performance and remuneration, training and development (Ingley & Van der Walt, 2002). There should be a clear purpose, objectives, content, an independent evaluator, methods and follow-up (Rasmussen, 2015). However, more recently the spotlight has been cast on interpersonal behaviour, which meets with some resistance in the UK where the board is considered a team (Ingley & Van der Walt, 2002). Equally, it is problematic to measure the relationship between corporate governance, board effectiveness and organisational performance, especially when there can be subliminal agendas: 'defence routines and resistance are covert' (Ingley & Van der Walt, 2002:173).

There is little consistency in board evaluations and therefore they risk being aimless, ineffective and even counterproductive (Kiel & Beck, 2018). Their motives are split between compliance and value-adding where a positive board evaluation can build reputation and demonstrate good governance. Both process and content are equally critical, but boards often neglect the process of engaging directors and therefore miss an opportunity to build board culture and teamwork (Kiel & Beck, 2018). The best combined methods for board evaluations

encompass board meeting observation, document analysis, a questionnaire and interviews (Kiel & Beck, 2018).

For smaller UK companies below the FTSE 100, board evaluation is defined by the FRC. The board chair needs to engage fully in the process as a key to success, which requires emotional intelligence (Muir, 2013) and an external board evaluation should be conducted every three years. Only 60% of chairs felt that board evaluations improved board performance and there is little linkage with output and formal board or director objectives (Muir, 2013). Chairs were found to want more evidence-based insight rather than opinion and the value for money is felt to be greater with internal compared to external evaluations (Muir, 2013). The exercise is rationalised as box-ticking, minimising the focus from investors as being interested in remuneration alone. Behavioural issues are a sensitive topic in board evaluations but the evaluation is the best mandate to address them (Muir, 2013). Chairs are supposed to hold six-monthly reviews with each director but very few actually do so (Muir, 2013). Of five behavioural and team effectiveness issues that were not addressed, commitment was the most improved and conflict resolution was the least improved (Muir, 2013), which prevents boards from truly become high-performing teams.

2.6.3 Nomination Committee Chair. The board chair and ACC role have received much attention in research (Kallamu & Saat, 2015) but the role of the NCC has tended to be overlooked and hardly any studies interview NCCs; there is relatively little research on how the NC is led, its decision-making processes, dynamics and how it creates value through its recommendations to the board (Clune et al, 2014). Research after the Higgs Report (2003) has tended to focus on antecedents of the NC (Kaczmarek, Kimino & Pye, 2012a) and determinants and effects (Ruigrok et al, 2006). The use of proxies has been an attempt to shoehorn into an

empirical approach, such as the number of board and AC meetings as a proxy for board monitoring (Brick & Chidambaran, 2010).

There is little leadership research about NCCs so this section aims to identify studies that provide some insight into the research question through potentially transferable results. Effective leadership has been defined as directing activities undertaken by the board chair in 'motivating discussions and organising how information circulates in board meetings' (Zhang, 2010:477). The aim is to create new knowledge through stimulating discussion with board members, summarising information and ensuring that their own agendas and personal interests are low priority (Zhang, 2010). It has also been suggested that chairs engage in stimulating conflict to explore different perspectives: 'engage in focussed and provocative discussion', so balancing volume and relevance of information (Zhang, 2010:477). Consequently, the board's performance on strategic tasks is improved as a result. However, chairs usually control and guide the use of information at board meetings so also influence information biases (Zhang, 2010). A major criticism of the Zhang (2010) study is that many conclusions are about board chairs whereas the data analysed was from 318 CEOs.

Scholars have generally given very little attention to the chairs of NCs. A rare study of 50 non-financial Pakistani firms investigated the influence of human resources (HR), monitoring and experiential expertise of the NCC on the financial performance of the firm (Chaudhry, Roomi & Aftab, 2020). This quantitative study found that NCC experiential expertise positively influenced several financial indicators of firm performance, such as return on assets, return on equity and net profit margin. A surprising result was found to be no significant influence of monitoring and HR expertise of the NCC on financial performance. It appeared that educational or experiential expertise was sufficient credibility: 'acceptability of the committee and its output' (Chaudhry, Roomi & Aftab, 2020: 622) alone had an impact on financial performance, so long as the NC was perceived as 'competent and expert' (Chaudhry,

Roomi & Aftab, 2020:623). When probing further, it was evident that confidence was boosted if NCCs could ensure robust appointment and appraisal of board directors and any conflict was resolved (Chaudhry, Roomi & Aftab, 2020). There is little detail on how the NCC engaged with NC members to inspire this confidence and so this study is limited in its range of expertise required by the NCC. It is also questionable how generalisable these results would be to other countries and cultures.

A recent qualitative study went into more depth on the ACC activities (Khemakhem & Fontaine, 2019), which may in part at least be generalisable to the NCC. This study compared the interactions of the ACC before, during and after formal committee meetings. Stakeholder management was a central part of this role, in that ACCs were found to 'manage multiple relationships and possess well-developed leadership abilities beyond financial expertise' (Khemakhem & Fontaine, 2019:457). These soft skills included communication, establishing trust, monitoring management and leadership skills which encompassed listening, empathy, asking questions, consensus building, teamwork, judgment and tenacity. Therefore, ACCs were seen by others as an 'orchestra conductor', 'captain of a ship' and 'team captain' (Khemakhem & Fontaine, 2019:464). Functional expertise was a given, but it was the soft skills of the ACC which differentiated them. Although participants were Canadian firms which could be generalised to the UK, there were 15 ACCs interviewed of which only two were female and the number of other board positions ranged from zero to nine (Khemakhem & Fontaine, 2019). The emphasis on soft skills gives a generalisable insight into NC and the role of the NCC. In a further study of Tunisian listed companies, interview data was analysed from 12 ACCs investigating the ACC's relationships with board and senior management. The most significant parts of the ACC's role derived from informal meetings and conversations were found to be that the ACC was perceived as a 'unifying influence' (Oussi, Klibi & Ouertani, 2019:684).

This collaborative and conciliatory focus is related to the oversight process of the quality of financial reporting, which is a unique accountability for AC, unlike the NCC.

The gatekeeping role is seen as one-directional (information access is blocked) and so is encompassed into the boundary spanner role, where information flows back and forth both within and between organisational groups, in this scenario, between the CFO, the auditing partner and the ACC. The boundary spanner role has its roots in resource dependency theory as a means of ACC managing the supply of resources, especially in times of uncertainty and change (Beattie, Fearnley & Hines, 2014). While this study cannot be generalised to NCs in terms of financial reporting quality, the role of the NCC as a boundary spanner has some traction in terms of boundary spanning external consultants and an internal HR Director, therefore is potentially of interest for this study. Company secretaries have also been labelled as boundary spanners in their roles connecting executive and NEDs: 'walking the lines and working the spaces' as they broker the relationships between outside and inside directors (McNulty & Stewart, 2015:513). It can be argued that every chair or committee chair should be a boundary spanner as this function is shown to improve teamworking.

In answer to the question why do chairs exit, research has focussed on independent committee chairs, including NCCs. It was found that directors are 'undervalued' when they are passed over for promotion to board and committee chair roles (even if they are better qualified than their peers), which in turn, creates a detrimental board culture or 'negative board climate' (Garg, Li & Shaw, 2018:429). The worse this climate becomes, the higher the turnover of these undervalued directors, with even the CEO more likely to leave (Garg, Li & Shaw, 2018). Board undervaluation of board and committee chairs is associated with director turnover which in turn, leads to poorer firm performance, which is summarised as the sum of board turnover, board recruitment and how these elements affect firm performance (Garg, Li & Shaw, 2018).

Therefore, the role of committee chair is an important one which, if not managed well, is likely to have a detrimental impact on the business.

Studies on other committee chairs potentially give some insight to the role of NCC. The RCC has been called 'a weighty and onerous appointment, possibly on a par with that of the audit committee chair' (Main et al, 2008:225). This claim is due to their shaping and negotiating of executive reward. The RCC role, arguably similar to the NCC role, is said to be underestimated and undervalued, but similarly, 'emerges as a pivotal actor' (Main et al, 2008:225). In a qualitative study of RCCs among FTSE 100 companies in the UK, these committee chairs were 'felt to have a taxing job' but needed to know the company and its people well and use this knowledge to guide the RC and explain its decisions to other stakeholders (Perkins & Hendry, 2005:1459).

With the advent of the gender pay gap, aspects of executive management remuneration is a board level outcome which has been linked with the gender of the RCC If the RCC is female, then the gap in top management compensation between men and women is reduced (Cook, Ingersoll & Glass, 2019). This study also posits three mechanisms to overcome females being made only members and not committee chair as having more direct power through (1) integration, (2) direct decision-making and (3) influence (Cook, Ingersoll & Glass, 2019). This finding could be generalised beyond RCs to all female committee members and chairs, so making it directly relevant to this study. An independent RCC and an effective RC were found to offer protection against corporate failure when the presence of a RC, its size and the frequency of its meetings showed no relationship with corporate failure (Appiah & Chizema, 2015). An independent RCC may be exercising greater monitoring, especially of the CEO on such issues as compensation. Frequency of meetings is not equivalent to monitoring quality. In contrast, the same study found that the more independent the RC, the more likely the firm would suffer corporate failure, consequently the presence of the RC doesn't protect the firm

from corporate failure (Appiah & Chizema, 2015). This can be explained by a lack of genuine independence on RC, possibly caused by bias in director selection by NC.

The concept of 'leader character' has been applied to the boardroom and is central to the board in the context of group decision-making (Seijts et al, 2019:227). Study of this phenomenon is aimed at improving board governance. Character is defined as 'the habit of cognition, emotion and behaviour that embodies excellence and produces social betterment' and dubbed a 'critical missing link' (Seijts et al, 2019:230) in explaining failure and success at board level. It is considered difficult to study due to the perennial access issue in data collection: 'leader character is not commonly attended to in board conversations as a means to purposively improve the way boards operate' (Seijts et al, 2019:227). Therefore, it consists of attributes and behaviours that lead to good group decision-making in a board setting where good judgment is an imperative. Leader character is also rooted in the board director's tasks of monitoring and advising, so if they lack confidence to challenge when necessary, this can be dubbed 'moral muteness' (Seijts et al, 2019:232). A framework compiled from a mixed methods approach encompasses courage, transcendence, drive, collaboration, humanity, humility, integrity, temperance, justice and accountability with the central attribute being judgement (Seijts et al, 2019). However, character is promoted as a balance of these observable attributes, exercised at the appropriate time (Seijts et al, 2019). Leader character is an interesting concept for our study of the NCC to see if these board-level behaviours are generalisable to committee chairs.

2.6.3.1 Summary of Literature on Committee Chairs. Table 2 summarises all the reviewed literature on committee chairs to see if knowledge about ACCs and RCCs can be applied to NCCs.

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Study	Quant/Qual	Findings	Generalisable to NCC?	Suggested Further Research on NCC
Belliveau, O'Reilly & Wade, 1996	Quantitative	Social similarity between CEO and RCC doesn't affect CEO pay. High status RCC lowers CEO pay and CEOs with higher status receive more pay	No	Dynamics of social capital and social similarity between NCC and CEO, especially if CEO is on NC
Spira, 1998	Qualitative	Presence of AC doesn't guarantee effectiveness. New ACC rearranges established patterns of seating	n/a	Broader impact of new NCC and NC effectiveness
Main et al, 2008	Qualitative	Agency theory is inadequate as RC is a social entity with stakeholder management therefore more complexity than previously realised. Suggest that RCC role is on a par with ACC in importance	n/a	Examination of different theoretical lenses which pertain to role of NCC and how NCC perceived in terms of gravitas
Abernathy et al, 2014	Quantitative	ACCs with accounting expertise from public accounting experience produce timelier financial reporting while ACCs with CFO-sourced accounting experience do not	No	Effect of HR or OD expertise in NCC on qualitative or quantitative outcomes of NC
Beattie, Fearnley & Hines, 2014	Quantitative	Boundary spanner nature of conversations about financial reporting quality between ACC, auditing partner and CFO	Yes, if apply to relevant NC reporting with HR and external consultants	Boundary spanner nature of NCC in conversations with HR Director/CEO and recruitment consultants
Appiah & Chizema, 2015	Quantitative	Corporate failure is more likely when the independence of RCC is compromised	Yes	Further investigation into independence of NCC and different aspects of outcomes and firm performance

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Tanyi & Smith, 2015	Quantitative	ACCs with multiple ACC positions associated with higher abnormal accruals & meet/beat financial benchmarks. Busyness weakens monitoring and oversight	No business parallel for NCC. Yes to busyness and its effect on monitoring and oversight	Impact of NCC busyness and links to board and firm performance
Jaafar, Wan-Hussain & Bamahros, 2016	Quantitative	ACC has significantly higher multiple directorships than non-chair. No difference in busyness in terms of overlapping committees between ACC and non-chair	Yes	Effects of busyness in NCC whether multiple director roles or overlapping committees.
Gal-Or, Hoitash & Hoitash, 2018	Quantitative	Shareholder support lower for ACCs without accounting expertise	Yes, applying to NCC parallel expertise	Qualitative investigation into shareholder and/or board support for NCCs with or without any HR expertise
Al-Absy, Ismail & Chandren, 2018	Quantitative	Board chair as NCC increases likelihood of earnings management (which could lead to fraud). Board chair as RCC has significant negative relationship with earnings management. Suggest that board chair should not be involved in NC	Yes, in terms of independence of NC	Qualitative insight into how the board chair influences NC if they are NCC or a member of NC
Al-Absy, Ismail & Chandren, 2019	Quantitative	Tenure, age, gender and ethnicity in ACCs found to be positively associated with earnings management (which can lead to fraud) and discretionary accruals	No	Characteristics of NCC in relation to board and firm performance
Ghafran & Yasmin, 2018	Quantitative	ACC financial experience reduces delay in audit report lag, therefore more effective ACC. ACC monitoring improves financial reporting timeliness	No	Explore the characteristics of more or less effective NCCs and what differentiates them

Khemakhem & Fontaine, 2019	Qualitative	ACC soft skill interactions before, during and after AC meetings differentiate them	n/a	NCC soft skill interactions before, during and after NC meetings
Oussii, Klibi & Ouertani, 2019	Qualitative	ACC informal meetings, ACCs seen as 'mediating role' and 'unifying influence'	n/a	Qualitative investigation into NCC role in informal meetings
Chaudhry, Roomi & Aftab, 2020	Quantitative	ACC financial & monitoring expertise positively related to firm performance	No	Investigate NCC monitoring and HR expertise

Table 2. Summary of ACC and RCC literature and application to NCC (author's own design)

2.6.4 Board Interfaces. This section reviews extant literature on the main board and committee interfaces for the NCC. It is separated into sub-sections on the role of the NED, the senior or lead independent director (SID or LID), the role of the chair of the board, the relationship between the chair and the CEO and finally the influence of the CEO.

Figure 6 below shows the possible key stakeholder groups, both executive and board for the NCC. Not every UK listed company NCC will interface directly with all these stakeholder groups. This section focuses on the most important and typical interfaces as described above.
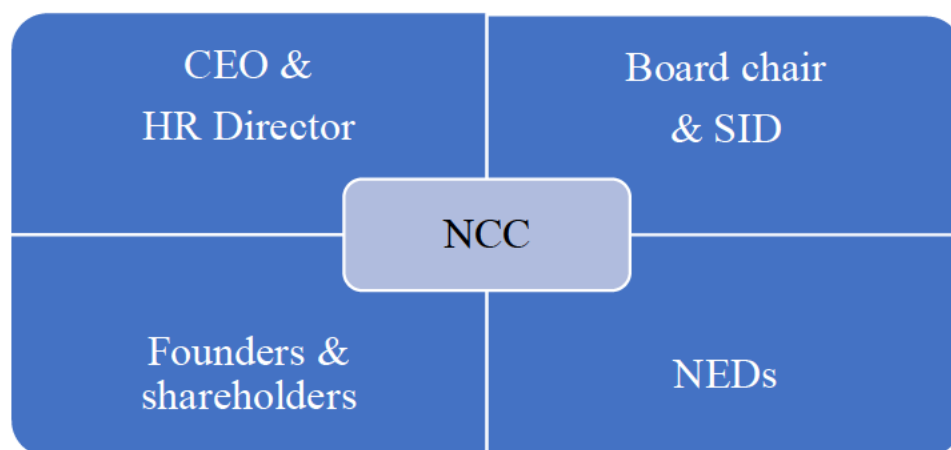
Figure 6. Potential key stakeholder interfaces of NCCs (author's own design)

2.6.4.1 Non-executive Directors. Corporate governance codes have repeatedly linked the presence of NEDs to board effectiveness; however, such references appear as generalised statements such as 'non-executive directors should possess a range of critical skills of value to the board and relevant to the challenges and opportunities facing the company' (Financial Reporting Council, July 2018: 24). Evidence supports the theory that challenge by NEDs is critical for board effectiveness and governance outcomes. However, some NEDs use active

questioning in their challenge while others appear unable or unwilling to challenge even when they have expertise on an important issue (Halton, 2013). This phenomenon has its roots in the 2009 Walker Review of the UK banking industry, which aimed to address the failure and lack of challenge on UK banks' boards (Halton, 2013). This was further strengthened by the Higgs Review (2003) to reframe challenge as either 'supportive challenge' (Halton, 2013:430) to overcome the negative connotations of the word, or 'disruptive thinking', so building on the intent behind challenge as value creation (Halton, 2013:436). Governance codes have traditionally only delved so far into boardroom dynamics: 'corporate governance architecture is not sufficient to deliver outcomes; behaviours and conditions are important too' (Higgs Review, 2003 in Halton, 2013:424). Therefore, the chair, or in this study the NCC, has the job of achieving a middle ground or 'balance between facilitating decision-making and encouraging challenge' (Halton, 2013:432). It is suggested that governance avoids using the word 'challenge' and instead adopts 'thoughtful debate not confrontation' (Halton, 2013:438). However, this could be over-diluting the robustness required as part of the role of board or committee director. Challenge should be part of all NC meetings, as it is with board meetings, so is undoubtedly of relevance for this study and the role the NCC plays in managing challenge from colleagues.

Some of the recent literature refers to board and committee outcomes as firms that 'appear poorly governed' without fully explaining what is meant, as in the selection of NEDs who exhibit an optimism bias towards executive management when they have management on the NC (Cohen, Frazzini & Malloy, 2012:1039). After these optimistic NEDs are appointed, it is seen that earnings management increases along with chief executive officer (CEO) compensation. They are labelled 'cheerleaders' and are more likely to occur when independent directors comprise less than 30% of an NC and they are five times more likely when the CEO is on the NC (Cohen, Frazzini & Malloy, 2012:1040). Aside from this narrow definition of

cheerleaders, there is a missed opportunity to examine how cheerleading plays out with or without an NC.

The study of information asymmetry in the boardroom has given rise to an 'information asymmetry paradox' which reflects the 'relative ignorance' of NEDs (Roberts et al, 2005 in Brennan, Kirwan & Redmond, 2016:152) but is a necessary condition to stimulate their challenge, advising and monitoring of management (Brennan, Kirwan & Redmond, 2016). A conceptual model is offered between the manager and NED, which accounts for different types of knowledge and information, both implicit and explicit and across multiple levels as a two-way process of accountability (Brennan, Kirwan & Redmond, 2016). This paradox would potentially be evident in NC meetings where a specialist knowledge is required, above and beyond general strategic and operational knowledge of the company and its markets. An example of such an approach is the small, high technology and non-profit firms studied by Forbes & Milliken (1999) in their attempt to combine the literatures from corporate governance and group dynamics.

The link between board dynamics and governance has also focused on conflict on boards, highlighting cognitive conflict in terms of a personal difference in position or argument in decision-making and also affective conflict where the disagreement is more emotional and relationship-based. Conflict has long been known to negatively impact teamwork so these concepts are part of the 'black box' of board dynamics (Charas & Perelli, 2013:176). It is claimed that only one in 22 of the sampled firms screen behavioural competencies in a U.S. sample of small and medium-sized enterprises (SMEs), which has implications for NCs and their task of director selection, albeit no mention is made of NCs in this regard (Hussain & Mallin, 2003). High governance SMEs were found to have a lower tolerance for director behaviour considered 'aberrant' and displayed a stronger response to resolving the conflict than low governance firms (Charas & Perelli, 2013: 175). Clearly, cognitive and affective conflict

can take place either formally, within a board or committee meeting ('frontstage') or informally, outside of meetings ('backstage'); however, when directors are insensitive to these two locations, their individual performance suffers, they experience lower board tenure and there is poorer board effectiveness (Charas & Perelli, 2013:178). The impact of cognitive conflict has been found to be less extreme where a high degree of cohesiveness exists among NEDs on boards (McNulty, Florackis & Ormrod, 2013).

In analysing the minutes of board and committee meetings of 11 companies where the Israeli government held an equity interest, it was found that two-thirds of the discussions in a supervisory board were monitoring, with 99% of issues only having one option for decision and the supervisory board only disagreed with the CEO 2.5% of the time, so labelled as 'active monitors' (Schwartz-Ziv & Weisbach, 2013:349). This skewed sample means results are difficult to generalise, but it highlights the problem of gaining access and researchers drawing inferences from public domain data, or more pertinently, drawing inferences about board dynamics from board characteristics or structure (Schwartz-Ziv & Weisbach, 2013). However, using minutes of board and committee meetings may not reveal everything that happened at the meeting, just what was recorded, and that record may be sanitised. Boards can actively shape decisions or outcomes and this was evident in 8.1% of issues discussed, which divided the directors into 'active directors' and 'reserved directors' (Schwartz-Ziv & Weisbach, 2013:362). Both groups had the same educational backgrounds but active directors took actions and had more executive experience, whereas reserved directors were on average seven years younger than active directors.

Monitoring and advising are clearly two crucial outcomes at both board and committee meetings. Remunerating NEDs has been shown to be associated with more active boards and more active monitoring and advising committees where higher equity-based pay was associated with monitoring but not advising (Nguyen, 2014). However, while the NC was classified as a

monitoring committee, the measure of monitoring was the quantity of meetings attended by NEDs and nothing to do with the quality of the monitoring. While this finding is relevant for this study, it does prompt the question as to whether a more effective NC has a role in advising as well as monitoring to create strategic value. It appears not necessarily to be the case that the more independent directors on the board, the better. In examining the relationship between corporate governance of IPO (initial public offering) firms and corporate failure (measured by involuntary delisting from the stock exchange), French firms with a greater proportion of independent directors were more likely to be delisted (Djerbi & Anis, 2015).

The independence of NEDs is one of the most researched characteristics in corporate governance, especially over the past three decades. Research has investigated whether outside independent directors, as well as board composition, CEO duality and the presence of the three main committees, including NCs, actually strengthened the boards of U.S. companies (Petra, 2005). The presence of independent directors on NCs means that they will nominate more independent directors (not linked to management) and the CEO on an NC will be challenged more robustly (Petra, 2005). However, the presence of independent directors is not sufficient in itself and challenge has to take place, as seen in the governance scandals of Enron and WorldCom, both of which had NCs with 75% outside independent directors. Petra (2005) claims these scandals were the result of insufficient or inadequate director challenge of the CEO, but this would have been primarily the AC with NC accountability for director selection and board effectiveness. Causality between board structure and CEO monitoring was the aim of a study on board oversight of the CEO, which found that a fully independent NC increased the sensitivity to force turnover of a CEO who was not performing. Full independence of the NC and greater independence on the board led to better CEO discipline and monitoring (Guo & Masulis, 2015).

Busyness of NEDs has been a focal point for governance research in terms of examining the effects of overboarded directors or those directors who serve on multiple boards in different organisations. However, there have been mixed results, in that director busyness among U.S. firms has been shown to be detrimental to board monitoring quality and shareholder value (Falato, Kadyrzhanova & Lel, 2014) and when applied to merger situations, when NEDs work less elsewhere, their organisation reaps benefits in performance (Hauser, 2018). In South Africa, overboarded directors were found to be better educated, more specialised in expertise and have longer tenure on their boards than directors with just single board positions. There was no difference in their meeting attendance (Viviers & Mans-Kemp, 2019). It is felt that the experience and networks that busy directors offer outweigh any risk of distraction or fatigue from multiple board roles.

2.6.4.2 Senior Independent Director. Senior or lead independent directors (SIDs/LIDs) were conceived as a new governance structure during the early 1990s in U.S. when 80% of firms had dual CEO/chair roles in place. The occurrence of LIDs increased further after SOX in the U.S. to temper the power and evaluate the CEO (Krause, Withers & Semadeni, 2017). The LID role was seen as a compromise in independence between the theoretical positions of a dual CEO (organisation theory), and CEO and chair as separate roles (agency theory). As such, the LID role has no precise theoretical explanation but has been found to improve firm performance and is a permanent governance structure in many organisations (Krause, Withers & Semadeni, 2017). However, often the LID appointed is similar demographically to the CEO, that is, of a similar age, education and business background, which can boost the CEO's power in the balance of independence between the CEO and the board. In terms of a relationship to board committees, the LID can be a member of the AC and serve on other boards (Krause, Withers & Semadeni, 2017).

As a structural governance barrier between the firm's senior management and the board, especially NEDs, the NC would appoint the LID from a formal role description, which typically covers board agenda, oversight of board and committee evaluation process and management of the board budget with the ACC (Dalton & Dalton, 2005). Dual CEO and chair firms often appoint a SID or LID for monitoring management and as 'a sounding board for the chair and CEO' (Lamoreaux, Litov & Mauler, 2019:68). These U.S. firms are more likely to coach out poorly performing CEOs so as to improve the quality of corporate governance and, it is suggested, therefore enhance firm value (Lamoreaux, Litov & Mauler, 2019). Consequently, the appointment of a LID is well received by investors, especially if the LID is also the RCC. Firms with LIDs tend to be larger, have more independent boards, higher institutional equity holdings and are listed on the New York Stock Exchange (NYSE). They enhance firm value and improve the quality of corporate governance. In a minority of firms, the LID role is sometimes rotated among the independent directors or may be the former board chair. Often the appointment is when a firm anticipates greater benefits from monitoring and LID firms are more likely to exit poorly performing CEOs (Lamoreaux, Litov & Mauler, 2019). No correlation was found between a LID also being NCC or serving as chair on multiple committees; however, it is claimed that LIDs are more likely to be on a board committee and are more utilised if they also have committee involvement. This higher quality of monitoring is from observable director characteristics such as gender, age, board tenure and committee involvement (Lamoreaux, Litov & Mauler, 2019) rather than any behavioural repertoires, which is the focal interest of this research study. The interaction with NC and the NCC is not explored in the extant research.

2.6.4.3 Board Chair. Research is surprisingly sparse about how a board chair contributes to an effective board and it typically tends to focus on characteristics, such as

greater age leading to greater experience, which in turn creates competitive advantage for a firm. Moreover, an independent board chair is associated with higher performing firms and there is a higher proportion of independent chairs in non-U.S. firms (Galbreath, 2010). However, it has been argued that a younger board chair may be more innovative and risk-taking (Lin, Wei & Chen, 2006). It has been claimed that board human capital improves firm performance but the relationship is not the same for board chair human capital, where the chair's human capital influences other board members in decision-making (Lin, Wei & Chen, 2006). One problem in research is that a chair's leadership is problematic to evidence through readily available quantitative measures, such as demographic characteristics such as age and tenure. In a framework for leadership soft skills of the board chair, the role centres around establishing agendas in consultation with committee chairs, working relationships with committees and driving the process of meetings. The board chair carries out performance evaluations for each committee chair, the assessment of which should reference the respective role descriptions. Similarly, the NC prepares the job specification for appointment of the board chair.

The board chair is considered central to an effective board: 'the choice of who is to fill that post is crucial to board effectiveness' (Cadbury in Leblanc, 2005: 654). It is a universal 'truth' that the board chair can dictate the performance of the board and the fortunes of the company: 'it is doubtful that a strong, engaged board will have a weak chair or an ineffective board will have a strong chair' (Leblanc, 2005: 655). However, there is no precise behavioural repertoire that belongs to a strong chair, aside from independence being optimum: 'the single greatest impact on overall board process and, ultimately, board effectiveness is the independence of mind, competencies and behaviours of the Chairman of the Board' (Leblanc, 2005: 660). Corporate governance ratings by investors accept that the chair role is pivotal for growth and organisational success (Leblanc, 2005).

Observation of board meetings has shown that the dynamic of challenge and support builds trust and verification, which are necessary for accountability: 'switching behaviour according to the agenda item but maintaining consistent group level of support and scepticism' (Nicholson, Pugliese & Bezemer, 2017:1). A rare study of how board chairs shape context used videotaped board meetings and semi-structured interviews across three organisations to investigate the involvement of the chair and related engagement of board directors (Bezemer, Nicholson & Pugliese, 2018). The findings show that the chair's involvement (in terms of dominating the meeting), reduced directors' self-rated engagement during the meeting. The chair's leadership style is required to demonstrate strong managerial power but also a more empowering and supportive role to engage other directors (Bezemer, Nicholson & Pugliese, 2018). These findings were generalisable across all agenda items and not just on strategic output. This gives some insight into the NCC and how they engage with committee members to realise strategic output.

In terms of the working relationship between the NCC and the board chair, there is little explicit research, other than statements such as 'the Chair provides input to all Committees of the Board through the respective Committee Chairs' (Leblanc, 2005:662). Generally, there is increasing interest in the role of the board chair, especially in the soft skills they should exhibit, for example, 'a chairperson's sensitivity and skills impact on both board relations and contribution' when managing a diverse board (Kakabadse et al, 2015:15). Some of these soft skills are in managing a group of directors to obtain the optimum quantity and quality of contributions: 'access to the chairman's attention, knowledge, and memory, which in turn influence the perception or "framing" of the problem situation, is a valuable resource that women directors need' (Lindenberg, 2003 in Kakabadse et al, 2015:16).

2.6.4.4 Board Chair and CEO Relationship. The CEO and chair relationship research is relatively sparse considering this is a central and pivotal relationship. It has been studied in the context of resolving strategic tensions, a key focus for boards. Trust, communication and time spent by the chair were explored qualitatively with separate CEOs and chairs to see how strategic tensions were raised and resolved (Morais, Kakabadse & Kakabadse, 2018). Two approaches emerged: CEO-led and shared leadership. The majority of relationships drew on the CEO-led approach with more restrictive role boundaries where the chair had to proactively identify the strategic tension and coach or mentor the CEO towards its resolution. The shared leadership approach was less common and allowed greater flexibility with role boundaries. The respective skills and experience of both the CEO and chair were integrated to identify and resolve the strategic tension in a more collaborative manner or 'dynamic complementarity of function' (Morais, Kakabadse & Kakabadse, 2018:144).

The NCC needs to work as part of a triumvirate with the board chair and CEO so how the dyadic relationship chemistry functions will give insights into how the NCC can be most effective in terms of delivering strategic value to the board. While the relationship is acknowledged as contextual, there are social influence mechanisms that depend on demographic and social similarity (Fiss, 2006). A good relationship between the CEO and chair contains 'no surprises' (Heald & Steel, 2015:260) and includes trust, transparency and openness. It helps if the chair has previously been a CEO and the CEO has experience as a NED, but rarely is training given in relationship behaviours or professional mentoring specifically for this relationship (Heald & Steel, 2015). The relationship has been found to focus on four pillars – internal governance, stakeholder management, sustainable performance and validating legitimacy – in UK public sector organisations, although little attention is given to the 'fit' between the CEO and chair (Heald & Steel, 2015:261). The chair–CEO chemistry consists of both deep friendship (or 'philos') and sense making, which together 'nurture

meaningful knowledge sharing' and can create a learning culture (Kakabadse, Kakabadse & Knyght, 2010:285). The absence of either of these parts still results in a good working relationship, but an absence of both parts results in doing the organisation harm. 'Philos' taken from the Greek connotates 'affinity' and 'shared values' (Kakabadse, Kakabadse & Knyght, 2010:291) but also endows trust and respect, which in turn helps drive the strategic agenda and 'ensures consistency and coherence of strategic pursuit' (Kakabadse, Kakabadse & Knyght, 2010:286). The co-working of CEOs and chairs was found to identify three behaviours that distinguished approaches to new director selection. They focused on high facilitation skills and rule-based decision-making by the chair, together with informal CEO–chair information exchange (Walther, Morner & Calabro, 2017). CEOs can also be agents for change on gender diversity (Guldiken et al, 2019) as can board chairs (Kakabadse et al, 2015).

CEO duality, where the CEO also holds the chair role, is a characteristic that has been popular for scholars to associate with other characteristics, such as family-controlled firms. By 2003, 90% of UK firms had split the CEO and chair roles (Higgs Report, 2003). CEO duality has been found not to influence firm performance but it depends on the extent of the family ownership stake (Braun & Sharma, 2007). It is commonly understood that CEO duality promotes CEO entrenchment, which in turn reduces board independence and makes the board less effective in its monitoring role (Assenga, Aly & Hussainey, 2018). Separation of these roles is a governance control so it is beneficial when family ownership stakes are low (Braun & Sharma, 2007). During 1993 (after the Cadbury Report, 1992) 77% of sampled UK companies separated the CEO role from that of the chair (Conyon, 1994). Developing the understanding of CEO duality, the continuum of control and collaboration as a 'dichotomous characterisation' (Krause, 2017:709), albeit with a third option of a combined orientation, was investigated to identify the drivers of the board chair's orientation. The combined role has been deemed more collaborative but separation gives greater board control. The results suggest that

the board chair orientation is contingent on the starting point, in that either control or collaboration do not act to turnaround any poor financial performance and it needs to be contingent on the circumstances: the board chair orientation should be a conscious and strategic choice and not presume that 'function follows form' (Krause, 2017:711). If we apply this insight to the NCC, then we can predict that this role also may have to make strategic choices between control and collaboration. However, it is not just about whether the roles are combined or separate, but how they are split and the timing around when and how it happens (Krause & Semadeni, 2013). Of the three different forms of separation, the positive effects on future firm performance were most marked with a demotion, where the current CEO is retained and a new chair is recruited (Krause & Semadeni, 2013). The apprentice separation promotes the status quo by the CEO remaining as board chair and recruiting a new CEO, whereas the departure separation is recruitment of a new dual CEO/chair (Krause & Semadeni, 2013). CEO duality has also been positively associated with a greater likelihood of a firm being delisted from the stock exchange as a corporate failure (Djerbi & Anis, 2015).

2.6.4.5 Chief Executive Officer. Much of the research on CEOs has focused on their presence, monitoring by NEDs and their compensation, all of which are touched on in this section. Eminet & Guedri (2010) concluded from their empirical study that best practice is to create an NC, resource it with independent directors and exclude the CEO, but this over-simplifies the matter. They acknowledge that their study of secondary data on 200 firms in France may not be generalisable but appear to overly focus on director reputation and how monitoring is valued by the external market. There was evidence that fully independent committees had fewer members and the CEO was only a member of the NC in 8.24% of U.S. companies sampled; however, increasing committee independence did not increase firm value (Brick & Chidambaran, 2010). It was found that if the CEO is a member of an NC, then they

will have more influence, for example director nominations by the CEO will become appointments. In fact, the presence of the CEO on any committee has been seen to have an effect, as illustrated in the study of CEO and compensation committee dyads where the social capital of the CEO increased their remuneration (Belliveau, O'Reilly & Wade, 1996). Among all UK listed companies between 1996 and 2007, CEOs were a member of NCs in 54% of companies in 1996 and this had decreased to 32% by 2007, a shift driven by board and committee independence (Renneboog & Zhao, 2011).

CEOs on RCs lead to higher CEO pay and invite a conflict of interest, but executive and non-executive networks, whether for information exchange or managerial influence, both lead to the CEO receiving higher remuneration (Renneboog & Zhao, 2011). The presence and independence of NCs are linked to a myriad of outcomes, for example director reward. It was found among 200 French public firms that the stronger a director's monitoring reputation, the larger the number of appointments to the NC, with a majority of independent NC directors and an NC that excluded the CEO. These NC directors were more likely to be rewarded when these variables were present (Eminet & Guedri, 2010). Researchers frequently make NC accountable for the actions of other committees, as NC is responsible for appointing good quality directors who understand their role on other committees. For example, the role of the NC is to ensure that RC directors are skilled and experienced directors so they don't overpay the CEO or other executives (Strobl, Rama & Mishra, 2016).

The role of the CEO in director selection has been a much favoured topic in research, especially when the CEO is a member of the NC. In this instance, they are seen as controlling nominations and selection decisions, but less so than when there is no NC at all and the CEO has unfettered power (Feng, Ghosh & Sirmans, 2007a). Even when CEO power is distilled into a CEO entrenchment index consisting of CEO tenure, duality and NC composition, the presence of an NC ensures that some of the CEO's power is counterbalanced (Feng, Ghosh &

Sirmans, 2007a). In addition, CEOs will nominate and select new directors who accept lower equity-based pay who perform lower monitoring, whereas an independent NC will award more equity-based pay to directors and realise better firm performance (Feng, Ghosh & Sirmans, 2007b). When CEO influence on selection is evident, new directors' loyalty to the CEO means that over time the board will lose some independence and the CEO retains their power (Feng, Ghosh & Sirmans, 2007b). This evidence shows that CEOs influence can potentially affect the NCC and how strategic outcomes are realised.

The CEO is a pivotal role in directing company strategy and interfacing with NCs on their responsibilities. A quantitative study of over 400 U.S companies exploring the effects of CEO changes, found that new CEOs trigger strategic change, but boards will also select a CEO who will implement the board's preferred strategy and after a CEO departs, boards will reconsider the strategy and propose changes (Westphal & Fredrickson, 2001). This suggests that if CEO selection is influenced or skewed, then it could appear that the board role is passively rubberstamping the strategy. Pressure from institutional investors can also increase a board's role in strategy formation (Westphal & Fredrickson, 2001). Board directors' experience of strategy in their 'home' companies (i.e. where they served as executives) was a strong indicator of their attitudes and beliefs about strategy (Westphal & Fredrickson, 2001:1113). In critiquing this study, it represents a body of research that looks only at the board and not at individual directors, whether independent or executive. There is little reference to the quality of outcomes but some generalisation to NCs.

This section has discussed the main interfaces on the board of the NCC, namely, NEDs, the SID, the board chair and the CEO. The next section explores the topic of engagement as this is central to the research question, which examines how the NCC engages with committee members to realise strategic value to the board.

2.7 Engagement

This section is focused on a key concept in the research question, that of engagement and how the NCC engages with committee members to realise strategic value to the board. In reviewing the extant literature, this section examines early research on engagement, proxies, engagement by NEDs, the board chair and the CEO and concludes with a summary of the engagement literature.

Research on board engagement has been sparse and negligible for committee engagement: 'we know relatively little about directors' engagement in the boardroom' (Hillman, Nicholson & Shropshire, 2008:441). Moreover, scholars have wrestled with the definition of engagement in the boardroom. It is posited that how board directors 'engage with and work with each other in shaping the future of a company is the most important factor for board effectiveness' (Petrovic, 2008:1377). While much research has examined board engagement, very little has explored committee engagement. With the introduction of NEDs, engagement was seen in a similar way to power and role, as relational (Pettigrew & McNulty, 1995). It has been defined as 'an individual's affective-cognitive state' (Bezemer, Nicholson & Pugliese, 2018:223) when a negative association was found between the behaviour of the chair and director engagement. This only refers to three behaviours: providing information, giving personal views or process management, which is a crude categorisation of a chair's verbal behaviours. The claim is made that the three boards were comparable but the number of NEDs on each ranged widely between 7 and 11, which could have an impact on participants' verbal behaviours. Participants described engagement in terms of verbal contribution in meetings, for example, 'individual directors are contributing to debates' (Bezemer, Nicholson & Pugliese, 2018:225) and took this as an indication of 'the extent to which they are mentally present in the meeting' (Bezemer, Nicholson & Pugliese, 2018:230). A potentially important omission is that little assessment has been made of the quality of verbal contribution or any

non-verbal behaviour. Similarly, a significant association between engagement and 'pro-organisational motivation' (Guerrero & Seguin, 2012:62) was found in board roles that offers a more strategic definition as 'a desire to expend effort in order to benefit and contribute to organisational goals' (Guerrero & Seguin, 2012:63). It has been proposed to 'assign directors specific operational areas to engage on' (Huyett & Zemmel, 2015:1) and through this artificial device to make the director a proactive participant in the boardroom.

2.7.1 Early Research on Engagement. There is a link between the role of the NCC and their engagement with committee members. Kahn (1990) carried out qualitative research that led to grounded theory on the conditions in which people at work engage and disengage. He used the terms 'personal engagement' and 'personal disengagement' (Kahn,1990:694) to describe how participants in an architecture firm chose to employ their energy and focus. His concepts are wide-ranging but centralised on meaningfulness, psychological safety and availability, terms that were in previous research referred to as involvement or motivation (Kahn, 1990). Definitions of engagement include the application of oneself 'physically, cognitively and emotionally in role' (Kahn, 1990:694) and to 'bring alive the relation of self to role' (Kahn, 1990:700). The person injects their energy and focus into the role or 'self-employment' and shows themselves within the role or 'self-expression' (Kahn,1990:700). The advent of organisation behaviour theories gives a psychological interpretation to role theory as 'the harnessing of organisation members' selves to their work roles' (Kahn, 1990:694). While engagement is about connection, disengagement is to do with withdrawal or 'the simultaneous withdrawal and defence of a person's preferred self in behaviours that promote a lack of connections, physical, cognitive and emotional absence, and passive incomplete role performances' (Kahn, 1990:700). This withdrawal of energy and focus, 'uncoupling self from role' (Kahn, 1990:701), appears to be triggered by shifts in role status (how important the

person feels) and work interactions (negative interpersonal interactions). Kahn continued developing his grounded theory at a time when behavioural theories were becoming very popular. His concept of psychological presence related to role was developed into four dimensions: attentiveness, connection, integration and focus (Kahn, 1992). In the tradition of inductive research, as Kahn continued to hone his description of engagement as 'an individual's aliveness to and in particular situations' (Kahn, 1992:5), he now included more explanation about outcomes, which 'include the quality of people's work, their own experiences of doing that work, and the growth and productivity of their organisation' (Kahn, 1992:12). This resonates with this study as focusing on the strategic output from NC to the board. He also included aspects of non-verbal behaviour, for example, eye contact, 'fullness' of speech, language used and the authenticity with which people respond to others on performance of a work task (Kahn, 1992:1). As well as output, internal and external stimuli, the model also incorporated task quality: 'how individuals are propelled, internally and externally, toward productively performing tasks that meet organisational requirements and goals' (Kahn, 1992:1). His 'synthesis' of engagement with role draws on self-image or 'self-in-role image of oneself in a work role' which interacted with status and allowed the individual to be present and behave accordingly, that is, remain authentic and focused (Kahn, 1990:11). In turn, Kahn's model proposes that power increases with psychological presence. This holistic model potentially sheds light on the engagement by NCCs with their committee members to produce quality output to achieve organisational goals.

2.7.2 Proxies for Engagement. Researchers have attempted to unpack employee engagement as incorporating vigour, dedication, absorption and discretionary effort (Bakker et al, 2007). The use of proxies when carrying out typically quantitative research drawing on self-reports has included the concepts of job characteristics, perceived organisation support and

procedural justice, all of which have been positively associated with engagement as antecedents (Ford, Myrden & Jones, 2015). Engagement has also been associated with organisational citizenship behaviours, health, and knowledge sharing (Ford, Myrden & Jones, 2015). Individuals need to be able to draw on their own physical, emotional and psychological resources to be engaged (Ford, Myrden & Jones, 2015) but there is little research on any feedback loop with leaders or other individuals in a group setting. Research has also tended to neglect the nature of the task and its impact on engagement. Kahn (1990) identified multiple aspects of influence but his early work concentrated on the individual experience of engagement rather than the interaction between engagement and disengagement. However, there are systemic implications of engagement where systems are influenced by engaged individuals demonstrating energy, creativity, questioning, collaboration and the proposal of ideas: 'individual and systemic wholeness are intertwined and complementary' (Kahn, 1992:327). This later work of Kahn explored the role of the leader who may feel threatened by engaged team members and experience their engagement as: 'undermining the status quo of power, policies and procedure' (Kahn, 1992:7). Leaders are expected to model engagement and their behaviours can affect how others experience engagement: 'the extent to which people inhabit the full emotional spectrum is shaped partly by how fully present their leaders are' (Kahn, 1992:9). This perspective gives some insight into how a dynamic process model could be portrayed, which would be pertinent to this study on NCCs and how they engage with their committee members.

2.7.3 NED Engagement. Directors' engagement in the boardroom became of interest to researchers when the focus shifted from treating the board as a unified group to a collection of individual directors. This field of study was considered a productive lens for how individual directors contribute to board functions (Hillman, Nicholson & Shropshire, 2008).

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Consequently, the question on board effectiveness became 'what is driving directors to become engaged?' (Hillman, Nicholson & Shropshire, 2008:441). Identity theory – related to role theory – was employed, as identities shape behaviour in given contexts. Identity theory sees directors as a collection of identities resulting from their multiple roles in society, including their executive or non-executive director roles. It can be defined as 'who I am' and consists of 'multiple components of self' or facets of oneself that are displayed behaviourally as different identities (Hillman, Nicholson & Shropshire, 2008:442). These role identities draw on both agency and resource dependency theories. It was thought that the strength of individual identification shown to an organisation affected attitudes and behaviour towards that organisation, especially in terms of cooperation, commitment, satisfaction and likelihood to leave. The more strongly an individual identifies with an organisation, the more they work to benefit it. The director's multiple identities were seen as beneficial for boards as they would have sufficient adaptability or 'response flexibility' (Hillman, Nicholson & Shropshire, 2008:445) to manage a quantity and quality of complex and ambiguous issues. Boards and committees would therefore benefit from the director's status security, enrichment of personality, ego gratification and greater confidence (Hillman, Nicholson & Shropshire, 2008). It was assumed that the more roles or identities a director assumed, the more resources they would be able to draw on. They would also demonstrate increased tolerance to differing views. The director's legitimacy would be boosted as multiple identities bring prestige and status to the organisation, which in turn, leads to more effective monitoring and task execution (Hillman, Nicholson & Shropshire, 2008). The agency theory element of identity theory posited that a NED would identify with shareholders, their own professional role (e.g. accountancy or human resources), and/or organisational stakeholders through different roles on boards and committees (Hillman, Nicholson & Shropshire, 2008). Directors who serve on one board may have stronger identification, that is, share the organisation's values, and provide more

monitoring and resources than if they serve on several boards. These findings have implications for director selection, committee service (which may increase the director's identification with the firm) and strategic outcomes (Hillman, Nicholson & Shropshire, 2008).

2.7.4 Board Chair Engagement. Engagement is utilised by the board chair to enrich other cognitive processes such as attention, scanning, sense-making, interpreting and decision-making for improved strategic decision-making (Aberg & Torchia, 2019). Sensing (opportunities and threats) and seizing (appropriate strategic investment decisions) are concluded as the most important mediating cognitive processes for the board and strategic change (Aberg & Torchia, 2019). However, these definitions are very broad for sensing but very narrow for seizing and there could arguably be considerable overlap between the two cognitive processes. The third mediating variable is reconfiguring, which is defined as language, communication and social cognition, the latter being further defined as perceiving, remembering, thinking about and understanding people (Aberg & Torchia, 2019). Social cognition also includes the fostering of values and attitudes, as well as building trust. It could be argued that all these separate cognitive processes are the component parts of engagement from a cognitive perspective, which neglects the affective or emotional drivers of engagement.

2.7.5 CEO Engagement. The key executive role to engage with the board is the CEO, especially on strategic planning, which can be split into strategic thinking, decision making, strategic planning and execution. In a study of CEOs, it was found that the board's role is different according to each of the activities around strategy, but when the CEO is the process manager, this role doesn't infringe on the executive team's operational responsibilities and encourages joint ownership (between executive team and board), deeper thinking, improved quality of decision, more collaborative teamwork and greater board satisfaction (Nadler,

2004a). These outcomes show that optimum engagement is best when there is a diverse board,

an engaged executive team, a positive board culture and board accountability (Nadler, 2004a).

Many of these aspects of a two-way engaged dialogue produce better strategic planning and

are insightful for the NCC task of engaging with committee members to realise strategic value.

2.7.6 Summary of Literature on Engagement. Table 3 below summarises the

literature reviewed on engagement for this study.

Theory	Research Findings	Paper
Engagement theory	Holistic model of personal engagement and disengagement with multiple levels (individual, group, organisation) and how chose to employ energy and focus. Meaningfulness, psychological safety, availability, including non-verbal behaviour. Applied physically, cognitively and emotionally.	Kahn (1990)
Engagement theory	Leaders as role models of engagement but may feel threatened by engaged individuals who pose risk to status quo of power and processes. Systems influenced by engaged individuals who demonstrate energy, creativity, questioning, collaboration and proposal of ideas.	Kahn (1992)
Power/role	Engagement as similar to power and role i.e. relational.	Pettigrew & McNulty (1995)
n/a	Optimum engagement when diverse board, engaged executive team, positive board culture and board accountability. Two-way engaged dialogue produces better strategic planning.	Nadler (2004a & 2004b)
n/a	Engagement incorporates vigour, dedication, absorption and discretionary effort.	Bakker et al (2007)
Identity theory	Identities or roles linked to cooperation, commitment, satisfaction and likelihood to leave. Directors' 'response flexibility' to manage multiple, ambiguous and complex issues. Boards benefit from directors' status security, enrichment of personality, ego gratification and greater confidence.	Hillman, Nicholson & Shropshire (2008)

n/a	Board director engagement is important factor in board effectiveness.	Petrovic (2008)
Group	Significant association between engagement and positive motivation towards organisation. Defined as 'a desire to expend effort in order to benefit and contribute to organisational goals'.	Guerrero & Seguin (2012)
Behavioural	Antecedents are job characteristics, perceived organisation support and procedural justice. Positively associated with organisational citizenship behaviours, health and knowledge sharing. Engaged individuals draw on own physical, emotional and psychological resources.	Ford, Myrden & Jones (2015)
n/a	Directors as proactive participants in boardroom when assigned specific operational areas to engage in.	Huyett & Zemmel (2015)
Behavioural	Defined as 'an individual's affective-cognitive state'. Negative association between board chair behaviour and director engagement where behaviour is providing information, giving personal views and process management. Engagement as quantity of contributions in the board meeting.	Bezemer, Nicholson & Pugliese (2018)
Cognitive	Board chair engages to promote cognitive processes (attention, scanning, sense-making and interpreting) for improved strategic decision-making. Encompasses language, communication and social cognition.	Aberg & Torchia (2019)

Table 3. Summary of literature reviewed on engagement (author's own design)

2.8 Strategic Value

The research question assumes it is desirable for the board to contribute to strategy formulated by the executive team and board, promoting a 'focus on joint value creation' (Pugliese et al, 2009:301). Consequently, this section outlines the current knowledge on strategic value in relation to board involvement, collaboration with top management teams (TMTs), the assessment of strategic value, the board chair and committees roles. It concludes with a summary of the literature on strategic value.

Even early attempts to define strategy struggled with the concept as 'a pattern in a stream of decisions' (Mintzberg, 1979:582) and strategic impact as either 'deliberate' or 'emergent' which suggests two processes as sets of behaviour or channels of output (Mintzberg, 1979:582). While undoubtedly reliant on the specific corporate objectives of the organisation, there is little guidance for corporate governance research with claims that 'value is relative' (Lukac & Frazier, 2012:49). Consequently, there is difficulty in operationalising strategic value in the literature. Studies relate strategic capability to the board rather than a committee and even abdicate from the debate on a definition of board strategic function (Ferkins & Shilbury, 2012). This study identified that an obstacle to strategic value creation is the absence of a strategic framework for decision-making. Other prerequisites for a 'strategically capable board' were found to be 'capable people, a frame of reference, facilitative board processes, and facilitative regional relationships' (Ferkins & Shilbury, 2012:67). Consequently, there have been insights into strategic value, but the understanding is not comprehensive, nor consistent. Until relatively recently, academic research has focused heavily on process in the work of the board and committees, rather than outcomes and so agendas have been 'skewed towards process and away from substance' (Nordberg, 2007:19). Strategic value, strategic change and strategic decision-making are often used interchangeably and generically in research (Aberg & Torchia, 2019) when, in reality, there are many different types of strategic decision taken by boards and committees. In a general sense, 'strategy is the way in which a company uses its resources' (Nicholson & Kiel, 2004:446).

The shift from normative and structural theories of boards and strategy to the more behavioural and cognitive perspectives has been highlighted by researchers (Pugliese et al, 2009). This coincides with a shift towards more strategic involvement by boards. Interestingly, it is suggested that independence on the board can be viewed as a double-edged sword in that it may both help and hinder strategic decision-making; however, no crystallised definition of

board involvement in strategy is given, but four categories of board development are offered. These categories are spread over three distinct time periods: 1972–89, as emerging debate showing a shift from strategy as content, to strategy as process and context; 1990–2000, as the pinnacle of the input–output focus on board dynamics; and 2001–07, as a period of pluralism in the debate on board and strategy (Pugliese et al, 2009). The three categories reflect board impact on general strategy, board contribution to specific strategic outcomes, board interaction with the TMT through the phases of strategic decision-making and a vague category during 1970s and 1980s when the board's role vis-à-vis strategy was not clearly stated or defined. This classification of activity on a timeline is set in context with a tightening of governance codes after corporate failures and scandals. There was, on one hand, a difference of views as to whether boards should be so involved in strategy and, on the other hand, a move to formalise the board role through a proposal for separate committees for strategy (Pugliese et al, 2009). The context for this study is the empowerment and call for more strategic ownership by the NC from the 2018 UK Corporate Governance Code. Pugliese et al (2009) call for more research on macro, meso and micro dynamics of boards and strategy, which this study aims to address.

Strategic decisions shape a company's direction by committing resources, planning and implementation effort. The necessary tasks in strategy formation include complex decision making, assessing alternative options, problem-solving, conflicting views, discussion and debate, and inter-dependent relationships (Bailey & Peck, 2013). The process may be inherently political or more processual. Both approaches have been found to be independent dimensions forming a board typology with four styles of strategic decision-making: contested (high political behaviours, low procedural rationality), adaptive (high political behaviours, high procedural rationality), engaged (low political behaviours and high procedural rationality) and caretaker (low political behaviours, low procedural rationality (Bailey & Peck, 2013). All styles were found among a small sample of U.S. companies, except the caretaker style, which was

not evident, so was dismissed by the authors as irrelevant (Bailey & Peck, 2013). The antecedents have been explained at board level as shared assumptions, a balanced power relationship between board directors and the CEO, and the leadership skills of the board chair (Bailey & Peck, 2013). In this qualitative study, although interviewees spoke about committees, this area of strategic decision-making was not explored, so there is a missed opportunity in comparing board and committee on strategy development.

2.8.1 Board Involvement. Board accountability for strategy development has evolved over the past 30 years from a view that the board should not be involved in strategy as a purely executive responsibility, to a view that boards should be assuring the planning and content of strategy but leaving the executive team to implement it. Academic research has tracked this evolution with subsequent codes of corporate governance giving the board more and more direct involvement. Forbes & Milliken (1999) explicitly stated that their view of the board's responsibility was for monitoring and influencing strategy but not implementing it. They identified 'conflict-inducing techniques' in their finding that conflict leads to better outcomes in terms of effective strategy formation (Schweiger, Sandberg & Ragan, 1986 in Forbes & Milliken, 1999:494). They also acknowledged that boards' output is both cognitive and subjective, but also subject to wasted time and effort or 'process losses' from the problems of interaction (Steiner, 1972 in Forbes & Milliken, 1999:492). The drive was to identify characteristics of boards so they could fulfil their group potential in strategic decision-making, with a focus on combining individual directors' skills and expertise with knowledge of the company's business operations (Forbes & Milliken, 1999).

Recently a new term has been introduced which goes beyond director involvement in strategy development: 'board behavioural diversity' (Klarner, Probst & Useem, 2019:1), referring to the differences in board involvement across board levels and over time.

Traditionally, scholars have only looked at board directors' involvement in strategic decision-making and formulation; however, this approach adds to the monitoring and advising roles. It introduces director involvement at multiple board, committee and organisational levels, as proactive or reactive, routine or spontaneous and whether formal or informal between directors' involvement in product innovation in listed pharmaceutical companies in Europe and U.S. (Klarner, Probst & Useem, 2019). Rooted in how directors utilise their human capital, this approach potentially introduces a more rounded perspective on collaboration and relationship building between directors on boards and committees (Klarner, Probst & Useem, 2019). This is pertinent to this study's interest in how the NCC employs the NC human capital for strategic value creation.

The focus on individual director contribution to strategic outcomes has shifted into a more recent focus on job-related diversity (as distinct from the board focus on gender and ethnic diversity). Gabaldon, Kanadli & Bankewitz (2018) found that job-related diversity meant that more strategic options or alternatives were considered as directors applied their functional knowledge and expertise to strategic participation. Board strategic participation was operationalised to measure making proposals, making decisions and actioning decisions, all for long-term strategies (Gabaldon, Kanadli & Bankewitz, 2018). They explain their findings as due to job diversity increasing communication and encouraging a diversity of perspectives, which lead to better quality strategic decisions, where quality was defined as a strategic decision being actioned. This quantitative study emphasised the more active engagement on boards and focused on both process and outcomes; however, it did not assess the quality of the strategic outcome. Also, there was no breakdown of strategic participation into any component parts, other than the making of proposals and decisions. Job-related diversity can be seen as relevant in the context of NCs but does not explain how the committee chair engages committee members to fully optimise functional expertise for strategic outcomes.

A qualitative investigation into 16 inter-governmental organisations looked at the level of board involvement in strategy formulation (Federo & Saz-Carranza, 2018). Unpredictably, their findings showed that both active and less active board involvement led to highly effective strategy formulation, which they explained by the organisations' variable complexity. An intermediate or mixed level of board involvement resulted in less effective strategy formulation (Federo & Saz-Carranza, 2018), which could allude to inconsistency of approach. The definition of board involvement was board dynamics measured via high frequency of meetings, existence of an executive committee and independent board directors who served on many boards and committees, including involvement in CEO selection (Federo & Saz-Carranza, 2018). However, board involvement doesn't include any psychological or emotional involvement and therefore does not control for social loafing.

2.8.2 Collaboration with TMTs. Board collaboration with top management teams (TMTs) on strategy has long been acknowledged (Stiles & Taylor, 1996) but this dynamic can vary in style. Among 101 UK company boards, three approaches have been posited as being legalistic; review and analyse; and partnership (Stiles & Taylor, 1996). The focus was on the implementation of strategy and the 'extent, style, planning process and method used to monitor and control the implementation of strategy' (Stiles & Taylor, 1996:3). This study found that 50% of public boards had a role in developing strategy, compared to 80% of private company boards. The area of high strategy involvement was with product and market in a partnership style. The area with the least amount of involvement in strategy was acquisitions. Personnel and organisation as the areas of strategy involvement most closely related to the accountabilities of NCs were highly involved. The process approach was managed mainly in a planning style. This suggests close board involvement and collaboration with TMTs on strategy

(Stiles & Taylor, 1996) set within the context of significant corporate governance regulation in the UK during the 1990s.

An ethnographical approach for researching 'strategists-at-work' was adopted by Samra-Fredericks (2003:141) who studied language and types of knowledge for strategy development or 'linguistic skills and forms of knowledge for strategizing' (Samra-Fredericks, 2003:162), meaning an ability to query knowledge such as policies. Although a limitation of ethnographical studies is the time taken to draw conclusions through lived experiences, this study showed linkages between talk or 'discourse of direction' and outcomes (Samra-Fredericks, 2003:142). This contrast was made distinct as knowing how to do strategy compared to knowing about something, which suggests directors had either a hands-on or hands-off approach to strategy formation. This variability in directors' knowledge and applied experience of strategy formation could also be relevant to the work of NCs.

2.8.3 Assessment of Strategic Value. It has been posited that strategic value can be assessed if boards match their role with the strategic needs of the company through the definition of strategy and the context of the company (Cossin & Metayer, 2014). This large-scale study with 20 global organisations and 300 directors produced evidence to support fluidity so that boards adopt the 'right' strategic role at the 'right' time (Cossin & Metayer, 2014:43). The elements involved include competitive boundaries, how the company responds to key challenges, the development of core competencies and ultimately optimising value creation for shareholders. Their model incorporates three board roles: (1) supervisor, (2) supporter and (3) co-creator (on a continuum of low to high time board energy spent on strategy development due to the challenges of the business context). The model also involves four business contexts: (1) simple (tried and tested in-house processes), (2) complicated (use of external experts with possible executive blind spots), (3) complex (more intensive process with

board deeply involved with external experts) and (4) chaotic (board can take the leadership role on strategy in a shifting and turbulent context) (Cossin & Metayer, 2014). While some judgements are made about the skills of the CEO in this study, there is little about the skills of the board or any perspective on the quality of the board chair or individual directors, nor any assessment of the strategic value the different boards deliver.

The traditional agency perspective of boards and strategy has conflict arising from divergent preferences of agents and principles. This view has evolved into a much more collaborative interpretation of boards working with TMTs to hone and shape strategy for the TMT to implement. Rindova (1999) studied the process whereby boards and executive teams work together on strategic outcomes and explicitly applied this thinking to committees too. One example of improving the quality of strategic decision-making is the rotation of directors on committees to broaden their skills (Rindova, 1999), which could be an area of experimentation for NCs. The process of strategic decision-making is divided into three cognitive tasks: (1) scanning, which enables the collection of data and inputs; (2) interpretation, when problems and likely solutions are identified as 'sense making'; and (3) choice, when options are evaluated and one strategy is selected (Weick, 1995:388). The inputs are the board's structural characteristics and director expertise, with the output to this process being decision quality. This study aims to go beyond decision quality to assess strategic value as part of the outcomes.

2.8.4 Board Chair's Role. In examining the chair's role in company strategy, the tasks of initiating strategic proposals, controlling and evaluating strategic decisions and ratification are all cited as part of the board's role, and the chair's role is to create an open and safe boardroom climate to encourage directors to participate in and contribute to the strategic process (Kanadli, Zhang & Kakabadse, 2020). When these tasks are not carried out effectively,

views go unchallenged and result in unsatisfactory outcomes. Consequently, their focus was on the quality of decision-making. They also found a positive relationship between job-related diversity (variety in director's educational and functional background and industry experience) and the board's strategic task performance, which was strengthened by the chair's skills in facilitating an open and safe boardroom atmosphere for discussion (Kanadli, Zhang & Kakabadse, 2020). They include recommendations for the selection of chairs, which may also be transferable to NCCs, as capable of leading discussions, motivating and connecting each director to best apply their expertise to the task of strategic decision-making.

A longitudinal study utilising participant observation attempted to provide a holistic perspective of strategy development in two non-profit professional organisations (Parker, 2007a). The premise was that boards have a monitoring and advisory role in strategy, while the management team is responsible for strategy implementation; however, many points of board involvement were possible, from committee engagement to ratification and setting the scene or 'shaping the context of strategic debate' (Parker, 2007a:1457). Previous survey and interview studies had been divergent in the extent to which boards should be involved in strategic decision-making. The areas of interest were board agenda and language with an argument that boards can become sidelined into operational and compliance issues rather than those matters of strategic value (Parker, 2007a). It was found that individual or pairs of directors with or without support from the CEO were seen to champion more strategic issues but informally, which is referred to as 'strategic orientation' (Parker, 2007a:1466). This dialogic strategic interaction was positioned as either strategic management or micro-management as topics would often tip into more operational detail, whether the discussion took place inside the boardroom (formal) or outside, either before or after board meetings (informal), referred to as 'informally enacted strategic discourse' (Parker, 2007:1454). It raises the

question as to whether NCs' dialogic interaction can be split between formal and informal in a similar way for strategic outcomes.

2.8.5 Role of Committees. The quantity of different committees has been found to be associated with strategic decisions in philanthropic organisations (Boesso et al, 2017), which operate differently to UK listed companies, but both may still be driven by a strong purpose. They found that a larger number of committees was associated with strategic decisions, which often entailed engaging with key stakeholder groups. The focus was on the presence and duration of committee meetings per annum, but the quality of output was not explored. Duration of meetings may or may not be correlated with quality of output. There is a reference to 'good governance processes' and 'setting the stage for effective committee meetings' but the researchers do not provide any detail, which is a limitation of this quantitative study, albeit they appear to be acknowledging that committees play a part in strategy formation (Boesso et al, 2017:375). Generally, there has been little published about the committee's role in outcomes of strategic value with two early questions being whether the board should be involved in strategy and whether it should be managed via a separate committee (Harrison, 1987). More recently, a literature review of board directors' contribution to strategy made no other mention of committee involvement with strategy and no explicit mention of the NC's role in strategy; however, researchers call for more studies on 'the interactions between macro, meso and micro dynamics' and their influence on boards and strategy (Pugliese et al, 2009:302).

While the research discussed in this section sheds some light on how boards get involved with strategy development, there is little extant research about committees' contribution to the board in terms of strategic value or outcomes. These findings are pivotal to this study as it potentially reflects how the NCC and NC members may perceive their role and involvement in strategy development. This section has reviewed the pertinent academic

research on strategic decision-making as it is pertinent to this research question looking at strategic value from NCs.

2.8.6. Summary of Literature on Strategic Value. Table 4 below summarises the research on strategy and strategic value from boards and committees which pertains to this study on NCs and NCCs.

Topic	Research Findings	Paper(s)
Role of committees	Larger number of committees associated with strategic decisions. Based on presence and duration of meetings per annum.	Boesso et al (2017)
Definition	'A pattern in a stream of decisions.' 'Value is relative.' Different types of strategic decision are not accommodated: terms used interchangeably. 'Strategy is the way in which a company uses its resources.'	Mintzberg (1979); Lukac & Frasier (2012); Aberg & Torchia (2019); Nicholson & Kiel, (2004)
Prerequisites	Strategic framework for decision-making, capable people, a frame of reference, facilitative processes, regional relationships.	Ferkins & Shilbury (2012)
Development	1972–89 shift from strategy as content to strategy as process and context. 1990–2000 input-output focus on board dynamics. 2001–07 as a period of pluralism in the debate of strategy and boards.	Pugliese et al (2009)
Tasks	Complex decision-making, assessing alternative options, problem-solving, conflicting views, discussion and debate, inter-dependent relationships. Antecedents as shared assumptions, balanced power relationship between board and CEO, leadership skills of the board chair.	Bailey & Peck (2013)

Board involvement	Conflict leads to better outcomes in strategy formation, which is cognitive and subjective. Wasted time is 'process losses'. Inconsistency is less effective.	Forbes & Milliken (1999); Federo & Saz-Carranza (2018); Klarner, Probst & Useem (2019)
Director attributes	Job or functional diversity of directors leads to better quality strategic decisions.	Gabaldon, Kanadli & Bankewitz (2018)
Company needs & context	Boards need to adopt appropriate strategic role for the company context. Focus on quality of decision-making – best to match job-related diversity and board chair facilitation skills.	Cossin & Metayer (2014); Kanadli, Zhang & Kakabadse (2020)
Monitoring and advising	Role in strategy, both within and outside of board meetings. Individual directors with strategic orientation but risk of being overly operational.	Parker (2007a)
Board/TMT collaboration	Input as structural characteristics of board and director experience, process is scanning, interpretation, sense-making and choice, output is decision quality. Link between talk (director knowledge and experience) and outcomes. High strategy involvement of board on product, market, personnel and organisation.	Rindova (1999); Samra-Fredericks (2003); Stiles & Taylor (1996)

Table 4. Summary of literature reviewed on strategic value (author's own design)

2.9 Research Gap and Restatement of Research Question

This section covers a summary of the research gaps from having critiqued the extant literature. A thorough review of the extant literature has been undertaken ensuing from the SQLR of Scopus resulting in 132 academic papers. This literature review cast the net widely in terms of the key concepts of the research question, namely the NC, NCC, engagement and strategic value, but it also includes concepts from the NC's remit of activities. The NC was also reviewed within the context of the key relationships between the NC and the board and other committees, as were the roles of chair, CEO and SID/LID in relation to the NC and NCC. Any relevant research on the audit or remuneration committees has also been included and its

application discussed. Table 5 below summarises the research gaps that this study aims to address.

Research Question Concept	Literature Gap (Authors/Findings)
Nomination committee	There are no previous studies that holistically investigate interactions, remit or role of NCs.
Nomination committee chair	There are no studies that explore the role of the NCC in committee dynamics. Study shows positive association between NCC's experiential expertise and financial performance (Chaudhry, Roomi & Aftab, 2020).
Board chair as nomination committee chair	Only study on this role is quantitative and positively associates this position to earning management with a suggestion that the board chair should not chair the NC (Al-Absy, Ismail & Chandren, 2018).
Nomination committee members	There is sparse research on NC members, other than regarding selection in multiple case study of German listed firms, which examined degree of planning, evaluation, board chair facilitation and CEO–chair information exchange (Walther, Morner & Calabro, 2017).
CEO on nomination committee	Presence of CEO on the NC creates a demographic faultline and is detrimental to board cohesiveness (Kaczmarek, Kimino & Pye, 2012b).
Engagement in nomination committee	Nothing found on engagement in NCs, but on NC dynamics in German listed firms, findings focus on breadth and depth of information-sharing effectiveness, absorption of disagreement, integration of different opinions (Walther, Calabro & Morner, 2017).
Strategic value from nomination committee	There are studies relating the NC to financial performance (Agyemang-Mintah, 2015), corporate bankruptcy (Appiah & Chizema, 2016), types of NCs in selection – active, consultative, box-ticking (Walther & Morner, 2014). Nothing found on strategic value from NCs per se.

Table 5. Summary of research question concepts and research gaps (author's own design)

The research interest as it relates to the FRC UK Corporate Governance Code is purely about UK fully listed or AIM listed companies. Consequently, the research question is revised and restated as:

'How does the chair of nomination committee engage with committee members to realise strategic value to the board within UK listed companies?'

The context for this research gap and restated research question is the 2018 UK Corporate Governance Code focus on the NC and the apparent desire to broaden and empower its mandate. This research gap is critical to pursue for both policymakers and practitioners as UK company boards and therefore good governance increasingly rely on the quality of their directors and their boards to add value to the organisation, its wider stakeholders and society. This study spotlights a traditionally overlooked committee and shows how it deserves greater focus and can create significant strategic value to the board beyond merely hiring new directors and issuing a board evaluation questionnaire.

The next section explores the different lens from theory used in governance research. It covers the 10 most prominent theories applied to governance settings and justifies the selection of role theory as the guiding theory for this study.

2.10 Theoretical Lenses of Governance Research

This section introduces a range of theories that are considered a representative sample of the most popular theories in corporate governance including theories that may shed some light on understanding the research question. The field of corporate governance, the study of boards and committees is multi- and inter-disciplinary (Christopher, 2010), therefore a range of theories has been utilised. The traditional shareholder agency perspective has been

entrenched since the inception of corporate governance as a discipline. However, dissatisfaction with how agency theory has explained all aspects of board governance and ambiguity of some results has given rise to many other theories. This section firstly provides some background to the evolution of different perspectives and then examines both agency theory and other central theories: resource dependency, stakeholder, stewardship, institutional, managerial hegemony, upper echelon, engagement, social capital. The section also explains and justifies the preferred guiding theory for this study which is role theory.

2.10.1 Summary of Theoretical Lenses Reviewed. Table 6 below summarises how each of the selected ten core theories explain the research question. It takes the key concepts from the research question and shows how each of the theories in turn explain that concept and related interaction. The compared concepts are the NCC, engagement, committee members, strategic value and finally the gap or dilemma for each theory in explaining the research question. The guiding theory selected is role theory and this selection is explained in the context of this study.

	Nomination Committee Chair	Engagement	Committee Members	Strategic Value	Gap/Dilemma
Agency Theory	NCC is an agent of the principal or owner with their own self-interest or agenda.	Dynamic is managing the conflict of interests between NCC, committee members and owners.	All committee members are agents of the principle/owners but have their own self-interested agendas.	Difficulty in reaching consensus on strategic value among agents which may constrain output.	Principal/owner may influence strategic outcomes. Board may stifle NC creativity. Agendas may conflict.
Resource Dependency Theory	NCC shapes and facilitates access to resources, with NC, board and partners.	Soft skills persuade others to give and seek access and to resources.	Skills and expertise of each committee member to seek and provide resources for NC.	Application of resources to achieve end goals or output for board and organisation.	Resources are primarily intellectual and networks. Role of interlocking or multiple directors in accessing resources.
Stakeholder Theory	NCC manages an ethical and democratic process to fulfil its remit via other stakeholder groups.	Focus is on accountability and responsibility of each stakeholder and engagement between groups.	NC as a team managing relationships with other stakeholders, e.g. board members, NED candidates, suppliers.	Output from stakeholder group management is obligatory but undefined.	Resolution of conflicting interests of each stakeholder group and differences in value offered by stakeholder groups.
Stewardship Theory	NCC driven by realising organisational benefit.	Dynamic is trust, professionalism and concern for others.	Committee members are galvanised by NCC in their stewardship of NC remit.	Right skills and experience on NC are critical. Assumes strategy delegated by board to NC.	Does not explain inter-personal roles, dynamics of committee, conflict, power and leadership by NCC.

Institutional Theory	NCC formalises control for maintaining status quo.	Dynamic is a cognitive and normative approach to provide meaning and stability.	Committee members are a regulative (constraining and regularising) group.	Strategic behaviour is neglected. Board and committees lacks agility and adaptability.	No role for board and committees beyond conformance and lack of strategic focus.
Managerial Hegemony Theory	NCC is part of a self-managed team under control of executive management, e.g. CEO.	Engagement only so far as to ratify decisions and actions of executive management.	Passive self-managed team which is compliant and accepts views of executive directors.	Strategic output comes from executive directors and NC purely rubberstamps decisions.	NC accountability and empowerment is minimised in a diminished role with a dominant executive team.
Upper Echelon Theory	NCC has their own individual perception and interpretation of events.	Focus is on cognition and managing a process of trade-offs.	Committee members have personal and organisational agendas which are traded off.	Strategic output is individually interpreted by NCC and committee members with TMT influencing strategic outcomes.	Output is purely strategic choice. Behaviours and the process sit with NCC.
Engagement Theory	Behavioural repertoire of NCC to ensure committee members feel engaged.	Focus is on attitude and behaviour, defined via three concepts of meaningfulness, psychological safety and availability.	Goal for NC members is their job satisfaction and commitment.	Output is a result of engagement i.e. job satisfaction, organisational commitment and citizenship, and intention to quit.	There is no tangible strategic value for board or organisation as value is concerned purely with intangible aspects.

Social Capital Theory	Focus is the NCC's individual social capital in terms of value of their relationships and goodwill.	Dynamic is goodwill from social relationships as a resource to facilitate action and output.	NC is a social situation which is dynamic and needs maintenance by NCC.	Strategic value is the achievement of organisational goals as a result of social capital being harnessed. Social capital is a strategic resource.	Too much social capital can be detrimental. There is emphasis on fit for tangible or intangible outcomes with no leadership role for NCC.
Role Theory *Guiding Theory*	NCC as focal manager or actor playing a role which is taken on or attributed by others.	Focus is on conformity and consensus in role taking. Can lead to role conflict. Cognitive.	Committee members are the role set. They have expectations of role of NCC and each play a role themselves.	Output is about restoring balance and meeting expectations of behaviour.	NEDs may have multiple or overlapping roles which are limited to monitoring and advisory roles. Dynamic between expectation and actual behaviour.

Table 6. Theoretical lenses and research question concepts (author's own design)

2.10.2 Agency Theory. Agency theory has its origins in the separation of ownership and control (Berle & Means, 1932). It has been the traditional and entrenched theory of corporate governance since the late 1970s with seminal works that have developed the original theoretical framework (Jensen & Meckling, 1976; Fama & Jensen, 1983). Agency theory highlights the conflict of interest between the agent (the board director, executive or subcontractor) and the principal (owner), who incurs costs, as both control and ownership are separately managed (Bosse & Phillips, 2016). Researchers frequently promote agency theory as the rationale for the creation of board sub-committees (Jiraporn et al, 2019). This degree of control below the board is to the advantage of the shareholder/owner but incurs more agency costs. The NCC as an agent would be engaging committee members with their own agenda for strategic output to the board, but each of the committee members are also agents of the principal yet are likely to have their own agendas, which could lead to conflict. The principal and agent are engaged in cooperative behaviour even though they have divergent interests and attitudes towards risk (Hung, 1998). The focus is on resolving the contractual relationship between the principal and agent. In this approach, governance acts to limit the agent's self-interest behaviour in situations of conflict and reduce agent opportunism. The board fulfils the role of an information system to control the agent's behaviour (Hung, 1998). This can lead to boards being over-controlling and this theory ignores group interaction, culture, power and interpersonal relationships.

Agency theory assumes that the NCC has their own agenda, which is not necessarily shared with other board or NCC members. Engagement by the NCC is therefore not collaborative towards consensus but divisive. This dynamic potentially gives rise to significant conflict in realising outcomes. In terms of strategic value creation as an output, the NC's key tasks – for example, the selection of independent directors – are executed in order to challenge the senior executive team and protect the interests of the principal, which may not lead to the

best quality outcomes. The difficulty is not only with quality of output, but also the quantity of output due to the conflicting agendas by agents and principal, the latter of which may influence strategic outcomes. This challenging environment of decision-making does not lend itself to creativity, which is likely to be stifled through the conflicting agendas.

In an attempt to evolve from agency theory and develop an ontology in line with contemporary developments in corporate governance, some scholars have adopted a blended approach. Decrying the 'lack of an overarching and unifying theory' (Pande & Ansari, 2014:56), a multi-theoretical approach has been proposed (Christopher, 2010) to better explain the range of motivations, management skills and personal attributes required by the NCC to engage with committee members. It is purported that academic research needs a holistic view of board committees and not the separatist approach pursued to date (Kolev et al, 2019). For the above reasons, agency theory is not deemed to provide sufficient insight for this study, which is focused on the behavioural and affective actions of the NCC within the NC.

2.10.3 Resource Dependency Theory. The originators of resource dependency theory, Pfeffer and Salancik (1978), viewed the corporation as an open system dependent on contingencies in the external environment. This perspective has become one of the most influential theories in organisational theory and strategic management by claiming to understand 'the ecology of the organisation' (Hillman, Withers & Collins, 2009:1404). The concept of power in resource dependency theory is focused on the control of vital resources and the struggle for survival by dominating those resources through a network of interdependencies. The key to success is for organisations to reduce their environmental interdependence and related uncertainty, but their actions are always only partially successful, so patterns of adaptability are created both between and within organisations (Hillman, Withers & Collins, 2009). It is this struggle for domination of resources that directs board behaviour.

Resource dependency theory is often applied to mergers and acquisitions, joint ventures, strategic alliances and inter-organisational partnerships as 'reciprocal interdependence' (Hillman, Withers & Collins, 2009:1406). Resource dependency as a theoretical framework posits that organisations depend on each other to access valuable resources. Companies establish connections to regulate their interdependency, for example, interlocking directors (who serve on multiple connected company boards or committees) who facilitate the exchange of information and exercise control over other organisations through their manipulation of available resources (Hung, 1998). In this way, interlocking directors can convert threats into potential advantages typically through knowledge sharing. The governing boards are deemed to be a capitalist class, which is preserved, partly with the support of interlocking directors (Hung, 1998).

The application of resource dependency theory to corporate governance has traditionally been a focus on board size and composition as indicators of the organisation's ability to provide resources that reduce uncertainty. Research has shown that board size and composition are related to the organisation size, strategy and performance (Hillman, Withers & Collins, 2009). Scholars have also emphasised multiple directors (directors with more than one board directorship) or number of interlocks, which can potentially give access to resources; however, it is the quality of these interlocks and the firm's lifecycle stage that affect the critical role of resources. For example, an early start-up company will be more resource hungry than a mature firm. This view of individual directors as resource providers is pertinent to succession planning for key roles such as the CEO. It is shown that companies with problems will hire outside CEOs and therefore how the firm approaches succession can be 'a strategic response to environmental contingencies' (Hillman, Withers & Collins, 2009:1408). Board size has been related to IPOs, which signals access to lots of resources to investors.

Resource dependency theory is germane for the activities of NC as it hires, manages and develops the non-executive and executive human resources and talent pipeline for board composition and effectiveness. This theory addresses the various interests of multiple stakeholders such as the chair of the board, the CEO, EDs and NEDs (Christopher, 2010), which is central to the NC putting in place the appropriate skills and experience to produce strategic value for the organisation. The NC is dependent on the uncertainties of the talent pipeline in the external environment and can use alliances to recruit resources into the organisation and utilise them once socialised (Hillman, Withers & Collins, 2009). This theoretical framework accommodates the engagement of committee members to realise strategic value through application of resources, assuming that those resources are strategically relevant. The NCC is assumed to drive and shape the access to resources, so engagement can be interpreted as purely persuading NC committee members to provide and give access to resources from their skills, expertise and networks. This persuasion is only part of the potential breadth of engagement so limits the scope of this research question. Resource dependency theory focuses on the resource inputs rather than the strategic outputs of the NC. Hybrids of resource dependency theory have integrated with agency theory to describe a more holistic model of board tasks and performance by depicting two core functions for directors: that of monitoring and the provision of resources, both pertinent to the NC (Hillman, Nicholson & Shropshire, 2008). Such hybrid theories attempt to overcome the objections of each theory and produce a more all-encompassing explanation for board behaviour. Resource dependency theory is unlikely to fully explain the way in which the NCC engages with committee members to realise strategic value, although it is acknowledged that the NC will debate and decide the use of some resources for the organisation. Resource dependency theory resonates for today's UK business context and especially with Covid-19, which has introduced so much uncertainty about resources in terms of human capital and supplier challenges.

2.10.4 Stakeholder Theory. The word 'stakeholder' was first used in a 1963 memo at Stanford Research Institute in U.S. and subsequently developed into a theory (Freeman, 1984). It was further developed by examining the most legitimate stakeholders and who should sit on the board (Kaufman & Englander, 2011). This theory was devised to challenge the idea that shareholders are the only important group to managers and the board of directors (Parmar et al, 2010:405). The core premise is that business is about teamwork or 'a set of relationships among groups' (Parmar et al, 2010:405). Stakeholder theory has grown in popularity to create more accountability from managers about their responsibilities and obligations towards different internal and external groups. Stakeholders have a varied but equal voice in terms of expressing views about how resources are allocated and utilised to create value (Parmar et al, 2010). In this way, stakeholder theory aims to connect ethics and capitalism after various corporate scandals had eroded public trust in companies (Parmar et al, 2010). However, it is not a political ideology but does view the UK as a stakeholder economy within this theory of organisations (Parmar et al, 2010). This theoretical framework adopts a pluralistic approach which focuses on different groups of stakeholders, for example, employees, suppliers, customers, government bodies, shareholders and lenders. This exemplar list is just some of the groups that the firm is responsible to or for and can affect or be affected by in the achievement of company purpose (Hung, 1998). These relationships can include moral guidelines for the company but need to balance the conflicting interests of each stakeholder group. Typically, stakeholders will participate on boards so not only the interests of the group are served, but also the interests of wider society, for example through corporate social responsibility and stakeholder management (Hung, 1998). The board coordinates the negotiations and compromises with stakeholders to preserve the interests of the company (Hung, 1998).

In developing a firm-level characterisation of stakeholder theory, stakeholder engagement and the relationship between conformance to stakeholder model and firm financial

performance are two aspects applicable to the board and its committees (Ayuso et al, 2014). Companies with NCs are said to display both a market advantage and an accounting performance advantage due to their stakeholder engagement (Ayuso et al, 2014). A difference has been drawn between normative and derivative stakeholders: the former contribute to the firm and win kudos; the latter constrain the firm and make no contribution (Kaufman & Englander, 2011). The board is a legal authority responsible for managing stakeholder groups and has to decide which groups are important for the business and which are secondary in terms of sustainability and value creation: 'to sustain competitive advantage and new wealth creation' (Kaufman & Englander, 2011:421). The board and especially the NC in the areas of its remit, decide access to external stakeholders for expert knowledge, but this could also default to becoming a 'satisficing' of stakeholders instead of optimising value (Kaufman & Englander, 2011:428), which is pertinent to this study. In terms of applicability to this study, stakeholder theory does incorporate the act of engaging with diverse stakeholder groups and managing possible competing priorities and agendas. This theory is about creating value for those stakeholders, but the focus of the research question is about strategic value for the board, not the creation of strategic value for the company's various other stakeholder groups outside of the board. This study is potentially far broader than just stakeholder groups in terms of the NCC engaging with committee members to reach an independent consensus; however, the NCC could be said to be managing an ethical and democratic process, therefore this theory does in part unlock the research question.

2.10.5 Stewardship Theory. Stewardship theory is a relatively young theory in corporate governance, having been proposed initially during the 1990s (Donaldson & Davis, 1991; Davis, Schoorman & Donaldson, 1997). In this theory, directors are not motivated by individual or self-interested goals, but aligned to the objectives of principals who are all

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stakeholders, not just shareholders. Decisions are taken based on societal benefit rather than profit and aimed at generating long-term stakeholder value (Nijhof, Schaveling & Zalesky, 2019). Organisational actors, such as directors, exhibit prosocial behaviours that are strategic in orientation and promote sustainability. This theoretical framework emphasises the strategic function of the board and evolves from the human resource management discipline. The board focus is setting and reviewing strategy as proposed by the TMT. The board guides and supports the TMT to achieve the company vision, mission and strategic objectives (Hung, 1998). The stewardship board is rational, legal and active in challenging and monitoring the TMT through robust discussion.

The stewardship premise is certainly congruent for the NCC in engaging committee members in a shared remit of activities on behalf of the board. The principle of stewardship leading to organisational benefit and not self-serving advantage is important for a committee chair to engage and galvanise committee members to realise strategic value for the board. Stewardship emphasises board accountability and responsibility, including the drivers of trust, professionalism and concern for others not themselves: 'directors will act in a way that leads to collectivist/organisational utility rather than self-serving benefits' (Keay, 2017:1293), all of which could be argued as necessary elements for the NC to deliver strategic results. Stewardship theory provides a more nuanced view of engagement by the NCC to realise results and incorporates strategic orientation. However, this theory neglects any incorporation of interpersonal roles, conflict, board dynamics, power and board leadership (Hung, 1998). For this reason, even though there is an emphasis on strategy development, as a framework for this study, it does not fully explain how the NCC engages with committee members to realise strategic value to the board.

2.10.6 Institutional Theory. This theoretical framework is a deterministic approach to governance where organisations need to conform to expectations of traditional and institutionalised practices, which in turn influence its choices regarding formalised control (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). It takes as its context environmental norms and social influence to focus on cognitive and normative frameworks that provide meaning and stability. The board acts to maintain relationships between the organisation and its environment (Hung, 1998). The TMT designs the governance structure with the aim of reducing transaction costs. The board legitimates and supports management decisions but is relatively lacking in power. The emphasis is on maintaining the status quo of the organisation, which is constrained by social rules and conventions. In this way, institutionalisation promotes organisational stability and the board's role is conformity to norms and social rules. Institutional theory can be seen as representing a network of participating organisations that interact with each other within a field to form a 'community of organisations' composing a 'common meaning system' (Krenn, 2016:1449). These organisations include trade unions, public organisations, partners, resource providers, government agencies, professional groups, regulatory agencies and capital providers or financiers (Krenn, 2016). They can be divided into regulative (constraining and regularising), normative (prescriptive, evaluative and obligatory) and cultural-cognitive where the role of corporate governance is to control interactions between the different types of institution. Institutions often act as change agents and operate at both national and global levels, complementing each other or 'institutional complementarities' (Krenn, 2016:1454) in terms of aspects of the macroeconomy, such as product and market regulation. Institutional theory assumes that these global forces are homogenous in their response to institutional processes but convergence and divergence can coexist in firms' different aspects of corporate governance (Krenn, 2016). The legitimacy of the firm is promoted and the theory assumes that 'actions of an entity are desirable, proper, or appropriate,

within some socially constructed system of norms, values, beliefs, and definitions' (Suchman, 1995 in Filatotchev, Chahine & Bruton, 2018:1621). From a corporate governance point of view, the board interlocks of the CEO and other board directors or 'institutional multiplicity' add value to IPO firms and organisational outcomes, such as investor valuations (Filatotchev, Chahine & Bruton, 2018:1622). Therefore, institutional theory acts to tie board interlocks with investor perceptions of the firm's value when going to IPO, further adding to its 'linkage legitimacy' as investors make relevant 'legitimacy evaluations' (Filatotchev, Chahine & Bruton, 2018:1626).

This theory formalises the power and control of the NCC to maintain the status quo and does not address how the NCC engages with committee members or how the NC realises strategic output to the board. Consequently, institutional theory can be said to neglect strategic behaviour, is not reactive and lacks adaptability. Institutional theory does not explain the internal dynamics of the NC and how the NCC engages with committee members, regardless of the involvement of other institutions in the work of the NC. The purpose of the NCC within institutional theory is to provide meaning and stability, rather than strategic value. It is therefore not considered a sufficiently explanatory theoretical framework for this study of NCs and their strategic output via engagement of committee members.

2.10.7 Managerial Hegemony Theory. Managerial hegemony theory gives power to a genre of professional managers who make all the significant strategic decisions and therefore concludes that boards merely rubberstamp these decisions. As such, boards are seen as a legality to be dominated by management (Mace, 1971). Boards therefore do not get involved in strategic decisions and, if they do, it is only likely in times of crisis (Hung, 1998). It could be argued that board committees are self-managed teams reporting up to the board of directors. In contrast, the managerial hegemony view argues that board and committees are under the

control of management and therefore potentially dysfunctional, existing purely to fulfil regulatory requirements (Cohen, Krishnamoorthy & Wright, 2008). Consequently, executive directors select board and committee directors who are compliant, will accept their actions without question and are 'cronies and colleagues' (Cohen, Krishnamoorthy & Wright, 2008:185). These passive directors are dependent on the executive team for company information and there is little monitoring, with the CEO being all-powerful and recruiting directors who will not challenge or 'sympathetic outsiders' (Cohen, Krishnamoorthy & Wright, 2008:186). Therefore, the board merely ratifies executive management actions, satisfies regulatory requirements and enhances executive compensation in line with the CEO's wishes (Cohen, Krishnamoorthy & Wright, 2008). Managerial hegemony theory stipulates that managers are dominant and exert their force on the board from within the organisation (Hung, 1998). Organisations operating within this framework will resist any increase in board involvement relating to strategic decisions. Performance evaluation of the company by the board tends to be superficial unless it is a time of crisis. Consequently, the role of the board of directors is marginalised and relatively powerless (Hung, 1998). Directors are compliant and constrained, but supportive, even though it is unlikely that they receive objective information from managers.

Another perspective of managerial hegemony theory states that corporate strategy decisions are made by the executive directors with any interference or involvement from the board. This information asymmetry is given as the reason why directors are unable to act independently so the board of directors is a 'legal fiction' as their power is formal but made redundant by a dominating executive team (Chen, Dyball & Wright, 2009:210). In this way, boards exist as required by corporate law, to serve as an ally of management, but management retains control of decision-making and to legitimise strategic decisions made by management. Any independent directors who are appointed during the CEO's tenure are obligated to the

CEO and executive directors so do not safeguard shareholder interests (Chen, Dyball & Wright, 2009).

This diminished power of the board and committees in their governance role is not compatible with this study of NCs and how the NCC is empowered to engage with committee members to realise strategic value to the board. The power of the executive team, especially the CEO, to dominate NC decisions and output, such as board composition and independence through director selection, does not take into account how the NC is directed by a chair to produce its own strategic results. Managerial hegemony theory is not sufficiently applicable for this research study as it does not empower the board or committees to make any strategic decisions of their own, but merely ratify those decisions of the executive directors. This research question assumes independent action by the NC to direct and shape output from the NCC to the board.

2.10.8 Upper Echelon Theory. This theory was originally devised by Hambrick & Mason (1984) to explore the personal interpretations of the strategic landscape from the perspective of the TMT where personal constructs are derived from executives' experience, values, beliefs and personalities (Aberg & Torchia, 2019). Upper echelon theory or UET therefore posits that an organisation, its strategy and subsequent performance will reflect these aspects of the TMT. TMT cognition, attitudes and perceptions will influence strategic choice and decision-making, which will consequently impact business performance and outcomes. More recently, UET has included the board as an extension of the TMT. However, research has produced some ambiguous and inconclusive results which has invited criticism. When applied to board research, the focus has been on demographic characteristics of the board and their effect on strategic outcomes, whereas academics have argued that these variables are

mediating the effects and board composition should be treated as antecedents rather than proxies for cognitive processes (Aberg & Torchia, 2019).

The original conception of UET had its roots in the behavioural theory of the firm where managers make choices based on imperfect information, which they have filtered to create their individual perception (Lawrence, 1997). This process is iterative and dynamic. The theory uses demographic variables as proxies for psychological constructs, which was later criticised as an inadequate interpretation of managerial cognition. The three levels of individual, organisation and task were added into UET later to explain individual differences among directors. UET assumes that perception or cognition leads to choices that are traded off between the organisational and personal agendas. The theory claims 77 different labels associated with the description of managerial cognition (Lawrence, 1997) although the focus of output is purely strategic choice. This research stream was developed with the concept of 'discretion' as the outcome of the interaction between cognitive content (the components of cognition) and cognitive style (likened to values) to create cognitive structure, which is acted out in context (Lawrence, 1997:1). Enacted discretion is putting cognitive elements into practice. The interplay between strategic choice and enacted discretion is mediated by power and politics (Lawrence, 1997).

The emphasis on cognition in UET only reflects part of this research study but this theoretical framework does not probe far enough into how strategic value is created by a sub-committee to fully reflect this research study. UET interprets engagement as merely cognition and managing a process of trade-offs between committee and board members, which defies the breadth of meaning of engagement. The work of the NC is seen as a collection of personal and organisational agendas that have to be traded off, which is a narrow definition of the range of potential activities of NCs. Compared to the NC, the TMT is seen as having greater influence on strategic choice only under UET, so as well as diminishing the power of the NCC, UET

does not capture all possible potential strategic value to the board. For these reasons, UET is not perceived to adequately explain this research study.

2.10.9 Engagement Theory. Engagement theory was devised through a grounded theory approach during the late 1980s (Kahn, 1990). It defines engagement as an attitude and behaviour in the workplace comprising of the constructs of meaningfulness, psychological safety and availability (Kahn, 1990). It is a 'motivational construct' (Ford, Myrden & Jones, 2015:478) that focuses mainly on engaged individuals as 'energetically, emotionally and psychologically present when performing his/her role' (Ford, Myrden & Jones, 2015:478). The opposite construct, disengagement, is a lack of these attributes and behaviours, where the individual appears as 'robotic and impersonal' (Ford, Myrden & Jones, 2015:479). Engagement theory is a young and relatively under-developed theory, especially in management and corporate governance research. However, it is a central concept in this study and therefore engagement theory is included in this section as it provides potential insights through qualitative exploration into the engagement of NC committee members by a committee chair.

Engagement theory in a corporate setting has studied employee engagement as a new management 'fad' or 'old wine in a new bottle' due to the lack of academic research (Saks, 2006:601). Job engagement and organisation engagement are differentiated, although participants gave higher scores for the former than for the latter, although each had different antecedents and consequences (Saks, 2006). There is considerable overlap in definitions of constructs, although employee engagement with organisation engagement encompasses attitude and attachment, whereas job engagement as a more psychological and emotional construct and 'not an attitude' (Saks, 2006:602). The opposite of engagement in an organisational setting is burnout, incorporating exhaustion, cynicism and inefficiency (Saks,

2006). Most academic research on engagement theory has emphasised its antecedents, but consequences of engagement in the workplace include job satisfaction, organisational commitment, intention to quit and organisational citizenship behaviour (Saks, 2006).

While engagement theory is rich in its breadth of core concepts, its focus is on attitude and behaviour, defined through just three concepts of meaningfulness, psychological safety and availability. The goal of these three concepts is to ensure committee members experience job satisfaction and commitment, which ignores the strategic output of this research study. Consequently, there is no tangible strategic outcome or value for the board. The proliferation of definitions of the core concepts presents a challenge for this research question and engagement theory does not focus adequately on the person doing the engaging, the NCC in this study. Therefore, engagement theory is not sufficiently comprehensive to explain this research project.

2.10.10 Social Capital Theory. Social capital theory originated from sociology and has become popular in the social sciences as it is possible to integrate this theory across disciplines (Blau, 1964; Hirsch & Levin, 1999). Researchers have offered many different definitions but social capital theory essentially conflates concepts such as sympathy, trust, and forgiveness to represent the goodwill from social relationships perceived as a valuable resource to facilitate action (Adler & Kwon, 2002). Social capital is central to this thesis and is defined as: 'a wide variety of specific benefits that flow from the trust, reciprocity, information and cooperation associated with social networks' (Walt & Ingley, 2003:218).

It has become part of organisational theory with broad applications as 'umbrella constructs' (Hirsch & Levin, 1999:199). Social capital theory places importance on the individual perception of the value of goodwill in social relations rather than market or hierarchical relations (Adler & Kwon, 2002). Definitions of social capital are numerous and

actors can be linked either directly or indirectly in social networks that may be internal or external to the firm. The idea of capital is a concept from economics, enabling the benefits of access to information, power, status, identity and solidarity from an increase in social capital, followed by consequent individual or collective action (Adler & Kwon, 2002). Social capital is dynamic and so it 'needs maintenance' (Adler & Kwon, 2002:22) to grow or it will diminish. As a resource, it can be converted into other types of capital, such as competitive advantage or merely capital in a different social network. Alternatively, a transaction can be mediated by social capital towards a collective goal (Adler & Kwon, 2002). This theory assumes that actors are motivated by self-interest while their agenda includes organisational goals. Outcomes can be varied to include career promotion, a reduction in transaction costs, and reciprocity where there are shared interests. The range of outcomes depend on opportunity, motivation and ability being present for social capital to be 'activated' (Adler & Kwon, 2002:27). Academic research has debated the definitions and concepts in social capital theory with micro and macro factors coming into play (Adler & Kwon, 2002). Social capital can be a negative influence as project teams take longer to complete a task when there are strong ties than when there are weaker social ties (Adler & Kwon, 2002). In another scenario, too much interfirm trust through social ties can stifle creativity and innovation. Strong internal ties may mean a group becomes insular. The emphasis is on the 'fit' of social ties for a tangible or intangible outcome: 'what matters is fit, what works and if networks are in sync with company goals' (Krackhardt & Hanson, 1993 in Adler & Kwon, 2002:32).

Social capital can be different for a board of diverse members and enhance its social capital by revealing new avenues and new resources for the board in their monitoring and advisory capacities. Taking the context of experienced board directors, their connections and relationships are social capital, which, through their monitoring and advisory roles, influence collective decisions and subsequent actions at committee and board meetings (Brown et al,

2017). This social capital can be internal (within the firm) or external (between different firms) and promote directors' social standing in both of these environments. Consequently, such groups can be more effective, although too much internal social capital can reduce the robustness of monitoring and make groups less effective.

Other remits of the NC are director selection and board effectiveness, both of which were influenced by individual and group levels of 'interpersonal linkages' of social capital both inside and outside the company (Kim & Cannella, 2008:282). The internal and external social capital ties were found to generate important resources for board effectiveness. In this way, social capital is an 'asset' arising from relationships (Kim & Cannella, 2008:282). There was no distinction between insiders (executive board directors) or outsiders (NEDs) but the social capital profile of the director was paramount. Social capital included personal ties and social similarity with others or homophily: 'the degree to which pairs of individuals who interact are similar in identity or group affiliation' (Ruef, Aldrich & Carter, 2003 in Kim & Cannella, 2008:283). They propose that the two types of internal and external social capital can produce different resources over time as linkages and connections shift and change in nature. Kim & Cannella (2008) propose that individuals with high external social capital or 'boundary spanners' often lack internal social capital so could be perceived as distant from other individuals (Adams, 1976 in Kim & Cannella, 2008:285). Directors with high internal social capital are seen as good teambuilders and trustworthy collaborators. Consequently, the emphasis on internal social capital is a 'bonding function' and the external social capital weighting is a 'bridging function' (Kim & Cannella, 2008:286). Moderators of social capital in director selection decisions were the extent of environmental dependency, the age of the organisation and organisational performance (Kim & Cannella, 2008). Social capital theory is a new direction for governance research as the previous focus has been on director expertise, whether from experience or qualifications. While a 'stronger social dimension' (Kim &

Cannella, 2008:290) can give insights to director behaviour, it is not likely to be generalisable as social conventions vary globally and by types of business.

Social capital theory does not differentiate by the position or role of the director on a committee or board, so the NCC and NC committee members each have their own social capital from relationships that are assumed to be comparable. This study is particularly focused on the NCC, but this framework does not adequately explain social capital within leadership roles. Social capital is a strategic resource that resonates for this research study but does not fully reflect strategic value as an output. It may be argued that engagement by the NCC may be within a social situation, but only in part. Also, engagement is posited to be a more comprehensive affective, cognitive and processual phenomenon than permitted by social capital theory. Undoubtedly, one aspect of the functioning of an effective NC is social capital and relationships as a resource; however, this theoretical framework does not offer sufficient breadth to explain how the NCC steers the NC through its committee members.

2.10.11 Role Theory. Role theory has a long history originating from social roles. Early theorists connected the individual and their social reality via the concept of role to give meaning (Mead, 1934; Linton, 1936; Thomas & Biddle, 1966). Henri Fayol's work on the principles of management with emphasis on processes and the role of managers is undoubtedly an important precursor to role theory. Although not translated into English until 1929, the concept of role is also evident in Fayol's seminal work (Fells, 2000). Fayol's administrative theory formed a significant contribution to management sciences in its explanation of decision-making, value creation and how authority was constructed (Hatchuel & Segrestin, 2019).

Role is never defined by itself, but in relation to other possible tasks, other roles and their expectations of roles (Sarbin & Allen, 1968). This theory is focused on decision-making

power, which either rewards the actors if expectations are met or punishes them if not. The ultimate punishment in this context would be the removal of directors from the committee and board (Haveman, Mahoney & Mannix, 2019). Traditionally applied to managers (Fondas & Stewart, 1994) and the interface between TMTs and CEOs (Georgakakis et al, 2019), role typologies have also been applied to boards of directors (Hung, 1998) and engagement in their monitoring role (Guerrero & Seguin, 2012). Early role theory developed from bureaucracy theory of the 1950s and 1960s as a leading social theory with its fixed view of roles influenced by external factors such as workflow, technology and authority structures. Managers were seen to 'take' roles and not 'make' them, with any role definition based on their expectations of that role (Haga, Graen & Dansereau, 1974). Early theorists such as Mintzberg, Hemphill, Pheysey and Sayle saw managerial roles as task oriented and related to different organisational structures, with later researchers such as Kotter and Stewart becoming more behavioural in their outlook, but still with little scope for individual differences (Hales, 1986). Role expectations were balanced against or matched with performance so the language of roles was focused on role demands, role definition and role requirements (Hales, 1986). Roles can be explained by social position, and one's own and others' expectations of behaviour. Five perspectives of role theory were originally promoted as functional, symbolic interactionist, structural, organisational and cognitive. The common concepts are consensus (shared or agreed expectations), conformity (compliance to expectations of behaviour and the relationship between expectations and behaviour), role conflict (a stressful clash of roles negative fallout in an organisational setting) and role taking (empathy linked with leadership behaviour and altruism) (Biddle, 1986). Conformity also introduces the idea of power, status and attitude with their impact on behaviour. Conflict can include role overload, ambiguity and poorly integrated roles. Research on role taking has tended to focus on personality variables (Biddle, 1986).

Role theory takes its premise from theatre, acting and following scripts (Biddle, 1986). The three core ideas employed by all the role theory perspectives are patterns of social behaviour, assumed identities and expectations from either 'actors' who have a necessary audience (Biddle, 1986:68). Some interpretation of these concepts has led to confusion and consequently role theory has been criticised (Biddle, 1986). Functional role theory was the dominant perspective until the mid-1970s and stresses the instability of social systems and how norms may not be shared. It also positions roles as equally about cognitive processes. Symbolic interactionists emphasise informal interaction and the 'evolving definition of the situation as understood by the actors' (Biddle, 1986:71). A criticism rallied at symbolic interactionists is that they ignore contextual limitations of role and the dynamic between expectations and actual behaviour. Structural role theory focuses on social structures and consistent, shared patterns of behaviour. Adopting a more mathematical approach, structuralists are criticised for neglecting cognition and behaviour. Organisational role theorists examine roles within formal organisations that drive a task-oriented and hierarchical perspective, sometimes resulting in role conflict, which requires resolution for successful outcomes. The organisational perspective is criticised for not accommodating the evolution of roles or roles outside of normative expectations (Biddle, 1986). The focus is on rationality and restoring balance once role conflict is eventually addressed. Cognitive role theory has emphasised how expectations are perceived by the actor and others. It is criticised for neglecting the dynamics and evolution of human interaction (Biddle, 1986).

The strengths and boundaries of functionalism, social-interactionism and structuralism continue to be debated, most recently with a proposal to integrate all three perspectives into a holistic lens. This aids a multi-role understanding, or work and decisions achieved through the enactment of roles, which dictates group-level processes (Georgakakis et al, 2019). Integration offers a more persuasive view of strategic leadership as 'a collective process characterised by

micro-level interactions' (Georgakakis et al, 2019:2) which is pertinent to this research question, albeit focused on TMTs. This new interpretation responds to the criticism that role theory does not accommodate leaders with multiple and often overlapping roles. The integrated lens softens the fixed and static formal roles from functionalism, the socially determined and evolving dynamics between actors of social interactionism and the potential for role conflict and shifts in power dependent on managers' characteristics of structuralism. It could be said that an integrated model overcomes the flaws of the separate perspectives in not sufficiently considering external, environmental factors, leadership styles and decision-making processes. Functionalism provides managerial interdependence for mutual peer success; social interactionalism gives individual characteristics and perceptions of others; while structuralism is compatible with CEO succession and executive board membership, both areas of NC responsibility. This blend of perspectives brings together the cognitive and behavioural aspects of role theory to better explain the dynamics when applied to NCCs and their engagement with committee members. This 'role multiplicity integrative lens' (Georgakakis et al, 2019:10) emphasises group-level decision-making, TMT empowerment and trust for strategy development. As within an NC, the integrated view accommodates actors with different degrees of influence on complex, strategic decisions. There is an emphasis on managing conflict, collaboration and how role interdependencies shape interpersonal interactions and behavioural outcomes. More qualitative research on an integrated role theory could unlock many of these areas. However, there are still limitations as this lens doesn't account for any other forms of power, aside from formal, structural power, and doesn't explain homogeneity among managers with the same function or functional expertise (Georgakakis et al, 2019). This view offers a wealth of research potential beyond the monitoring and advisory roles of NEDs on boards and committees.

A shift of role theory into the field of corporate governance was engineered by Stewart in her qualitative studies. She initially applied role theory to managerial roles and not just work per se. The demands-constraints-choices (DCC) model aims to explain the flexibility and limitations managers have in performing their jobs. Demands refer to the manager's tasks in the job and the non-negotiable aspects of the role and having to fulfil certain aspects. Constraints refer to factors either internal or external to the organisation, which limit what the manager can do in their role. This could be organisational policies and procedures. Choices refer to the tasks the manager can do with opportunities for flexibility, so depend on where they place the emphasis of the job. Demands, constraints and choices sit within the context of the organisation and job design, but are also modified by management effectiveness, recruitment into the job, education and training, and career decisions (Stewart, 1982). As a behavioural approach to role theory, it departs from the view of jobs as fixed and introduces the idea of individual interpretation of the job and role. Further longitudinal action research was conducted using interviews with district general managers and chairs in the UK National Health Service (Stewart, 1991). Their working relationships were examined, including their expectations of each other in the two roles. While it was the study of only two jobs, there was a range of jobholders, which gave rise to the five chair roles of partner, executive, mentor, consultant and distant (Stewart, 1991). The partner role was seen most frequently with its complementarity and co-dependency between jobholders. This study illustrates how jobholders can act out the same job in many different ways and is therefore a practical application of role theory within a corporate governance context.

Role theory research has also examined other scenarios of managerial roles, for example, the role of 'boundary spanners' who manage strategic alliances between their own and a partner organisation (Luvison & Cummings, 2017:279). Such alliances give rise to role conflict via potentially different agendas, which may trigger the risk of stressors and penalties

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in governance of the alliance, but also give more options over role choices. This role conflict

is seen to be in line with the high failure rate of strategic alliances. In this sense, the alliance

becomes a third party with its own roles and expectations. The premise that individuals adopt

roles as defined by sent expectations of others is explored and three gaps in role theory literature

are suggested. There is no explanation offered for the actor's own firm role automatically being

the strongest and there is no explanation for the choices made by these alliance managers or to

explain when the focal manager's firm has sanctioned a partner organisation to send alternative

roles (Luvison & Cummings, 2017). Moderators were found to be entrepreneurism and the

collaboration environment between firms. When considering these findings in the context of

the NCC, there is a parallel with the different agendas and therefore roles and expectations of

parties between the NCC, the EDs and/or CEO and NEDs, where role conflict and collaboration

may both be evident. This theory has been employed in discussing the gatekeeping and

boundary roles of ACCs (Beattie, Fearnley & Hines, 2014) but not applied to NCCs.

There have been several hybrids of role theory during recent years. With the advent of

increased interest in research on gender diversity on boards, social role theory examines

stereotypical gender roles (men as assertive and competitive, women as caretaking and

communal) and role expectations based on societal perceptions of women in power (Chizema,

Kamuriwo & Shinozawa, 2015). A variant of social role theory, role congruity theory, has also

been applied to investigate gender diversity on boards (Mukarram et al, 2018). This approach

applied role congruity theory at a societal level and found that women in positions of power

are perceived less favourably. Role congruity theory has been used as a lens to test respectful

leadership, which was found to be effective for female leaders where role expectations were

different, irrespective of follower gender (van Gils et al, 2018). Role theory has been applied

to NEDs in terms of the multiplicity of NED roles due to the breadth of tasks. Board and chair

roles are deemed as more significant as they pertain to organisations, responsibilities, meetings,

approvals and recommendations (Chandrakumara & Walter, 2015). This allows for some flexibility in the way NEDs engage with their roles, including identification of the gatekeeper role (Chandrakumara & Walter, 2015). This NED role flexibility is reflected as two types of board culture: maximalist and minimalist (Pettigrew & McNulty, 1995).

The NCC, arguably much like the board chair, plays a role within the NC and on the board of directors. They need management skills to engage committee members, manage groups of stakeholders and apply available resources to realise strategic value for the board. NC members are the role set and have role expectations of the NCC. Consequently, role theory touches on the key concepts of committee chairs, engagement and strategic value, but to date, has not been directly applied to the role of NCC and the tasks of NCs. Role theory is considered a relevant but relatively unexplored theory for both boardroom dynamics and strategic value (Georgakakis et al, 2019). This research study examines the role of the NCC to produce strategic value to the board, so the emphasis is on the NCC role, hence the direct relevance of role theory for this research question. It is the NCC's choice of role that is central to both this research study and role theory, therefore role theory is the selected guiding theory for this research study. This theory is especially central to this study within a context of complexity of roles held among board directors, either executive or non-executive, not just in one company but often on multiple committees and in multiple companies. Role expectations are important in terms of the fluid nature and remit of the NC with the overlay of whether the board chair or an independent NED chairs this committee. The expression of the NCC's role can be behavioural, cognitive or affective, but it produces action, which is posited as being of strategic value to the board. While role theory doesn't directly address strategic output, the roles sent and received by the NC members and the NCC are shaping those outcomes and therefore impacting the board and its effectiveness.

The primary focus of this study is the interaction between the NCC and the NC members, all of whom may have other roles on the same board and also on other company boards. This means that as actors role expectations are being sent and interpreted by the actors in a highly complex pattern of roles and expectations. The research design has chosen several different actors as participants who have expectations about other actors' roles. These are the NCC, the board chair as the NCC, NC members and the CEO. As well as engaging with NC members, the NCC will also interact with the ACC and RCC, board members, and other EDs who may perform other roles such as the SID. Interactions are taken as a proxy for engagement. These expectations are not only about the dynamics within the meeting, but also informally outside of the NC meetings. There are audiences such as the NEDs who overlap on NCC, the board and other sub-committees. Because of the different layers of interaction, there is the potential for role overload among NEDs and role conflict when the board chair is NCC. Role theory provides a vehicle and language to unravel and understand these complex role networks set within a context of board culture. The role theory lens does not however explain strategic value as an output, although it is feasible to suggest that the different roles sent and expected by actors – especially the separate NCC or the board chair as NCC – will translate their roles strategically and imbue them with a strategic focus.

In justifying role theory for this study, it is posited that role as a building block of personal interaction is central to this research question. Role is a loose concept that doesn't determine behaviour or the nature of the interaction. It links both the individual and the group levels, is active not passive and gives actors behavioural choices (Linton, 1936; Mead, 1934). Therefore, it can make a clear contribution to a qualitative approach. This study investigated interactions and expectations between various members of the board, executive team and NC where interactions are numerous and often complex. Role theory provides theoretical flexibility and is not prescriptive, therefore it is compatible with an interpretivist epistemology as in this

study. Many academic researchers have successfully applied and extended role theory in corporate governance (Morais, Kakabadse & Kakabadse, 2018) so it is an accepted theoretical framework for this research question.

2.11 Chapter Two Summary

This literature review sought to take the reader through the research aims, objectives and research question, providing relevant background and rationale on why this area of study is of utmost importance. It has explained the steps taken in a systematic quantitative literature review, which resulted in 132 relevant papers from Scopus. These papers were then analysed and organised under board purpose and value, followed by the four categories of output from the Forbes & Milliken (1999) model, namely board and committee characteristics, board and committee dynamics, board and committee-level outcomes and firm-level outcomes. The literature review then proceeded to focus on NC purpose and value, and the key concepts in the research question of the role of NCC, engagement of committee members and strategic value as an output. The remit of the NC and each of its five areas of accountability, which are recruitment and selection, diversity and inclusion, talent pipeline and succession planning, induction and development, board evaluation and effectiveness were all explored. The research gap and research question were restated before covering the evolution of theory in the field of corporate governance and ten theoretical frameworks. The ten theories covered use the typology in Hung (1998) and are agency theory, resource dependency theory, stakeholder theory, stewardship theory, institutional theory, managerial hegemony theory, upper echelon theory, engagement theory, social capital theory and, lastly, role theory. The selected and justified guiding theory for this research study is role theory. The next chapter concentrates on the detailed approach to ontology, epistemology and methodology. It describes the inductive approach and method adopted for this qualitative study.

Chapter Three: Research Methodology

3.1 Chapter Three Overview

This chapter positions the research study in terms of methodology and outlines the philosophy, theoretical framework, ontology and epistemology before explaining the research design, methods and process for data collection and analysis. Preferences and choices are justified to illustrate a research study aligned with its philosophy of science. The pilot study and main study are described in terms of sampling, data collection and data analysis, with a summary of the findings and the relevant considerations for ethical issues, gaining access, elite interviewing and researcher bias.

3.2 Research Questions

This section explains the research questions for this study. There was just one research question for the pilot study. This was restated in Chapter Two, section 2.9 as:

'How does the chair of nomination committee engage with committee members to realise strategic value to the board within UK listed companies?'

The research question focuses on the skills, characteristics and relationships of the nomination committee chair (NCC) and their processes and behaviours with the nomination committee (NC) for engaging committee members (both inside and outside of formal committee meetings) to realise strategic value to the board. These outcomes are in relation to the NC's areas of accountability, which span recruitment and selection; induction and development, talent pipeline and succession planning; diversity; composition; and board

evaluation and effectiveness. Value creation is assumed to manifest itself in the form of committee decisions, which become recommendations for approval by the board. This research study is timely as the main study data was collected during 2021, when the latest 2018 UK Corporate Governance Code with its emphasis on NCs has been in effect for two years. This study aims to understand the NCC's behaviours and interaction with committee members and demonstrate the strategic criticality of NCs within a company's corporate governance.

After the pilot study analysis and learning from the pilot study, further research questions were added from the thematic analysis. These additional research questions are:

- How can the nomination committee chair realise greater strategic value to the board?

- How can the nomination committee chair improve governance between their committee and the board?

- What are the implications of this research for practitioners and policymakers, especially during Covid-19?

These additional research questions cover more of the current context and drive the impact and contribution of this study. The next section explains the theoretical and conceptual positioning for this study and justifies the choices made on this positioning.

3.3 Theoretical and Conceptual Positioning

This section outlines the chosen theoretical and conceptual positions for this study, which form a foundation for this research study: 'theoretical and conceptual frameworks guide the paths of a research and offer the foundation for establishing its credibility' (Adom, Hussein & Adu Agyem, 2018:438). A theoretical framework provides a context in theory for the study or 'a blueprint that is often borrowed by the researcher to build his/her own house or research inquiry' (Adom, Hussain & Adu Agyem, 2018:438).

The theoretical framework preference for this study is role theory, originally devised by Sarbin & Allen (1968). This theory has been employed in discussing the gatekeeping and boundary roles of audit committee chairs (ACCs) (Beattie, Fearnley & Hines, 2014) but not for NCCs. Later versions of role theory have been developed, for example, Stewart's model of role demands-constraints-choice (CDC) to examine the chair-CEO relationship (Morais, Kakabadse & Kakabadse, 2018). Role theory is considered a relevant but relatively unexplored theory for both boardroom dynamics and strategic value: 'role theory conceptualisations have rarely been directly applied in the strategic leadership field' (Georgakakis et al, 2019:11). Strategic contribution is stipulated as a key aspect of non-executive directors' (NEDs') roles. The publication of strategic reports was introduced by The Companies Act (2006) but governance often overrides strategic direction for the independent board chair role (Chandrakumara & Walter, 2015). There is unrealised potential in role theory being applied to a board committee and especially the NC, where relatively little is known of its dynamics and how the NCC leads the committee. Consequently, role theory has touched on the key concepts of relationships and strategic value but warrants further investigation and application.

The guiding framework (shown in figure 2, section 1.3.3) takes the themes arising from a systematic literature review of the concepts in the research question. These themes are the

NC, its role in relation to the board and the activities for which it is accountable, and the interaction and behaviour of the NCC. It explores how this role works with its committee members for strategic value creation. These intersections introduce the themes of leadership, the role and contribution of the board of directors, and the nature of the interaction and behaviour between the NCC and the board. The central intersection of these themes is the area of focus for this study.

3.4 Research Philosophy

This section explains the research philosophy and positionality of the researcher including ontological assumptions of the nature of reality, epistemological assumptions regarding human knowledge and axiology, or how the researcher's own values influenced the research process (Ponterotto, 2005). It also justifies the methodological approach in researching how strategic value is realised through the committee chair's engagement of members of the NC. This study investigates the NC as both a collection of individuals and as a group, in terms of how process and behaviour merge to produce outcomes. Consequently, there were a variety of attitudes and perceptions depending on internal and external influences. The research philosophy takes reality as a social construction, in that knowledge and meaning are contextual. The research philosophy is the foundation for any research: 'philosophy of science refers to the conceptual roots undergirding the quest for knowledge' (Ponterotto, 2005:127).

3.4.1 Ontology. This section sets out the philosophy for this study in relation to its ontological assumptions. Ontology refers to the nature of reality or beliefs about truth (Ponterotto, 2005). There are two broad choices for an ontological position: one is objectivism

(also referred to as positivism, realism or naturalism) and the other is constructivism, which depends on constructing reality via personal experiences.

Positivism is where there is only one truth, which does not change; it is measured objectively and can be observed and generalised. Reality is concrete and tangible, therefore doesn't encompass inner experiences. Research is an attempt to understand causal relationships and separate beliefs from reality (Crotty, 1998). In recent years, this fixed nature of positivism has been dubbed 'zombie positivism', with its emphasis on objectivity plus the promotion of reliability and generalisation as the 'gold standard' of research (Lather, 2016:129).

By contrast, constructionism takes reality as subjective and a product of social interaction. Importantly, there is considered to be no shared social reality, only a collection of different individual constructions created by the different actors. These constructions of reality are continually being modified through social interaction, as such reality can only be an approximation and not a precise or fixed phenomenon. In relation to qualitative research, constructivism takes its context from political norms and the culture within which it is constructed: 'constructivism analyses the underlying structure of a problem and constructs a principled solution' (Buckley, 2013:698). Constructivism is situation-specific, therefore context is crucial and based on 'unique contextual facts' (Buckley, 2013:698).

The perspective for this study was constructivist, in that reality was constructed by participants and the researcher. The perspective was not positivist, as this study assumed multiple realities and multiple truths. However, this relativist plurality allowed the researcher to build a research paradigm from those realities illustrating how the researcher understood reality: 'constructivism offers a perspective that promises a detailed analysis on which a concrete principle can be firmly established' (Buckley, 2013:696). In this study of NCs and the engagement behaviour of NCCs, it is arguably impossible to separate individual beliefs from

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what is occurring in reality, therefore they become one and the same. Moreover, there are considered to be multiple versions of reality from the different actors, where meanings have been attached that are dependent on individual experience. These realities can change over time and are, importantly, social phenomena where reality is subjective and can only be accessed via the human mind (Ponterotto, 2005). In this study, it is the participants who give meaning to these phenomena and co-construct reality: 'reality is constructed in the mind of the individual' (Hansen, 2004 in Ponterotto, 2005:129). The researcher's role was to aid this process as the participant uncovered their meaning or 'the centrality of the interaction between the investigator and the object of investigation' (Ponterotto, 2005:129). Consequently, the researcher was not external to the interpretation of events but facilitated it.

3.4.2 Epistemology. This section explains the epistemological perspective for this study and justifies it. Epistemology is the study of knowledge and answers how we examine reality as it necessitates interpretation as in 'the relationship between the "knower" or the research participant and the "would-be knower" or the researcher' (Ponterotto, 2005:131). The nature of knowledge and how it is acquired is the epistemological position. There are two alternative positions: positivist and interpretivist (Crotty, 1998).

A positivist epistemology has no researcher bias as the researcher is independent of what is being tested and does not affect it with their values or beliefs (Crotty, 1998). Positivism does allow for social phenomena to be studied but only with an experimental or scientific method. Knowledge is perceived as concrete and is understood though the gathering of facts or observations. Positivism therefore aims to explain social phenomena objectively, but the researcher remains independent and does not attempt to influence the subjects or the results (Ponterotto, 2005).

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The interpretivist position is rooted in social construction and is subjectivist. It describes the relationship between participant and researcher as co-creating knowledge through joint interpretation: 'the dynamic interaction between researcher and participant is central to capturing and describing the lived experience of the participant' (Ponterotto, 2005:131). There is inherently bias from the researcher in the process, but this is openly discussed and managed. This subjectivist leaning construes people as actors and social constructors. It takes its metaphors from theatre, culture and language (Morgan & Smircich, 1980). This view of social reality as interactions and experiences between people within a social community reflects the context of NC meetings. Participants and researcher are therefore 'reflexively embedded' and 'enactors of social realities' (Cunliffe, 2011:654).

In this study, there were multiple realities where every individual had a different perception of events with regards to how NCCs engage with committee members to realise strategic value to the board. The dialogue between researcher and participant was focused on uncovering new knowledge and jointly creating their understanding of NCs. The researcher was involved in interpreting and facilitating the understanding of new knowledge through her own experience. The epistemology for this study was therefore interpretivist. Interpretivists assign meaning, either individually or jointly with others, to social reality. This study was descriptive rather than normative, in that it was about what knowledge is and can be described as, rather than what knowledge should be according to normative rules (Fassio & McKenna, 2015).

Phenomenology emphasises internal human experience and can be defined as 'the phenomena of experience rather than objective, physically described reality that is external to the individual' (Cohen et al, 2007 in Sloan & Bowe, 2013:1292). As it is descriptive and written down, the researcher's role is to 'give voice to it' (Sloan & Bowe, 2013:1293). The two main types of phenomenology are descriptive and interpretive, with this study having taken the

interpretivist stance, also known as 'hermeneutic phenomenology' (van Manen, 1997 in Sloan & Bowe, 2013:1302). In terms of the role of the researcher, reflexivity is central to interpretation of the participants' lived experience, often based on the researcher's own similar experiences: 'the researcher uses empathy or relevant prior experience as an aid to data analysis and/or interpretation of meanings' (Sloan & Bowe, 2013:1297). There are subtleties within interpretivism, where the researcher uncovers meanings and motivations behind observable actions and the researcher is part of what is researched. One of these interpretations is phenomenology, where the focus is on participants' lived experience and their interpretations (Sandberg, 2000). A phenomenological methodology draws on the context of in-depth experiences where the person and world experience are linked; however, it focuses on language and vocabulary. As this study was looking at behaviour with little known about the role of NCCs and how they engage with committee members to realise outcomes, the context and experience of committee directors and how they attribute meaning was key. Therefore a phenomenological epistemology is not appropriate for this study.

3.5 Research Strategy and Design

This section outlines the research strategy for accessing the relevant population of NCCs and their committee members. It evaluates the options for the research approach, inquiry logic, guiding theory, research context, level and unit of analysis, the time horizon, the sampling approach and methods for data collection and analysis. The section concludes with a discussion of research involvement and ethical issues.

The research strategy is a plan for the researcher to answer the research question, by linking the philosophy and choice of methods for data collection and analysis (Denzin & Lincoln, 2018). The design outlines the steps the researcher followed and includes any

omissions too. Internal consistency between the different elements of the research study was crucial. This 'methodological fit' (Edmondson & McManus, 2007:1155) was the logical thread both appropriate to and connecting the research question, prior work undertaken, the research design and the contribution to the extant literature. It needed to enable novel and innovative discovery that pushed the boundaries of what was already known. This topic on the NCC was considered 'nascent' (Edmondson & McManus, 2007:1158) and therefore an exploratory qualitative approach was appropriate to uncover new ideas iteratively. Poor fit would mean that the study becomes a 'fishing expedition' (Edmondson & McManus, 2007:1170) where associations are by chance and there is a lack of credibility with poor validity and reliability. Methodological fit in 'nascent theory' posits observation, interviews and content analysis (Edmondson & McManus, 2007:1163) as appropriate exploratory methods. The steps in the research design are illustrated below in figure 7.
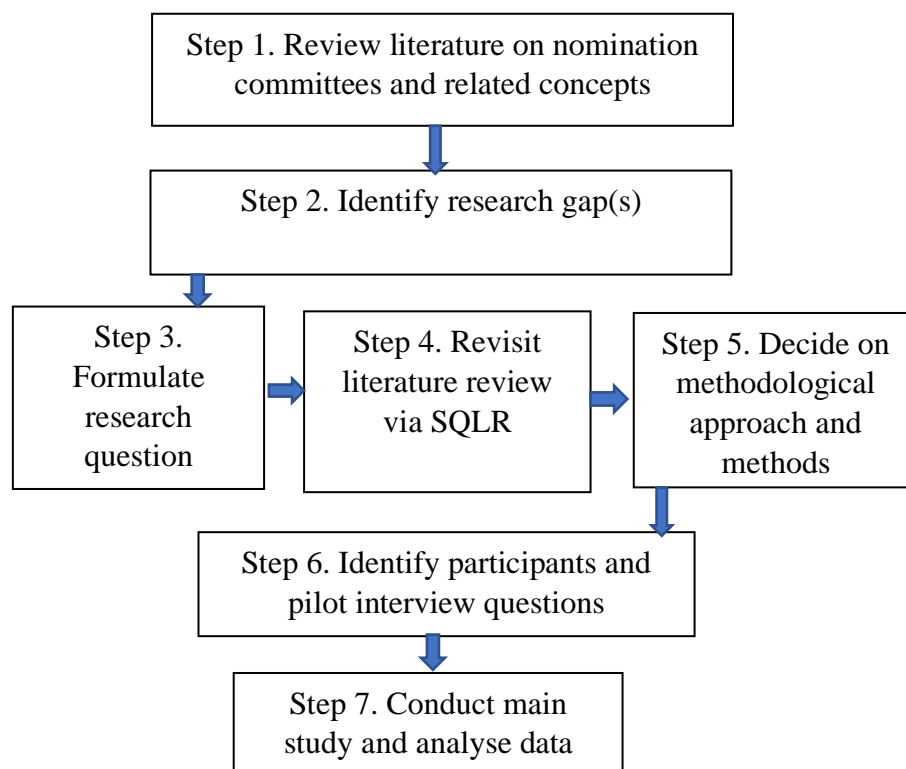
Figure 7. Overview of process steps in research strategy (author's own design)

3.5.1 Research Approach. The focus of inquiry was to develop working propositions that were time-bound and context-bound. As this study was exploratory in a relatively unexplored area of research, it was idiographic, in that it wished to uncover new understanding about NCCs and NCs as it applies to the individual. It therefore aimed to be both descriptive and detailed. The study adopted a reflexive approach, utilising self-examination, evaluation and interpretation of the researcher's own attitudes and beliefs, her reactions to the findings and people involved in this research study. Reflection on meanings was prompted by the interaction between researcher and participant, including their respective interpretations, so adopting a process of analysis and insight (Klag & Langley, 2013). Axiology allowed the author's research values to be acknowledged and described. The challenge for the researcher was to understand the world and its interpretation through the participants' eyes. As relatively little is known about NCs and the role of NCCs, an exploratory and qualitative approach was preferred where the answers were not assumed, the researcher had an open mind and was curious to understand how the actors' meanings were attributed through their experiences. However, this was not at the cost of methodological rigour, transparency and clear description of process (McNulty, Zattoni & Douglas, 2012) which is auditable (Johnson & Waterfield, 2004).

The definition and extent of strategic value as an outcome may vary from one organisation to another. Therefore, to operationalise strategic value, different types of output from NCs could be measured in terms of recommendations to the board and positive impact on the company's corporate objectives. These could be operational and compliance, or strategic and risk mitigation. Proxies of strategic value could have included recommendations to the board that relate to the areas of NC accountability and enable corporate strategic objectives to be realised. However, on reflection, this access to documents and recommendations from NC

to board was deemed highly confidential. As such, it was thought unlikely that board directors of UK listed companies would disclose this information. There was also a view that the minutes of NC meetings would not accurately capture the richness of discussion and debate that would be gleaned from interviewing board directors and getting their perspectives on NC dynamics.

3.5.2 Inquiry Logic. The inquiry logic can be deductive, inductive or abductive. A deductive approach tests a hypothesis through the subjective measurement of evidence and reaches a logical conclusion based on proof. However, this study is subjective and exploratory, therefore the preferred inquiry logic is inductive, defined as 'the production of generalizations through extrapolation from the observation of particularities' (Eisenhardt 1989, Glaser & Strauss, 1967 in Klag & Langley, 2013:150). The inductive researcher starts with a wealth of observations and data, then moves from those specific experiences to a more general collection of propositions about those experiences. The researcher can then draw likely but not certain conclusions based on probability and predict future similar events. This use of experience in sense-making is central to inductive research where the researcher is articulating a social reality or 'uncovering new ways of making sense of some aspect of existing social worlds' (Klag & Langley, 2013:150). An abductive approach for reasoning relies on incomplete observations and whatever data is available to reach probable conclusions. Some evidence in abductive reasoning may be hidden. This approach was rejected as there were full sets of observations from participants and therefore conclusions were drawn from the qualitative data. The researcher's interpretation of social realities took the observed or heard data and made a leap to generalise from the specific event where 'conceptual leaps emerge over time through connections between data and ideas' (Klag & Langley, 2013:151). It was an iterative and creative process that emerged over time and contained ambiguity. An inductive approach is highly contextual, which was central to this study.

3.5.3 Guiding Theory. The guiding theory for this study was role theory, as the focus was on the role of the NCC and how they engage with their committee members. The research question asked about the role of the NCC within this context and sought to understand how this role holder engages with committee members to produce an output as strategic value to the board. There are boundaries to the role of NCC as this board committee has a prescribed remit. Consequently, the NCC has a mandate to deliver certain outcomes, such as populating an independent board and securing the appropriate talent and skills for the board and business to be effective. The main concepts of NCC, engagement, committee members, strategic value and the board all resonate within role theory as the role set, role attribution, interaction of role players, expectations of role holders and their impact on other role holders. Role theory introduces the qualities of different actors such as the NCC, the CEO and board chair, but also looks at the relationships between them. It provides a language and relevant concepts to interpret the dynamics both inside and outside of NC meetings.

Kahn (1992) was one of the first researchers to link role to what we now call 'engagement', which he labelled 'psychological presence at work' (Kahn, 1992:1). This attitude or affective predisposition was considered beneficial to companies and individual employees: 'the long-term implication of psychological presence is that people who are present and authentic in their roles help to create shared understandings of their systems that are equally authentic and responsive to change and growth' (Kahn, 1992:1). Another study applied role theory to explain a positive association between 'goal-focused leadership and employees' voice behaviour' (Qian et al, 2018:1) where voice was defined as 'above and beyond behaviour that is essential to the adaptation and success of organizations' (Morrison, 2014 in Qian et al, 2018:1). These studies were within the context of employee-leader but were later applied to boards and non-executive directors, and as such, give this study a justifiable springboard to use role theory as the guiding theory.

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3.5.4 Research Context. The research context for this study was the 2018 UK Corporate Governance Code, which focused on NCs, extending both their remit and mandate in UK listed companies. Although NCs were introduced by the Cadbury Report (1992) with a recommendation that the board chair or a NED chaired them, they were promoted as best practice by the Hampel Report (1998) but not included in the code of practice as smaller boards were considered able to carry out the NC function. Later, the Higgs Report (2003) stipulated that 'all listed companies should have a nomination committee' (Higgs Report, 2003:40). Regarding the chairmanship of NCs, recommendation A.4.1 of the Higgs Report (2003) stated 'it may include the chairman of the board but should be chaired by an independent non-executive director' (Higgs Report, 2003:82). This recommendation was not adopted in the UK Corporate Governance Code. The NC needs to be a standing committee, but there is nothing in the UK Corporate Governance Code about frequency of meetings. During 2021, the Financial Reporting Council (FRC) announced that it would open a consultation to review the 2018 UK Corporate Governance Code during the second half of 2022 (codes are normally reviewed every three years) which makes this study pertinent in terms of the window of operation of this governance code.

3.5.5 Level of Analysis. The level of analysis for this study was the NC, a central construct in corporate governance. To explore NCs and the role of NCCs, the researcher needed to speak to these actors and understand their lived experience. For UK listed companies, the recommendation is that NCs are fully populated with independent directors; however, the board chair or the CEO may also be members or invited to some NC meetings if their presence is pertinent to selected agenda items. As the area of interest was the NC and the nature of the interaction between the NCC and their committee members, the focus was mainly on non-executive directors. The 2018 UK Corporate Governance Code states that the majority of NC

members should be independent NEDs. This study includes the NCC, the NC members, the CEO and the board chair.

3.5.6 Unit of Analysis. The unit of analysis for this study was the individual NCM. The desired individuals for this study were NCCs and two members of the NC, all of whom were likely to be NEDs. The CEO and board chair were also included as pivotal stakeholders in the judgment of strategic value as realised by the NC. This was justified as each person may have a different interpretation of reality through their attributed meaning and experiences. Figure 8 below illustrates the key individual units of analysis by role, that is, the NCC, the NC members, the CEO and the board chair.
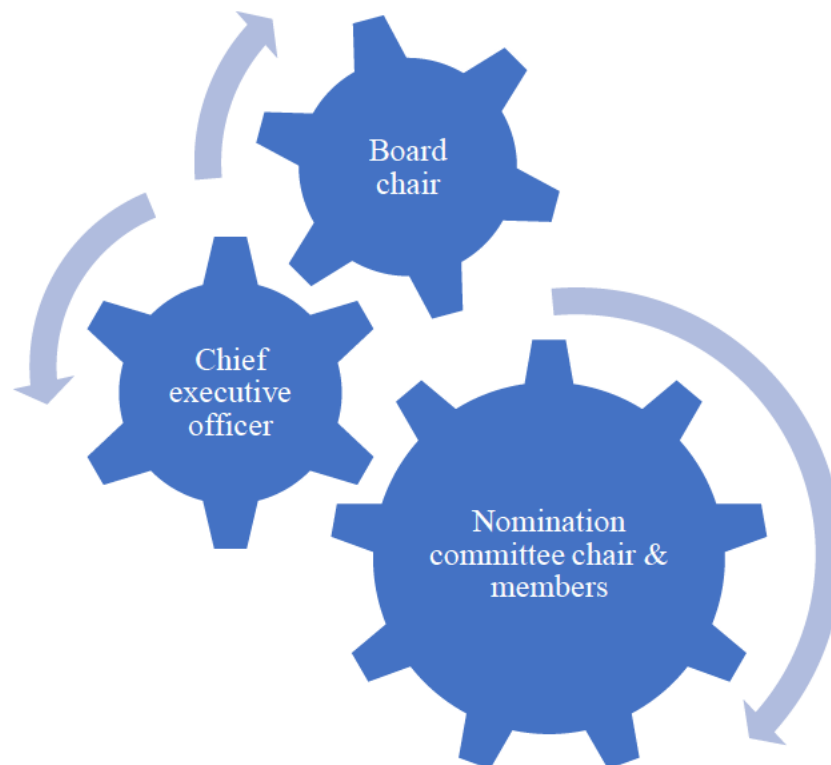
Figure 8. Diagram showing units of analysis (author's own design)

3.5.7 Time Horizon. The time horizon of this study was during the period 2020–21. It could have potentially been a longitudinal study to examine NCs over several financial years, reflecting a company's three- to five-year strategic plan. However, a longitudinal approach was not practicable due to time and resource constraints, so the timescale was one point in time, therefore it was cross-sectional. The decision to select a cross-sectional time horizon is explained further by the fact that the 2018 UK Corporate Governance Code in its current form was in operation from January 2019 until probably the end of 2022. A cross-sectional approach allows the study to be completed during the time period of the same version of the code being in operation.

3.5.8 Sample Selection. The aim was to identify as many board directors of UK listed companies as possible. The criteria were that the UK listed company must follow the 2018 UK Corporate Governance Code and have a standing NC (regular scheduled meetings rather than ad hoc). The ideal sampling approach was purposive so that a range of diverse companies by sector and size could be selected and these participants were representative of the population. In order not to bias the sample through social contacts, a snowball approach to sampling was rejected. A convenience sample would approach participants who are easy to reach, a challenge during Covid-19 when lockdowns and working from home meant that boards and committees were not operating as normal.

Business networks such as LinkedIn contacts, the Institute of Directors (IoD), the FRC and the Chartered Governance Institute (CGI), previously the Institute of Chartered Secretaries and Administrators (ICSA) were informed about the topic of this study to publicise it. In some conversations, it was necessary to offer to sign non-disclosure agreements (NDAs) with the participants' companies as NC meeting and document content was requested but unfortunately not forthcoming.

A generous lead time was allowed to get participant commitment formally in place as it was unpredictable how potential participants would react during the Covid-19 pandemic, a time when businesses were focussed on business continuity and risk management. The number of participants across multiple organisations is often not justified or even stated in research studies (Saunders & Townsend, 2016) with a lower number justifiable relative to the depth of data. However, the target for this study was to obtain access to at least 30 participants.

The sample selection encompassed a wide range of sectors, but all participants were experienced NCCs, NC members, CEOs and board chairs. All participants were retained as board and committee directors at UK fully listed companies. The NCCs were required to have at least one year's experience as an NCC and the NC consisted of the NCC and at least two other committee members. The NCs met at least twice per annum. The board chair or the CEO may be members of the NC or invited to attend for specific agenda items. Equally, the board chair may be excluded from some NC meetings if their presence is a conflict of interest, for example, when discussing succession for their role. The NCs may be combined with other functions, such as governance, remuneration or sustainability. A summary of the criteria for sample selection was as follows:

- UK fully listed or AIM listed company following the 2018 UK Corporate Governance Code
- Companies to represent a wide range of sectors
- NCC/NC member x 2/board chair/CEO
- NCC with at least one year's board/NC experience
- NC composition to be minimum NCC + 2 members
- NC may be combined with other responsibilities such as remuneration, governance, sustainability or 'directors affairs'

- NC to meet at least twice per annum

There are 2,600 UK listed companies, of which 1,151 are AIM listed.[1] An analysis of the FTSE 350 companies was conducted by the researcher to identify target companies that fulfilled the above criteria. The FTSE 350 is an amalgam of the FTSE 100 and the FTSE 250, which represent the top tiers of equities. The constituents of this UK stock index are reviewed every quarter, adding and delisting companies dependent on their performance. The London Stock Exchange[1] website was used for the FTSE 350 constituents during November 2020. The FTSE All Share index comprises 616 companies, but this was a contingency plan if the FTSE 350 did not produce sufficient participants for the main study. The FTSE All-Share combines the three indices (FTSE 100, FTSE 250, and FTSE SMALLCAP). It represents 98–99% of UK market capitalisation (Yusuf & Sherif, 2020).

Analysis of the FTSE 350 entailed searching for the company websites on Google Chrome and finding the corporate governance or investor pages which showed the board chairs' and NCCs' names. If the websites did not contain this information, then the latest annual report was interrogated or emails were sent to website contacts to request clarification of the published information. Of the ten companies with no NC, all of these listings were investment trusts. The target companies for this study were originally the 50 companies where the NCC is a different person from the board chair but this was later changed in order to compare and contrast the positioning of the board chair as NCC with an independent NCC. An analysis of the FTSE 350 NCs is shown in table 7 below.

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[1] www.londonstockexchange.com The London Stock Exchange website. London, UK.

Attribute	Actual Number	Percentage
Nomination committee exists	340	97.1%
NC with distinct NCC from board chair	48	13.7%
NC with board chair as NCC	292	83.4%
NC with female NCC	48	13.7%
NCC and board chair same & female	31	8.9%
NCC is SID/deputy chair/vice chair	21	6.0%
NC is a combined committee*	59	16.9%

*Nomination combined with remuneration, governance and/or sustainability

Table 7. Analysis of NC data from FTSE 350 November 2020 (author's own design)

3.5.9 Methods for Data Collection. This section describes the choices considered of methods for data collection and the preferred method of semi-structured interviews. It also provides a justification into why semi-structured interviews are appropriate for gaining insights into the research question.

The period of this research study and especially the period of data collection was during the Covid-19 pandemic when the UK was in numerous and prolonged government-legislated lockdowns. Consequently, there was a limited choice of methods that allowed continuation of the project via a laptop and home office.

Focus groups are considered a practical method of qualitative data collection as it brings together a group of participants who may provide more faster responses in a social setting, so it is economical on the researcher's time. Focus groups also allow the examination of group interaction and behaviour (Onwuegbuzie, Leech & Collins, 2010). However, for this study, focus groups were not considered practical as this would have entailed gathering participants together in a meeting room which was not permitted or discouraged during Covid-19.

Similarly, observation was considered impractical during Covid-19 as another group activity in terms of an NC meeting to observe how the NCC engaged with committee members. Observation has also been criticised for participants not behaving naturally. They are also observed as a group even if some members do not contribute their opinions at all and others dominate the discussion (Onwuegbuzie, Leech & Collins, 2010).

As a quantitative method, surveys typically give a numeric assessment of variables even if they include free text comments. Survey results can be more easily generalised, but they rarely provide thick data as from qualitative interviews (Jick, 1979). The length of surveys and the time taken by participants to complete them is often sensitive, limiting what qualitative data can be collected in them. The nature of this study is strongly exploratory and interpretivist therefore a survey would not have enabled participants to describe at length what they experienced in NCs. To design survey questions requires the researcher to anticipate hypotheses to be tested, which also contradicts a genuinely exploratory approach (Jick, 1979). Surveys were therefore deemed unsuitable for the topic of NCs and understanding how NCCs engage in committee meetings.

Longitudinal ethnographical research was not considered as this doctoral research had limitations on duration, set by both the researcher and Henley Business School. To truly realise a longitudinal or ethnographical study would have meant waiting until after the height of the pandemic, which during 2020 and 2021 was largely unpredictable. Problems of access to board directors and NCs would have been challenging, as in a single or multiple case study method. Longitudinal, ethnographical and case study work requires an intensity of access and contact with participants that was not feasible during the pandemic. This approach has been claimed to permit 'extensive emersion in an organization (which) enables one to better appreciate, and perhaps counteract, political definitions of the researcher's role' (Barley, 1990:243).

Unfortunately, this long-term immersion in the offices of company boards and NCs was not feasible at this time.

Structured interviews were rejected as too inflexible to engage board directors in as normal a conversation as possible and retain their interest in the topic. Unstructured interviews were also rejected as this would create risk of rambling and all-encompassing conversation without sufficient focus on NCs. This could lead to a lack of thick data about the research question. Both structured and unstructured interviews could potentially irritate elite participants who have limited time and need to be engaged in the dialogue to produce good quality data.

Interviews that are semi-structured and in-depth have themes and example questions to steer the conversation within the context of a normal discussion. The process is iterative: collecting data, reflection, then collecting further data, followed by further reflection, so that the semi-structured interviews can still respond to new emerging themes. This process of iteration may drive changes in both the research question and the data collection. Semi-structured interviews provide a structure for the interview process but still offer flexibility for the researcher. They also enable the exploration of the topic in a way that is conducive to a natural and flowing conversation with the participant. Semi-structured interviews are easier for the new researcher to manage the process and the participant, they give greater reliability through their consistent and standardised format (Morse, 2015). Therefore, semi-structured interviews were selected as the preferred method due to practicality during Covid-19, enabling the continuation of this study.

All interviews were audio recorded on Zoom, which has the advantage of being secure. Elite participants had necessarily become familiar with participating in Zoom calls, meetings and interviews in their board director roles. This was a constraint of conducting interviews

during Covid-19 and some periods when lockdowns were in force by region or nationally. However, recent research has shown that Zoom is considered 'the next best thing' (Archibald et al, 2019:4) if face-to-face interaction is not possible and in fact, a majority of participants have been found to prefer the economies of Zoom interviews (Archibald et al, 2019).

An interview protocol was created encompassing an introduction and one-page value proposition for participants, a consent form, and the themes and specific questions to be asked in a semi-structured interview. The interview themes were shared with participants in a broad sense, but the researcher did not share the precise research question as this disclosure could have skewed the data by influencing the participants' responses. Participants were advised that the research was investigating NCs and how they realise strategic value to the board. The researcher familiarised herself with the companies, recent news, events in the wider sector, board and committee membership, as well as the background and interests of executive and non-executive directors of the NCs. Participants were reminded by email the day before the Zoom interview.

The beginning of each semi-structured interview commenced with positioning the research and managing the participant's expectations in terms of duration, confidentiality and the topic of discussion. The first three interview questions were introductory grand and mini-tour questions, to set the scene and encourage participants to speak openly (e.g. 'tell me about your role' and 'what executive or non-executive experience do you bring to the nomination committee?'). Most questions were open to allow the participant to expand and to elicit detail, however, the interviewer used the questions as a guide and not a rigid plan so that the interview flowed like a conversation (Hermanowicz, 2002). Some ethnographic questions were prepared such as example questions (e.g. 'can you think of an example of when that happened?'), direct language questions (e.g. 'what exactly does that mean?') and hypothetical questions (e.g. 'what would happen if….?'). The researcher also probed specific language used by the participant,

especially company jargon or technical terminology. Clarification was ensured for the recording so no assumptions were made by the researcher about meaning. The focus of questions were critical incidents, agenda items or discussions that gave insights to the chairing process and realisation of strategic value to the board. It was important to maintain eye contact when asking questions of participants, actively listen with encouraging signals, manage the time available, adopt a professional demeanour and drive the interview pace and process. The researcher was prepared to take detours in the line of questioning when it promised new potential insights. A checklist was used as a helpful reminder to ensure that each interview probed and delivered the depth of detail to produce high-quality data (Hermanowicz, 2002). A 'quality' interview is considered to consist of between 20 and 30 questions and last 60–90 minutes (Hermanowicz, 2002:480). At the end of each interview, the researcher finished with the question 'what didn't I ask you that you thought I was going to cover?' This final question alerted the researcher to any areas that may have been of interest to the study and hadn't been considered. Thanking the participant for their time and leaving them on a positive note was important so they felt their contribution had been of value and was appreciated. In order to manage any interviewer bias, the researcher immediately captured her own thoughts and feelings in a field journal. Including a reflexive research diary is regarded as helpful to producing qualitative research that is novel and unique (Rolfe, 2006). Field notes were collated immediately after every interview in Office One Note, which allows information to be organised into pages with a menu for easy navigation. One Note is part of the suite of software available via the University of Reading and so the notebooks were stored on the secure University of Reading One Drive.

This section has explored the advantages and disadvantages of different qualitative and quantitative methods of data collection and justified the approach to use semi-structured interviews for this study.

3.5.10 Methods for Data Analysis. This section explores the alternative methods for data analysis and why they were not considered suitable for this study. The preferred method of data analysis was thematic analysis and this choice is justified.

Discourse analysis or 'examining the linguistic elements in the construction of social phenomena' (Phillips, Sewell & Jaynes, 2007:770) was considered but rejected, as the main focus of this study was on the context, dynamics and behaviour within and outside of NC meetings. Although discourse analysis has been argued to be applicable to strategy formulation (Phillips, Sewell & Jaynes, 2007), this study's emphasis on strategic value to the board was more concerned with output and outcomes rather than a strategic development process per se. For this reason, discourse analysis was rejected as a method for data analysis for this study.

Content analysis is a method that analyses text, looking for trends and patterns of words including the frequency of codes. There is more quantification of text than in thematic analysis, although both draw on deductive and inductive approaches (Vaismoradi, Turunen & Bondas (2013). The type of text suitable for analysis with this method are conversations including: 'textual matter, symbols, messages, information, mass-media content, and technology supported social interactions' (Vaismoradi, Turunen & Bondas, 2013:401). Content analysis has been applied to UK corporate governance research when analysing company annual reports (Chandrakumara & Walter, 2015). The risk with content analysis is that context is neglected. As context is an important aspect of this study, content analysis was rejected as a method of data analysis.

Narrative analysis is a method of qualitative data analysis which is likened to retrospective storytelling and takes the point of view of the narrator or author in 'shaping and ordering the past experience' (Seal & Mattimoe, 2016:331). However, it is often charged with being biased as it is one-sided and therefore more likely to inhibit interpretation and creativity

(Seal & Mattimoe, 2016). As this researcher sees social construction as a joint creation within an interpretivist epistemology, narrative analysis is not considered suitable for this study and was therefore rejected as a method of data analysis.

The selected method of data analysis of the interview transcripts was thematic analysis. Thematic analysis offered greater flexibility in interpretation and ease in which to draw conclusions when compared to narrative inquiry or content analysis (Clarke & Braun, 2017). Thematic analysis enabled use of all the qualitative data and allowed the researcher to condense data into major themes that were prominent among the majority of participants. Themes emerged from the coded and categorised data according to the concepts inherent in role theory and the research question. The interviews were recorded and transcribed, then manually inputted into NVivo, which allowed the coding of the transcripts. The researcher then distilled the main themes by clustering codes and categories, followed by drawing inferences of possible causal or correlational relationships. This was an iterative cycle as more data was collected and added to the coding and themes.

3.5.11 Researcher Involvement. The very nature of an inductive and idiographic study means that the researcher was involved with participants during the collection of data. However, it was possible for the researcher to become too engaged and familiar with participants and risk losing her objectivity in analysing the data. As the researcher seeks to add to their understanding so they become 'so enmeshed with their participants, that they can no longer look critically at the issues of concern' (Elder & Miller, 1995:283). There was a delicate balance to strike in terms of introducing too much bias and the researcher not becoming sufficiently involved in the interpretation of data and results. This involvement is described as 'the researcher's subjectivity as analytic resource, and their reflexive engagement with theory, data and interpretation' (Braun & Clarke, 2020:330), which invites an iterative process of both

deduction and induction in uncovering less obvious themes. Reflexive analysis is critical both during the interviews and for coding the data (Braun & Clarke, 2020).

By keeping a reflexive journal and continually diving into reflexive analysis during the study, the researcher was able to achieve an appropriate balance and awareness, which allowed the capturing of her thoughts and feelings about involvement (Elder & Miller, 1995). The researcher was privy to confidential events and personal thoughts of participants that they may not have shared with others in the company. Trust is fragile so these confidences have to be respected. This is 'someone's essence or inner core' (Hermanowicz, 2002:481) so needs to be handled with integrity by the researcher. By explicitly noting the researcher's involvement as candidly as possible: the 'instrument through which the topic is revealed' (Angen, 2000 in Johnson & Waterfield, 2004:129), then optimum transparency is possible for academic and practitioner audiences.

3.5.12 Ethical Issues. Ethics approval was a prerequisite before data collection could take place with human subjects. An ethics questionnaire was completed and approved by supervisors before approval was sought from the Marketing & Reputation Department, Ethics Representative and Head of Henley Business School. The approval was sought for both the pilot study and the main study separately. For this approval, a semi-structured questionnaire, interview protocol and consent form were produced. Ethics approval encompasses sensitivity, confidentiality and anonymity for both the company and the individual participants. There was no covert observation in this study. The ethics approval as described above was processed in advance via email before participants were interviewed. The ethics approval was completed and registered according to the policy and practice of the University of Reading.

The researcher judged when sufficient data had been collected. This point was when the themes were repeated and no new insights occurred, signalling that the data collection had reached saturation. Data from this study has been stored on the secure University of Reading N drive in a separate folder with participants and companies' names anonymised by a number and the initials of the participant. Reference to participants was coded so real names were not used. A data management plan outlined how the data was collected, organised, managed, electronically stored and backed up. The back-up storage was on a memory stick hidden in the researcher's home.

3.6 Summary of Research Design

This section aims to summarise the key elements of the ontology, epistemology, methodology and approach to this study. The research design is summarised in table 8 below with section numbers indicated.

	Design	Choice	Justification
Philosophical perspective	3.4.1 Ontology	Constructivist	Reality is socially constructed by actors, through which it is formed from social interaction that shapes the construction of shared meaning. Meanings are contextual.
	3.4.2 Epistemology	Interpretivist	Context is first person point of view and in-depth experiences where individuals are linked in understanding how they attribute meaning.
Research Approach	3.5.1 Approach	Exploratory/ Idiographic	Phenomena are unknown and unexplored. This approach allows a focus on unique individual experience and how this influences group dynamics and output.
	3.5.2 Inquiry logic	Inductive	Observations and experiences of actors are synthesised into high level themes, shared patterns of contextual behaviour and provisional conclusions.
	3.5.3 Guiding theory	Role theory	The focus is the role and engagement of the NCC in relation to NC members and the

	Design	Choice	Justification
			strategic tasks and output to the board. This is an unexplored area within role theory.
Research Context	Broader context	UK listed companies	Context of study is 2018 UK Corporate Governance Code and empowered role of NCs. Therefore, UK companies from different industry sectors with standing nomination committees are the focus of interest for this study.
	3.5.5 Level of analysis	Board directors	NCCs and NC members are the least researched board committee. The 2018 UK Code gave them a broader, empowered remit allowing for timely, novel study.
	3.5.6 Unit of analysis	Individual	Understanding the experiences and interpretations of NCCs and their committee members are central to this study.
	3.5.7 Time horizon	Cross-sectional	A pragmatic approach to gain access and quality responses where longitudinal is not practical. Allows researcher to complete study within the time constraints of a PhD.
	3.5.8 Sample	Purposive	Sample to reflect a range of NCs and boards across different industry sectors. A non-probability approach where researcher subjectively relies on own judgment in selection. Participants will be NCC, NC members (whether executive or non-executive) and chair of the board.
Methods for data collection	3.5.9 Data collection techniques	In-depth elite interviews	Approaches will enable thick and rich description of experiences and meanings by actors and researcher. Semi-structured open questions will ensure consistency.
Methods for data analysis	3.5.10 Data analysis techniques	Thematic analysis	Use of mainstream and popular NVivo software to efficiently code, categorise and crystallise data for themes linking back to concepts in the research question.

Table 8. Research design overview (author's own design)

3.7 Pilot Study

This section outlines the process, participants and findings from the pilot study carried

out during November to December 2020. It also explains why a pilot study was necessary, the

process followed, data collection and analysis, concluding with the learning points that crystallised from conducting the pilot study.

3.7.1 Purpose of Pilot Study. The purpose of this pilot study was to evaluate the feasibility of the intended study and test each key concept, namely the NCC, engagement with committee members and realisation of strategic value. It was also to ensure that time and resources were not wasted in the main study. The pilot was a vehicle to assess any problems with duration and resources, to identify any issue in the research design or sampling, expose any complications and assure that this study is both interesting and valid. The pilot study was critical for checking whether the topic and research question were potentially fruitful and the optimum method was selected. It also acted to verify that the participant instructions and the interview questions would reap thick and rich qualitative data from the whole dataset. The reactions and experience of participants to the pilot interviews were key to ascertaining the perceived value of this study to academics and practitioners. The pilot study provided guidance and feedback on how to conduct the main study, how to ensure it was interesting to both audiences and produced new knowledge through its contribution to the application of theory.

3.7.2 Pilot Sample. The pilot sample was selected from UK fully listed or AIM listed companies, primarily constituents of the FTSE 350 index and companies traded on the London Stock Exchange. The researcher approached her network of both friends and colleagues, but this route to participants in listed companies did not prove fruitful. Consequently, the researcher identified and speculatively emailed approximately 20 NCCs of listed companies who fulfilled the selection criteria (see section 3.5.8) via LinkedIn and sought their participation. The researcher offered to share some of the FTSE 350 analysis shown in section 3.5.8 to encourage NCCs to respond. Five NCCs agreed and were sent the interview protocol and consent forms.

There then followed a period of repeated follow-up by email to obtain commitment to schedule a precise day and time for the Zoom interview. One participant wished to wait until after his scheduled NC meeting so that topics were fresh in his mind. The agreement of one pilot participant was achieved via an interviewee from a Henley Business School consultancy project in which the researcher had been involved with AIM listed companies during 2020. Unfortunately, this female NCC then emailed to say she had suffered an emergency appendectomy so understandably refused to participate. A contact at the Quoted Companies Alliance (QCA), a consultancy client of Henley Business School, agreed to email their database of 50 NCCs to share the researcher's pilot study letter. Unfortunately, no interest was forthcoming from the QCA email.

The final list of pilot participants is summarised in table 9 below.

Participant	Gender	Business	Size of NC	Type of NC	Industry
1	Male	Investment fund	4	R&NC*	Financial/renewable energy
2	Male	Metals	3	NC	Mining
3	Male	Housebuilder	3	NC	Construction
4	Female	Metals & minerals/energy	3	NC	Natural resources
5	Female	Investment Fund	3	NC	Financial/green economy

***Combined remuneration and nomination committee

Table 9. Analysis of participants in pilot study sample (author's own design)

Participants were emailed a pilot study letter with a brief description of the study and what was entailed in terms of a maximum one-hour Zoom call which would be recorded but confidential. Once a participant agreed to be interviewed, they were emailed the interview protocol and consent form, explaining in more detail about the study and the process. The consent form had to be signed and returned by email before the interview took place. Consent forms were stored securely on the N drive. Both the pilot/main study letter and interview protocol/consent form can be found at Appendix B.

3.7.3 Pilot Data Collection. In preparation, the researcher sought a recommended application for audio and video recording of interviews from second-year PhD students. She downloaded the recording app and tested it for volume and quality. The capacity for audio recording is dependent on mobile phone storage but the internet states that a two-hour interview would require approximately 60MB of storage. Ensuring sufficient available storage was a preparatory task before an interview.

Due to the Covid-19 pandemic during 2020 and the two periods of lockdown in the UK, the majority of businesspeople had been working from home and therefore it was necessary to conduct interviews online. An advantage to using digital applications such as Zoom is that there is inbuilt recording, which automatically produces an audio file. For the pilot study, these audio files were transcribed using Microsoft Office 365 Word, which includes a new Auto Transcribe feature permitting up to five hours of automatic transcription free of charge per month. The annual reports were the only documents in the public domain that contain any level of disclosed detail about the activities and deliverables of the NC, which is often high level and driven by public relations.

Pilot interview data was collected through the following original questions:

1. Can you briefly describe your existing executive and non-executive board roles?

2. Can you tell me how long you've been a chair of a nomination committee?

3. How many committee members are on your nomination committee?

4. How often does your nomination committee meet?

5. What do you feel is the remit of the nomination committee?

6. How do you see as the role of a nomination committee in practice?

7. What is 'good governance' on your nomination committee?

8. What do you think are the necessary abilities to fulfil the nomination committee chair's role?

9. What are your greatest challenges in chairing the nomination committee?

10. Do you consider the NC a team? If so, can you describe what sort of team?

11. How cohesive in the nomination committee as a group?

12. How does conflict manifest itself in your NC meetings? Does it focus on the task, process or relationship?

13. How do you engage your committee members, both inside and outside of NC meetings?

14. What do you feel is your best skill or behaviour in engaging committee members?

15. How do you know when your committee members are engaged? What happens?

16. Can you recall recent agenda items which you would call 'strategic'?

17. How did that topic contribute strategic value to the board?

18. What did you do specifically to enable this strategic value to be realised?

19. How did committee members contribute to this realisation of strategic value?

20. How was it received by the board and/or chair of the board?

Questions were used as a guide and modified after each pilot interview, depending on how productive they had proven and how they had resonated with participants. Consequently, each pilot interviewee was asked a slightly different set of questions from the original list above. This iterative approach was felt to be good practice by the researcher for refining the best interview questions for the main study. The final set of semi-structured interview questions used in the main study are included in section 3.8.3.

3.7.4 Pilot Data Analysis. This section outlines how pilot data was analysed. The process is explained for the pilot study and the resulting thematic analysis is related back to the research question.

The interview audio files were transcribed using Auto Transcribe and then the transcriptions were manually corrected against the audio files. The resultant Word documents were analysed manually for themes by coding, categorising and crystallising themes. It was an iterative process that entailed reading and rereading the transcripts several times. The researcher's field journal also captured methodological lessons learned, output from reflexivity, thoughts and feelings from each interview and interaction with participants, insights from data collection and ideas for development of a new model. Analysis of secondary data from documents such as annual reports and NC meeting minutes were not collected or thematically analysed for the pilot study, nor were there any observation data collected. The aim of the pilot interviews was primarily to test the interview questions.

The manual coding of the pilot interviews can be illustrated through the following quotes, which relate to the themes, as shown below in table 10.

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Pilot participant	Text	Theme
3	'I find it the most difficult of all the chairs because everybody's got an opinion and there's very little to go on, in terms of guidance.'	NCC challenging role/more fluid and flexible
4	'The only thing that I think is strategic is someone's…. actually their scar tissue and their intellectual capacity. You know, it's what do they bring with them?'	Intellectual capital is diversity
5	'But even saying that I think most of that conflict stuff is done beyond behind the scenes and then when you come to the meeting, you more or less have a view.'	Conflict handled offline

Table 10. Illustration of thematic analysis coding of pilot interviews (author's own design)

3.7.4.1 Summary of Pilot Themes. This section summarises all the emerging themes from the thematic analysis of the five pilot interviews. Table 11 below shows the output from the manual coding and thematic analysis.

Pilot Study Interview Areas	Pilot Study Codes	Pilot Study Themes
NC Remit	- Recruitment and selection of executive and non-executive directors - Board behavioural issues - Succession planning - Training and induction of NEDs - Diversity	- Flexibility of remit - Overlap of remit with board - Delegation is not same as absolution - Resistance to diversity - Disempowerment
NCC Role	- Chairing skills - Guide towards consensus - Knowledge of selection requirements - Role model and influencer	- Role model - Soft skills repertoire - Sherpa/catalyst - Recruitment knowledge
NCC Engagement with	Seeking buy in or discord	- Verbal and non-verbal - Truth outside of NC

Committee Members	• Non-verbal signals of disengagement • Offline engagement for truth	• Conflict handled offline • Managing disruption
NC Realisation of Strategic Value	• Diversity beyond regulatory requirements • Composition and shape of board • Succession plan • Recruitment of a new CEO • Board evaluation	• Strategic value when go beyond regulation • Telling truth to power • Long-term impact • Intellectual capital
Comparison with Other Board Committees	• Lack of prescription • Lack of guidance or adviser • Less control over outcomes	• More fluid and flexible • NCC challenging role
Implications of Covid-19	• Shorter and more frequent meetings • More work done offline • Unpredictability of output • Less socialising	• Need more clarity • Board chair as NCC is double-edged sword • NC is underpowered
Future Development of NC	• Clarification of function and role • Uphold independence • NCC should/shouldn't be board chair • New areas included in remit • Regulation needs revisiting	• More offline NC work • Virtual meetings are difficult to chair • Harder to engage

Table 11. Summary of pilot study findings and themes (author's own design)

3.7.5 Pilot Findings. This section outlines the findings from the manual thematic analysis conducted across the five pilot interview transcripts. The findings span the NC remit, the role of the NCC, engagement with committee members, and realisation of strategic value. There is also discussion of the findings regarding the impact of Covid-19 and future developments of the NC.

3.7.5.1 Nomination Committee Remit. Perceptions of the remit of NC included the review and renewal of directors, tenure and succession planning, addressing issues such as poor attendance, monitoring/advising and competency. Recruitment and selection of new executive and non-executive directors were seen as a key part of the NC remit: 'it's about ensuring that

we have a properly resourced and adequately competent board' (participant 3). A caveat given is that hiring is a shared activity with the board (or delegated by the board) so the board cannot be absolved of any hire or fire decisions. This shared and delegated responsibility was acknowledged as leading to over-convergence, where the board membership and NC membership are the same. This poor delegation could be rooted in several different issues, such as a lack of trust from the board chair or overly constraining terms of reference. This appears to be a key area where NCs have been disempowered and board chairs express their nervousness:

'I think that's a just a management issue that every board faces, you know, how much delegated authority do you give to your committees? It almost takes us right back to the opening two minutes we had about delegation of sensitive issues to other than the full board' (participant 3)

'Just as a general point I'm a bit nervous when the board delegates its responsibility to a sub-committee… Right, and that delegation is…..loose, put it that way, i.e. it sort of overly relies on a sub-committee' (participant 3)

However, some board chairs as NCC were actively trying to address this distrust and move to a more empowered delegation as expressed by this participant:

'And maybe that's part of the journey that we're on because as I inferred earlier, this board didn't work well with subcommittees, it didn't delegate well, it was a

bit of a centralist board. And I'm really working on getting them to delegate. And finally to do a bit more work outside the board meetings, so that the board meetings are more effective' (participant 20)

The board chair's evaluation was mentioned as a key part of the NC remit, but pilot interviewees were often also a senior independent director (SID) as well as an NCC. Board evaluation, including external evaluation of performance, was offered as part of the NC remit; however, this activity can be driven by the board with the NC facilitating the process. This responsibility is another area of potential overlap or duplication and under-empowerment of the NC.

Other NC activities mentioned were scheduling the Annual General Meeting (AGM), reviewing the NC terms of reference, general board training and inducting new NEDs. One interviewee mentioned employee engagement as a new accountability from the 2018 UK Corporate Governance Code, although workforce engagement is stipulated as the responsibility of the board, with committee chairs engaging with shareholders on relevant subject matter. It was unclear whether this was a formal delegation of responsibility from the board.

Diversity was mentioned by all interviewees as central to NC functioning, but with the message that it was a work in progress, as many boards and committees now include female directors, but with little perceived success so far on recruiting directors from ethnic minorities. Several interviewees only saw diversity as gender and there was no offer of any other interpretation of diversity, such as age, religion, disability or experiential diversity. When prompted on other types of diversity, there was some resistance: 'how many slices can we go past gender that actually are none of anybody's business?' (participant 4). Only one interviewee spoke of a diverse talent pipeline for the business to attract new talent, that is, women in a traditionally male-dominated sector. This suggests that diversity is largely driven by regulatory

compliance, often seen as an overload of compliance, which gets in the way of adding shareholder value and maintaining dividends.

3.7.5.2 Role of the Nomination Committee Chair. Unsurprisingly, chairing skills were seen as central to the role of the NCC. This umbrella skillset included listening, fairness and transparency, facilitation of the process, open communication, inquiring and clarification of ambiguity. The aim was for the NCC to move committee members towards a consensus without having to resort to a vote, which often included offline conversations to get buy-in or at least understand the committee member's perspective: 'the purpose of a noms committee is to make sure there is room for everybody's point of view' (participant 2). In this sense, the NCC's role was perceived as a driver and shaper of output and decisions but with knowledge of the personalities on the board and committees. One interviewee called this being a guide or 'Sherpa' (participant 4) but the role could also act as a catalyst to arrive at a decision, yet not without allowing time and space for variation to be explored. In reaching consensus, the skills required are patience, persistence, empathy, emotional intelligence and adaptability.

Knowledge of the selection requirements for new executive and non-executive directors was deemed important in the role of NCC. These skillsets, by implication, require knowledge of the company, the business and its market. The NCC was instrumental in targeting and headhunting talent in some circumstances, but also in agreeing a scoring system for recruitment consultancies and candidate interviewing with all committee members. Selection was portrayed as a puzzle to be solved: 'it's a constant kind of Rubik's Cube of getting people and backgrounds and sensibilities and language or culture' (participant 4).

The NCC also sees themselves as a role model to set an example for other committee members and board colleagues. The role is very much interpreted as one of adding value to

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governance and using their influence to enhance the boardroom culture and performance. This influence includes giving the management team permission to allocate resources or reprioritise strategic plans or projects. The NCC role was described as one of 'reciprocal agency' (participant 4), in that they are interchanging the roles of agent and principal with committee members. However, one interviewee saw the NCC role as 'not an exciting role' (participant 5) or at least more interesting when the company and NC are well established, but this could mean well managed or led.

3.7.5.3 Engagement with Committee Members. The key themes that arose from the thematic analysis about how the NCC engages with committee members encompassed both verbal and non-verbal behaviour. Process management was interpreted as distinguishing between what was perceived as a complaint compared to a positive comment. NCCs are actively seeking participation in terms of buy-in and alliances with the issues being discussed from all committee members. They scan the meeting for non-verbal signs of disengagement such as fiddling with pens, looking bored, poor eye contact and a lack of contribution or questions. The NCC injects their own perspective and agenda through a tenacious drip-feed to educate and remind committee members over time of the issues they champion. However, NCCs are pragmatic about priorities and feel that they make most progress when they are flexible.

Truth was seen by NCCs to be shared more outside the NC meeting than inside it. However, if one committee member starts with direct honesty, then others will join in. Offline conversations were promoted as very important and can be pivotal to what happens in the NC meeting: 'they don't really want to tell you what they really want in a global meeting' (participant 2). Conflict was said to be taken offline to resolve and 'done behind the scenes' (participant 5) or 'you can pick them off' (participant 2) or 'divide and conquer' (participant

4). Another blunter way of expressing engagement was about the evolution of meaningful discussion and decision-making: 'usually after 45 minutes of moaning, you begin to get into 15 minutes of useful, positive, collective thought that leads to a better decision' (participant 2).

3.7.5.4 Realisation of Strategic Value. Diversity was perceived as a strategic outcome if it wasn't driven by compliance with regulation and was discussed as a broader concept beyond gender and ethnicity. The composition and shape of the board and committees including the succession plan was seen as strategic value from the NC especially when it included the current talent pool or future talent pipeline and emphasised intellectual capacity and judgment. The recruitment of a new CEO was seen as strategic for the board, but recruitment of NEDs was not, which is somewhat dichotomous with the contribution on strategic value from intellectual capacity and judgement. Board evaluation was deemed of strategic value as it's 'a way of telling truth to power in a way that power can't ignore it' (participant 2).

In general terms, if the NC added any kind of value as opposed to exposing risk or risk mitigation, then this was translated as strategic value. The intellectual capital and experience of the board and committees were perceived as the main strategic output: 'what is strategic is someone's scar tissue and their intellectual capacity' (participant 4).

3.7.5.5 Comparison with other Board Committees. Several interviewees compared the NC with the other main board committees. The audit committee (AC) is purported to be highly prescriptive with entrenched procedures. Similarly, the remuneration committee (RC) is also prescriptive and sensitive to risk if institutions vote against the company, especially on executive and board reward falling outside of acceptable parameters. Both ACs and RCs have

advisers in their meetings, whereas the NCCs felt that there was no adviser in NCs and so less guidance on their role and how the committee should operate. There was perceived to be little margin for error in ACs and RCs whereas NCs are freer to set their own agenda. This represents a double-edge sword, which prompted NCCs to report that they felt less in control of outcomes than other committee chairs. The lack of prescription for NCs was also seen as liberating: 'nomco has a bit more freedom to define what it looks at' (participant 3). Compared to the other committees, the NCC role was portrayed as challenging due to the lack of prescription: 'I find it the most difficult of all the chairs because everybody's got an opinion and there's very little to go on in terms of guidance' (participant 2).

3.7.5.6 Implications of Covid-19. Interviewees reported that NC meetings were shorter but more frequent than pre-pandemic meetings. This was in part due to the transfer to online meetings. However, during 2020, more NC work was done offline in one-to-one conversations and in relation to suppliers. The challenge of virtual meetings was stated as 'they don't always produce what's expected' so that the NCC role in engaging committee members is seen as more unpredictable when online, but this perception could be due to the general challenges of home-working, isolation, less socialising (generally and with board and committee colleagues) and fewer 'water cooler' conversations.

3.7.5.7 Future Development of the NC. All interviewees called for a clarification of the function and role of the NC to bring more rigour as a priority. NCCs were adamant that NCs should uphold independence and avoid favouritism or cronyism. In this sense, there was a polarity of views that either the NCC shouldn't be the board chair, as this compromises independence and encourages self-perpetuation, or that they should be, as the board chair is responsible for shaping the board anyway and it avoids a difference of opinion.

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The NC was seen as under-powered or 'the poor man's committee' (participant 5) in comparison to other board committees and in need of other areas within its remit. In terms of developing the accountability of NCs, themes that arose as additions to the current remit included sustainability/ESG (environmental, social, governance), culture, employee engagement and ethics. Generally, there was a call to 'make it a more important committee' (participant 5). Culture and employee engagement are board responsibilities but could be more clearly delegated to NCs. One NCC reported losing the argument on hiring an external recruiter for candidate shortlists but conversely won the argument to work jointly with the board chair on a succession plan. It appears that the board chair can verge on abusing their power by overruling the NCC and dictating the decisions of the NC.

The recent FRC regulation was seen as responsible for the confusion around the NC and the NCC role: 'I think the 2018 stuff probably didn't go far enough in drawing a distinction between what a main board should look at versus a nomination committee' (participant 2). This feeling was echoed by others under the Association of Investment Companies (AIC) Code. In the light of recent regulation, the feeling was that it hadn't landed well for NCs: 'the bits that work least well are nominations committee type stuff' (participant 2).

3.7.6 Pilot Learning Points. This section is reflexive and outlines the key learning points from conducting the pilot study interviews, thematic analysis and writing up the findings. The reflections include those before, during and after the actual interviews.

Having emailed my network to ask for introductions to listed UK company board directors, and even though contacts and friends were seemingly eager to help, I was surprised not to receive any introductions at all even though my requests for help were cascaded. A client of Henley Business School, the QCA, emailed 50 of their NCCs with my email address but no

response was received from any of the NCCs. My speculative approaches with an invitation to connect and a short message on LinkedIn to NCCs produced the most response, some immediately and some after a couple of weeks and subsequent follow-up messages. Once the invitation to connect was accepted, I could then send a further message attaching my pilot study letter. The process took several weeks before I succeeded in securing scheduled interviews. Most NCCs volunteered a personal email address for the continued conversation to arrange the Zoom calls. I think the mention of Henley Business School and PhD research into their own committee chair role was sufficient to pique their interest. Possibly my business background and being a NED helped in presenting me as a knowledgeable requestor, but I was not aware of any of these NCCs looking at my LinkedIn profile, although this could have been done anonymously, in private mode. While some of the preceding email contact was quite brusque, once we met online, the interaction was surprisingly generous, warm and committed to an authentic contribution.

In terms of the participants who were interviewed, I noted that they recounted long lists of NED roles across various companies, usually within one sector or function. Consequently, I was struck by the level of overboarding with most participants having at least four or five concurrent NED roles, often more. The FRC recently called for closer attention to overboarding (Financial Reporting Council, 2020). I felt significantly more emotionally invested in these interviews as it is my PhD when compared to how I approached the interviews with companies and investors for the QCA research. I printed out the interview questions to help me keep track of progress, but this may have felt over-structured to the participants. My notes about the participant, their NC, and board chair's name, any personal and company notes were next to me. I initially started writing a few notes during the interview, but by the third interview I was not taking notes at all and just listening. I also had a brief checklist of the areas of the NC remit to ensure that the conversation touched on all aspects of NC accountability. On reflection, this

could have been too much prompting of the participant without allowing them to drive the topics we discussed. All participants volunteered how Covid-19 had impacted NC meetings during 2020, even if they just said that online meetings had been shorter with less opportunity to socialise before or after meetings.

Initially, my attempt to upload an audio file to Auto Transcribe was unsuccessful as it seemed very slow and dropped out halfway through, so no complete transcription was captured. Having raised the issue at a PhD meeting, the Director of Postgraduate Research Studies suggested trying the upload to Auto Transcribe early in the morning before the U.S. was awake. I did so the following day and was pleased to find that the transcription was completed in two to three minutes and without any problems. However, the transcriptions required a degree of tidying up and so each transcription was painstakingly gone through three times to correct spelling, remove duplication or unnecessary question marks and tidy the punctuation. The unwanted pauses such as 'um' were removed as they did not change the meaning of what was said. The transcripts were anonymised using the participants' initials. Page numbers and speaker identities were added as 'interviewer JS' and 'participant AB'. It was helpful to see on the transcriptions where I had not phrased my questions clearly and asked multiple questions, injected too many 'ums' and redundant words. I adopted the participant's abbreviation for nomination committee e.g. 'nomco' or 'nomcom'.

During the interviews, I was conscious of thinking about whether the participant was speaking about process, decision-making, judgement or behaviours/skills. On reflection, I think it is a difficult 'ask' to expect an NCC to talk about their soft skills and it may be a more personal sharing which is problematic when meeting for the first time online. I was struck by how easily all the participants spoke freely and with little prompting. The volume of content was not an issue but shaping and guiding it was the greater challenge. I allowed participants to expand on their apparent pet topics and grumbles which they wished to offload. An example

of this occurrence was the participant who worked in the housebuilding sector who listed many of the ills of housebuilding and what irritated him about fellow NEDs.

I changed my interview questions for each interview based on how well the questions had landed and whether they were easily understood. For example, when I asked, 'what makes a topic strategic?' the word 'makes' was queried for clarification, so I changed the subsequent question to 'qualifies' which seemed to land better with the subsequent interviewee. Asking closed questions was predictably met with a 'yep', so questions needed to be open and personal. In the first interview, I felt under time pressure and probably a little nervous, so tended to cut off the end of the participant's sentences, which was likely to have been irritating for the participant. I believe there were a few occasions where I should have picked up on the participants' language and asked 'why?' or for clarification. The first interview contained too many instances of me reacting to the participant's words with 'wow' which on reflection was not business-like or the best illustration of active listening. My tone at times, especially during the first interview, came across as overly interrogative, which I attempted to soften thereafter.

On reflection, I needed to ask for more examples or illustrations of what participants' were describing as this seemed to help them respond to the questions. I was surprised that at times during the interviews I felt slightly frustrated with not feeling as though I was getting huge insights for my research question from the interview. A voice in my head was asking if the research question was complex enough. I had to remind myself to frame the questions and not use them to lead the participant to an answer I wanted. I had started with 20 questions but quickly realised that this number was too many and, by the fourth interview, was asking 12–15 questions. As I become more comfortable and confident with the process, I allowed more seconds of silence to encourage the participant to expand on what they were saying. I felt that my beginnings and endings were good, in that they were warm, friendly and professional, but not overly personal. I thanked participants both at the beginning and the end with genuine

appreciation and offered to send them recent reports on a review of the 2018 Code by the FRC and Grant Thornton or the QCA report on ESG. Consequently, there was some gentle promotion of Henley Business School and the consultancy work done. Once the interview had come to an end at just before an hour's duration, I immediately jotted down my thoughts and feelings about what had taken place.

With the first female participant, I felt that she didn't want to speak about personal behaviours or skills. Her dialogue remained very impersonal and high level, although she was enthusiastic, committed and powerful in what she shared. Although she is an NCC of a UK listed company, she is Canadian and also on U.S. boards, which coloured her contribution. Part of her value was that she highlighted the contrast between the UK and U.S. on board chair tenure, NCs more likely to be dual committees with governance in the U.S., and CEO duality. She was the participant who displayed the most pride and self-promotion. She also referred to other board roles apart from NC, even though all my questions were rooted in her NC role. However, she was a good source of board and committee philosophy and metaphors, which have been brought out in the pilot findings section. My reflection was that she generalised the specific question. She alluded to the 'agency' of a NED several times and afterwards I reflected that I should have picked up on this reference and asked for her definition.

This section has explained the steps taken to conduct the pilot study, including the purpose of the pilot study, the sample, data collection, data analysis, thematic analysis, findings and the lessons learned from the pilot study. The next section outlines the procedure for the main study including gaining access and carrying out elite interviews, the sample and how participants were approached, the data collection via interviews and then the data analysis through transcription, coding and categories, thematic analysis. The section concludes with a discussion of researcher bias.

3.8 Main Study

This section applies the learning points from the pilot study to the main study. It outlines the sample and data collection for the main study and explains the process of data analysis for the corpus in terms of thematic analysis. As part of this section, gaining access, elite interviewing and researcher bias are explored. There is also discussion about the validity and reliability of this main study.

Ethics approval was gained and completed before starting to collect the main study qualitative data and all participants signed and returned a confidentiality document before being interviewed in accordance with the University of Reading ethics approval policy. The ethics approval document can be found at Appendix A.

3.8.1 Gaining Access. Gaining access to boards and their committees can be problematic. They are considered closed sources and 'difficult to study' but qualitative research is especially suited to these sources for making a significant contribution to knowledge (Leblanc & Schwartz, 2007:843). This is due, in part, to a fear of corporate exposure but also individual director vulnerability, whether the business and its processes are exemplary or in crisis. Consequently, boards and their committees have traditionally been shrouded in secrecy and especially unattainable for gaining access inside the board or committee meeting room. This challenge is described using a military analogy: 'the fortresses to be dismantled are the black box of actual board behaviour' (Daily, Dalton & Cannella, 2003 in Huse et al, 2011:7). This access is made more complex by the range of activities and tasks that boards engage in, other than increasing shareholder value (Huse et al, 2011). To obtain access to this 'process-oriented data' requires a level of cooperation and effort from multiple board individuals, which takes time and patience (Daily, Dalton & Cannella, 2003 in Huse et al, 20011:23). The events

within board and committee meetings are also highly contextual and may differ widely from one company to another within the same unitary system, sector and geography. Even the use of good proxies or secondary data sources such as annual reports do not compete with good primary data collection (Huse et al, 2011). These issues mean that generalising board process data from one company can be tenuous. To date, researchers have used triangulation of data sources to overcome these issues and qualitative methods, primarily interviews, have proven relatively successful (Leblanc & Schwartz, 2007).

Researchers themselves are accused of clinging to narrow research methods that don't truly represent the whole reality of that being studied, as such 'empirical dogmatism' is part of corporate governance research (Daily, Dalton & Cannella, 2003 in Huse et al, 2011:7). Observing boards and committees in real time has been carried out by relatively few researchers: 'very few researchers have actually observed boards in action' as boards are 'closed groups, bound by confidentiality, privilege and custom' (Leblanc & Schwartz, 2007:845). The prospective reward from a qualitative methodology is that data is richer and more nuanced than a quantitative approach. The credentials of the researcher can help gain access and it is hoped that this researcher's leadership experience, non-executive board and committee experience gives credibility and facilitates the process of gaining access.

Both formal (inside the board meeting) and informal (outside of the board meeting) interactions of the board and committee members are desirable perspectives to study but have been given little attention. However, this contrast is an important aspect of board interaction that has long been neglected by researchers. It is the understanding of informal social relationships between directors that can shed light on the social dynamics that occur inside the boardroom. Consequently, the effects of social and business networks and interlocking directors (with multiple directorships) on decision-making are important areas of study (Stevenson & Radin, 2015). This area of NCC and NC member interaction risks overshadowing

the business activities and decision-making that are the focus on NC meetings but cannot be overlooked: 'interlocking boards of directors represent political and social as well as business ties' (Pettigrew, 1992:165).

A document of less than one page of A4 paper outlined the value proposition of this study to the potential companies and participants. It is a business case written in business language that briefly describes why they should give their time and effort in exchange for new knowledge, which could inform policy and practice. Access to suitable company boards with NCs is challenging so initial outreach is key. The plan to pursue all participants in parallel may take several months for negotiation and securing signed research contracts. The University of Reading Research Contracts Team provides support on contract design and negotiation of any non-disclosure agreements (NDAs).

Participants were approached on LinkedIn via a personal message. Names of specific board directors were taken from company websites and a spreadsheet was compiled with the key NC roles from all FTSE All Share companies. The named NEDs from the spreadsheet were marked when emailed and followed up to keep track of contacts. A total of 255 messages were sent on LinkedIn to FTSE board directors. They were sent in batches of between 40 and 60 at a time and followed up where allowed on LinkedIn. I subscribed to Premium messaging for two months but found no difference in the response rate. Two participants from a previous consultancy project at Henley Business School were also approached: one declined and the other gave no response. The QCA emailed their NCC members but there was no response. A business connection in board advisory consultancy put a message seeking participants on their website but there was no response. I posted twice on LinkedIn asking for participants but neither post received any response. I asked the Research Director at the FRC if they could publicise my study but was told it wasn't possible. The standard email script below in figure 9 was used to email prospective participants indicating any mutual connections as relevant in

order to engage the prospective participant and to add credibility. An abbreviation 'nomcos' was used for NC which is a common abbreviation among NEDs.

> Dear
> We haven't met so please forgive my speculative approach. I am a NED/committee chair and a mature PhD researcher at Henley Business School. I see we both know XX.
>
> I wondered if you would consider participating in some corporate governance research about the strategic value from nomination committees. It is light touch and anonymous via an online interview.
>
> Nom com is the least researched of all the board committees so there is a huge gap in academic knowledge. As a practitioner, I'm also liaising with the FRC to feedback (anonymously) how a future Code revision could empower nomcos and possibly expand their remit. Your (anonymous) feedback would be invaluable.
>
> The attached one pager explains more but I'm happy to have a brief exploratory chat with you or one of your colleagues if this research could be of interest.
> Best regards

Figure 9. Standard email script sent to prospective participants on LinkedIn (author's own design)

3.8.2 Sample. The sample for the main study is shown below in figure 10, which illustrates participants by role and gender. The roles approached for interview in relation to NCs were CEO, board chair, NC member and NCC, however figure 10 also highlights where the participants also held the role of SID. There were nine female and 24 male participants, even though more female NEDs were approached to attempt to reach a 50/50 gender split in participants, this did not prove possible. NCM is used as an abbreviation for NC member in figure 10.
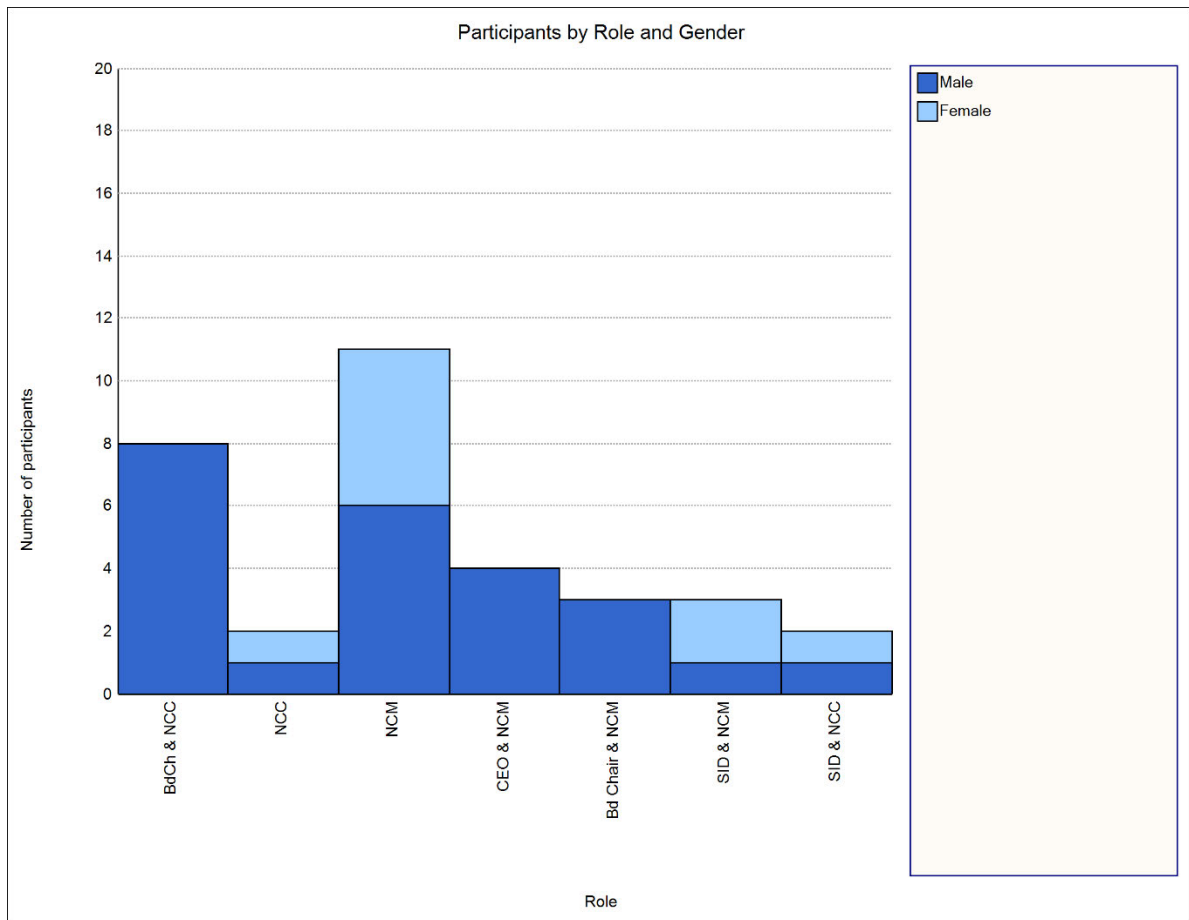
Figure 10. Graph showing main study participants by role and gender (from NVivo)

Participants were not asked their age as all were over 18 and this was not considered a key focus of this study. The range of sectors which participants' companies came from is shown in table 12 below. There was considered to be a good spread of different sectors across the 28 FTSE All Share companies, albeit a majority were in banking, finance and various aspects of fund and investment management. The original wish had been to exclude Real Estate Investment Trusts (REITs) as they tend to have a team of investment managers rather than a conventional multi-function employee population, but as there were only two of these companies and these participants contributed valuable insight, they were included in this study.

Sector	No. of companies
Homebuilding & construction	4
Finance, banking & investment	7
Media, publishing & printing	2
Digital, hardware & software	4
Oil & gas	1
Biotechnology	1
Insurance	2
Hotels & entertainment	1
Industrial	3
Transport	1
Retail	2

Table 12. Analysis of sectors across all main study participants (author's own design)

3.8.3 Elite Interviews. The challenges of interviewing participants of perceived higher status such as board and committee directors is rooted in the imbalance of power with a less experienced or inexperienced researcher. These participants are often powerful in terms of their reach in terms of power, knowledge, influence and prestige, as such they are typically 'used to directing large organizations involving thousands of people' (Liu, 2018:1). The sub-group of ultra-elites are 'the most highly placed members of an elite' (Zuckerman, 1972 in Liu, 2018:1). These ultra-elites are even more difficult to access and interview for qualitative study, as they use their elevated positions as a protective wall from 'intruders' (Hunter, 1993 in Liu, 2018:2). Elites and ultra-elites are likely to have gatekeepers who filter or deny access to them, so this is another party that calls for making a good impression to win their trust (Liu, 2018). They are usually alert to the confidentiality of the interview and who will hear or see it: 'they are usually sensitive to the boundaries of the investigation' (Liu, 2018:7).

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One guideline for elite interviewing is good preparation of interview questions, so that some introductory questions set the scene and context and get the participant speaking about themselves and their experiences (Liu, 2018). Flexibility with a list of semi-structured interview questions is paramount so that the conversation flows as naturally as possible, with the researcher prepared to abandon their pre-prepared questions if a new line of inquiry is potentially more interesting. Active listening skills are important on the part of the researcher with encouraging words and sounds to prompt the participant to expand (Liu, 2018). Knowing as much as possible about the personal and professional background of the participant is also key to establishing rapport and trust (Liu 2018).

The researcher's own profile is critical in terms of perception (Liu, 2018). In this study, the researcher is a very mature student with current experience of executive and non-executive director roles. The researcher has also just completed a consultancy project with her supervisors for a commercial client, which included interviews with elites. Using business terminology and vocabulary is essential to be seen as credible on the research topic and therefore accepted as an 'insider' (Liu, 2018:8). By recording interviews, it allows the researcher to reflect on her style and speech on the audio files and transcriptions as part of the learning process. With elite interviewees, it may be necessary to stress a scheduled interview time when interruptions can be minimised. If interruptions do occur, the researcher can use these seconds or minutes to regroup thoughts and capture notes (Liu, 2018). There is a range of soft skills for researchers to master, not least of all 'the interview relies upon human relationship, engagement, and attachment' (Stacey, 1988 in Liu, 2018:6).

Elite participants can in themselves distort generalisable findings if the individuals have latent agendas that may differ from that of the researcher. This was an issue in a study of National Health Service (NHS) general managers and chairs which illustrated how senior roles can be widely interpreted and have operational repercussions in responsibilities and

interactions with colleagues (Stewart, 1991). This bias has been highlighted by other researchers where directors as participants are presenting a false reality and label some directors as 'self-serving and conscience-solving' (Mace, 1971 in Pettigrew, 1992:172).

Power is a concept that is typically connected to the discussion of either 'powerful elites' or 'powerless others' (Smith, 2006 in Rice, 2010:71). Elites cannot be given a single definition or treated as a homogenous group (Rice, 2010). The root of elites' power is often given as 'embeddedness' (Hess, 2004 in Rice, 2010:72), which incorporates the idea of entrenchment from and through their knowledge, influence and networks. Elites have been accused of 'closing off' in their contact with researchers (Keating, 1993 in Rice, 2010:73) so protecting their 'embeddedness' as above, making it difficult for the researcher to control the agenda or 'locus of control' (Schoenburger, 1991 in Rice, 2010:73). The researcher has to balance the positive relationship with the elite, promoting trust and professionalism, while also maintaining a critical perspective on the elite's contribution (Rice, 2010). This 'self-positioning' (Herod, 1999 in Rice, 2010:73) allows the researcher to adapt their own behaviours towards the elite to counter the 'closing off' (Rice, 2010:70). Alternatively, researchers may entrench elites in their power: 'intellectuals may help to reinforce existing power relations through exclusive processes of knowledge construction and distribution, which concentrate power further in the hands of the already powerful' (Raco, 1999 in Rice, 2010:74). An 'elasticity of positionality' is proposed for the researcher, which can stretch between postgraduate student to experienced academic researcher and, furthermore, disguise the semi-structured interview format while instead 'create a space for intellectual dialogue and reflection' (Rice, 2010:74), which is arguably more productive.

Academics have long offered guidance on elite interviewing and six areas of guidance have been posited (Pettigrew, 1992): 'embeddedness' or examination of different levels of analysis, not just the board level; 'temporal interconnectedness' or looking at processes in the

past, present and future; explaining action with context; a holistic approach to explain process; connecting process to location and outcomes; and guarding against too much researcher bias through too much involvement with participants (Pettigrew, 1992:177).

With the backdrop of the Covid-19 pandemic in the UK, it is now acceptable, and indeed welcomed, to use such applications as Zoom or Microsoft Teams for virtual meetings and interviews. In some ways, this makes securing commitment from elites easier as there is no travel involved and the time can be ringfenced in the diary while the elite interviewee works from home. This is an important factor in the impact and limitations of undertaking research during a pandemic and a period of economic uncertainty, which can potentially add stress to elites in their NED roles. However, interviewing in the participant's personal space may provide additional insights about the participant (Sin, 2003 in Liu, 2018:8), but could also be perceived as overly intrusive when there is no prior relationship or even a prior introductory conversation. However, it should be noted that despite the intensity of home-based working during 2020, it is still a 'qualitative corporate interview' (Schoenburger, 1991 in Rice, 2010:72) and therefore all the difficulties of elite interviewing still stand during this period.

The interviews were all conducted over Zoom with participants being sent a calendar entry with the Zoom details. Sometimes the coordination of the interview was with a personal assistant or the company secretary. The day before the scheduled interview, I emailed the participant a reminder and to say that I was looking forward to speaking with them. If I hadn't received a signed confidentiality document, then it was an opportunity to remind them that the interview couldn't proceed without them signing and returning it. The first few minutes of each interview were spent in small talk to relax the participant and create a comfortable but professional atmosphere. As many interviews took place during various Covid-19 lockdowns, there was often initial conversation about how they were coping or working. One participant was in the middle of painting a ceiling and wearing decorating clothes, another was in keep-fit

clothes, having just finished an online class. This level of insight into participants' private lives hopefully contributed to the mood and encouraged greater candour. The initial part of the interview was asking a few easy questions to get the participants into the rhythm of the interview. This covered some background data such as the number of NED roles they held, the number of years as a NED, the number of NC members on their NC and how many times the NC met per annum. There were five companies where two participants were interviewed. The data collected from participants on number of NC meetings per annum and number of NC members from the duplicate companies may be inaccurate as the numbers differed. This may mean that informal meetings were being counted or NC member numbers included the invited CEO or did not count themselves in the totals. Therefore no analysis has been done on this data. The number of years as a NED was put into bands and the most frequent NED experience was six to ten years.

The final list of interview questions used for the main study interviews is as follows:

1. Can you briefly outline your existing non-executive board roles?
2. How many committee members are on your nomination committee and how often does it meet?
3. What do you see as the role of a nomination committee chair?
4. What are the necessary abilities to fulfil the nomination committee chair's role?
5. Are age, ethnicity or any type of background important for a NCC?
6. In terms of engaging committee members, what are the skills or behaviours you use?
7. How do you engage your committee members, both inside and outside of NC meetings?
8. How do you know when committee members are engaged? What do you hear/observe?
9. What can hinder progress either within or outside of nomination committee meetings?

10. How does conflict manifest itself in your NC meetings?

11. What qualifies a NC decision or recommendation to the board as strategic?

12. What did you as chair do specifically to enable this strategic value to be realised?

13. How did committee members contribute to this realisation of strategic value?

14. Which areas of NC remit are more or less likely to provide strategic value to the board?

15. How could the role of NCC or NC be developed or empowered?

Interview questions were not always asked in this numeric sequence as I went with the flow of conversation from the participant in terms of letting them tell me what they felt was important emphasis. At some points during the interview, I was more directive, in other parts, I would allow the participant to drive the NC topic. At times, participants would start speaking about the board or board meetings, at which point, I would gently remind them that we were discussing NC or bring them back to NC with a question about the NC or NCC.

As interviews were proposed to be conducted over Zoom, the reach was global with two participants being based outside of the UK. One dual board chair and NCC agreed to the interview, but this participant did not attend the virtual meeting or respond to a follow-up email. The formal document sent as a follow-up to the email message on LinkedIn also requested the options of allowing an NC meeting to be observed in person or digitally, and the possibility of having access to NC meeting minutes. Two participants considered the option of being observed but later reverted to say it wasn't possible or the content of their meetings was too confidential. No participants agreed to the sharing of any confidential documents, other than what was already in the public domain on their company websites. After participants had been interviewed, I emailed a thank you for their time and engagement. A summary of emerging findings was sent to all participants using bcc (blind carbon copy) and with a copyright and confidentiality statement. Saturation was felt to have been reached by the 15th participant so I

agreed with my supervisors to stop interviewing participants after 33 hours of interviews. This is the point when the insights and feedback from participants was becoming largely repetitive and so no radically new insights were forthcoming.

The next section documents the process for data analysis via NVivo 12. The approach for thematic analysis is explained in terms of how the audio files were transcribed, how the transcriptions were coded and those codes were categorised. The categories were condensed into themes via an iterative process.

3.8.4 Data Analysis. The period of data analysis for the main study was during the first half of 2021. Attendance at three NVivo workshops meant some proficiency with this software for coding interview transcripts and thematic analysis. Coding links back to both the concepts in the research question (committee chair, engagement, committee members and strategic value) and the theoretical framework (role theory), adopting coding rules that look for patterns in the discourse and language (Chandrakumara & Walter, 2015). The level of detail provided in this section aims to optimise the robustness of the data in terms of validity, reliability and generalisation.

Data analysis needs to crystallise the coding to formulate a theory or revision of a theory and 'must develop causal arguments to explain why persistent findings have been observed' (Sutton & Staw, 1995:374–75). A theory starts with one or two conceptual statements and builds a logically detailed case with 'simplicity and interconnectedness' (Sutton & Staw, 1995:377) to allow theory to be 'crafted around the data' (Sutton & Staw, 1995:378). There is typically a huge volume of data analysed, which risks over-engineering any theory development. It is claimed that the 'hallmark of good theory is parsimony' (Eisenhardt,1989:547) so this study will aim for impact with simplicity. The process of theorising from data analysis involves many cognitive and emotive activities but are not in

themselves actual theory. This theory construction encompasses a range of analyses: 'abstracting, generalizing, relating, selecting, explaining, synthesizing and idealizing' (Weick, 1995:389). All of these analytical activities may produce diagrams and illustrations, but it is imperative that data analysis stimulates new or revised perspectives on extant theory.

Qualitative research can produce voluminous amounts of process data or 'shapeless data spaghetti' (Langley, 1999:694), which needs to be shaped through understanding and attributing meaning or 'sensemaking' (Smith, 2002:384). This study draws on Langley's (1999) strategies for making sense of process data and process theory. This model sees process as a 'black box' of events, activities and choices by participants and the aim is to interpret what is happening in the 'black box' (Leblanc & Schwartz, 2007:486). Process theory examines events, episodes, phases, stages, journeys, narratives and storylines in making sense of process. This is relevant for understanding the processes driven by the NCC in their meetings. Analytic strategies that are thought to be pertinent to this study are alternate templates and synthetic templates (Langley, 1999). Both process theory and thematic analysis could be utilised to analyse the data.

3.8.4.1 Transcription. The approach adopted for transcribing the audio files from participant interviews was trialled on Word but abandoned in favour of Otter, a U.S. online transcription service that costs $5 per month as a subscription. The issue with Word was that the upper ceiling of transcribed documents was not compatible with the quantity of transcription required for this study. As a recommendation from a doctoral colleague, Otter was found to be fast, efficient and gave a very good level of accuracy. The main hurdle in accuracy was around corporate governance terminology and the tendency for Otter to use American spelling conventions. However, each transcription still needed to be checked twice in detail alongside the audio file, which was built-in functionality on Otter. The transcriptions

were anonymised by removing any names and coding the file as a number and participant initial. The transcriptions were saved on the University of Reading One Drive for secure storage.

3.8.4.2 Coding and Categories. Codes are the smallest building blocks and provide the foundation for later thematic analysis. Categories are collections of codes that are built into more meaningful units of analysis and combine to create themes (Clarke & Braun, 2017). The transcriptions were uploaded to NVivo 12 to be coded, which was done with reference to the main research question. There are several approaches to coding but the preference for this study was the Miles Huberman approach, which starts with a skeleton of categories that are then populated with compatible codes (Basit, 2003). A grounded approach was felt to add risk of distraction to the coding especially for a new researcher who valued some initial structure to start the coding process. The alternative approaches for coding include open coding where the codes emerge, axial coding where the researcher relates codes for an emergent theory, selective coding which focuses on certain codes and theoretical coding which is based on the guiding theory. This study used a hybrid approach of theoretical coding (taking key concepts from role theory) and selective coding (taking key activities of the NC remit). Codes were then compared and contrasted to check for distinct boundaries, agreement and disagreement were ensured to be separate categories, and the language was taken as a lever for codes and developing categories. There was part of the coding process that was retroductive as the codes and categories were worked backwards from effect to cause, for example, greater informality and Covid-19.

The participants were coded to include the background and demographic data, which was collected at the beginning of each interview. This information included their role on the NC, the number of NED roles held, the duration in years as a NED, the number of NC members

on the NC committee and the number of NC meetings per annum. By building these aspects of each participant into NVivo, I was able to create charts and graphs to illustrate the data. The first five interviews were coded, categorised and distilled into initial themes for review with my supervisors. A hybrid approach was adopted so that some codes and categories were set up in advance of coding, especially those such as NC qualities and the NCC role, which were pertinent to the guiding theory and other categories emerged and were integrated as data collection progressed. Auto-coding was not utilised within NVivo 12 as I felt it was important to get close to the data and code the transcripts manually and in detail. Video clips on YouTube were identified and watched to focus on a specific function in NVivo or check that I was developing my themes correctly. It helped the data analysis to have a basic dexterity with the navigation and functionality of NVivo 12 and there seemed no short way of going up the learning curve but by spending time in familiarisation. Transcripts were batched into groups of five to six as interviews were concluded and the audio files transcribed. When the first 20 interviews were coded, the categories were reviewed and refined. The final 13 interviews were then coded and added into the existing categories. The formation of the categories was driven in part by the component parts of the research question (NCC role, qualities and relationships, engagement, strategic value) so pre-set and in part driven by the data, therefore emergent. This hybrid approach lends itself to being iterative and also having optimum flexibility in revisiting codes and categories as the storyline develops.

Any further text was coded where a novel idea was being communicated even if it didn't appear to immediately fit with the research questions. The coding process was iterative, re-reading and re-coding into similar clusters and then eventually into categories. The final list of categories were as shown below in table 13. NVivo 12 automatically ranks the categories in alphabetical order. The next section explains how the themes emerged from the codes and categories.

3.8.4.3 Thematic Analysis. Thematic analysis has been described as a three-step process, namely the breakdown and exploration of the transcript text and finally the integration of the exploration (Attride-Stirling, 2001). As a method of finding meaning in text, it offers analytic flexibility, allows the researcher's subjective interpretations and is scalable so accommodates the number of interviews and data as in this study (Clarke & Braun, 2017). The process of thematic analysis covers six phases : data familiarisation and annotating; systematic data coding; generating initial themes from codes; developing and reviewing themes; refining and naming themes; and writing the report (Braun & Clarke, 2020). Each phase may overlap with another in an iterative cycle of condensing codes to themes.

The advantages of thematic analysis are its flexibility across disciplines and, for the research topic, it is easily accessible without being a technical expert or an experienced qualitative researcher who can quickly get meaning and thick description from a data set. Thematic analysis can help generate unexpected themes and insights on both social and psychological facets of interpretation. However, there is a downside to this analysis approach. The researcher needs to navigate very large amounts of textual data in transcribing and coding it. Moreover, there may be a myriad of ways to interpret the results and therefore linking findings back to the extant literature could be a challenge.

Initially there were 488 codes but on being advised by my supervisors that I was maybe taking too granular an approach, these were distilled down to 163 codes for the final themes after three iterations of coding. The coding referenced role theory in terms of role, qualities and relationships as an initial framework which evolved over time. An initial summary of data analysis with 10 possible themes was discussed with my supervisors and with their guidance, four major themes were selected (engagement, strategic value, Covid-19 impact and governance & regulation) with their related sub-themes as shown in table 13 below.

Context and remit of NCs
Nature of NEDs
NCC relationships
NC role
Covid impact
Benefits
Costs
Post-Covid
Engagement
Qualities of NCC
In meeting
Outside meeting
NC governance and regulation
Strategic value
Action plan from board evaluation
Board and committee composition
Diversity
Recruitment
Strategy and culture
Succession planning

Table 13. Final categories and themes from NVivo (alphabetical order)

3.8.5 Researcher Bias. Bias exists in all research and is difficult to completely eliminate (Smith & Noble, 2014). Many academics have called for greater discipline and control of bias or 'instrumentation rigour' (Chenail, 2011:256) in qualitative research. Researcher bias can encompass a lack of preparation, an inappropriate mindset or poor researcher affinity with the participant leading to draw inaccurate conclusions from the data (Poggenpoel & Myburch, 2003 in Chenail, 2011:257). Bias occurs in every walk of life but can

derail academic research if not pre-empted. This 'unconscious bias' (Morse, 2015:1217) prompts the researcher to strive for greater awareness and sensitivity to pre-empt this 'systematic error that is expected to occur in a given context of research' (Collier & Mahoney, 1996:59). Bias can occur in mis-recording or misinterpreting data or at any point when 'researchers interact with their study participants' (Miyazaki & Taylor, 2008:779). The Oxford Dictionary defines bias as 'an inclination or prejudice for or against one person or group, especially in a way considered to be unfair' (Smith & Noble, 2014:100). The researcher must manage bias as part of their ethical approach where the 'researcher has an ethical duty to outline the limitations of studies and account for potential sources of bias' (Smith & Noble, 2014:101).

In the presence of a researcher, participants can change their behaviour and responses when interviewed. This interviewer bias can happen in face-to-face or virtual interview settings. Equally, when the researcher is introduced into the participant's environment for observation, there is a risk of changed behaviour and reactions (Miyazaki & Taylor, 2008). Participants may react to the researcher's character in terms of how warm or reserved they are, how energetic or enthusiastic, how they communicate, and also their physical attributes, such as similarities or differences in age, gender, ethnicity, social class and education level, as well as physical attractiveness (Miyazaki & Taylor, 2008). The researcher needs to be aware of how she can be perceived but should not be overly deferential towards participants as 'deference theory' (Miyazaki & Taylor, 2008:783) can also be a form of bias in the 'complexity of researcher interaction biases' (Miyazaki & Taylor, 2008:784). The researcher may also exhibit bias if she has knowledge or experience in the field of study: 'if a study explores a field in which the researcher has prior experience, there is a potential danger for there to be a subjective bias in data collection' (Liu, 2018:7). This researcher is a NED and chair of a nomination and remuneration committee so is already potentially biased in terms of her own experience and

perspectives; however, this awareness and the strategies described below have been put in place to offset any researcher bias.

Bias impacts on the reliability and validity of findings (Smith & Noble, 2014). Validity can be weakened if there is selection bias, a concept taken from quantitative research and now applied equally to qualitative research. In order to be able to make causal or correlational inferences from qualitative research, it is important to minimise selection bias, even if the study is not attempting to generalise findings. This means sharpening the researcher's judgment to avoid overstating or understating data or findings or taking a broader or narrower view of comparison inappropriately (Collier & Mahoney, 1996). This has been called the 'pink elephant' as the researcher is not of a 'neutral stance' and may see or hear what she anticipates (Morse & Mitcham, 2002 in Morse, 2015:1215).

The research design may inherently include researcher bias in any methods where the researcher is introduced into the methodology. In her enthusiasm to collect rich and thick data, she may modify interview questions to obtain the answers she feels are accurate and so mask what is truly being shared by the participant. The researcher is relatively benign in observation but still may elicit biased behaviour from participants conscious of being observed. However, observation of participants is difficult to achieve for access and confidentiality reasons but is desirable: 'the avoidance of interaction bias by using observational methods is strongly recommended' (Miyazaki & Taylor, 2008:790). Interview questions may also be biased in that they lead the participant to answer in a certain way designed by the researcher (Morse, 2015).

Triangulation is a means of counteracting bias by adopting multiple data sources in a study (Crane, 1999 in Miyazaki & Taylor, 2008). Clear and precise coding of data is another strategy to tackle researcher bias and produce thick description (Morse, 2015). This study does not incorporate any referring or second opinion for validation due to limited resources.

A pilot study is one method of testing the intended methodology to ensure researcher bias is minimised. This 'dress rehearsal' or 'test run' (Chenail, 2011:257) includes asking participants for feedback on their experience, timing the interview duration, and revising or discarding questions as part of an assessment of each question. This pre-testing is a recommended approach to counteracting researcher bias, as is training to prevent researcher bias (Crane, 1999 in Miyazaki & Taylor, 2008).

In addition, the feelings and reactions of the researcher are captured as field notes in order to create an open and relaxed environment for the participants. The field notes should include a conscious awareness of any researcher bias and how the researcher could minimise it. A reflexive journal can help with 'rigor' rather than aiming for trustworthiness (Morse, 2015:1213) as it encompasses reliability, validity and generalisability. However, an inductive approach by definition does not lend itself to replication: 'induction is difficult (or even impossible) to maintain with replication' (Morse, 2008 in Morse, 2015:1213).

The next section discusses validity and reliability in more detail for this study and details the steps taken to optimise both through reflexivity and good research practice.

3.8.6 Validity and Reliability. While it is universally acknowledged that thick and rich data is critical for good qualitative research, there also needs to be a satisfactory level of validity and reliability inherent in the data collection and throughout the whole study. In this section, validity and reliability for this study are discussed.

Good qualitative and exploratory research necessitates construct validity (showing the correct operational procedures have been followed), internal validity (showing a causal relationship), external validity (transferability to other similar cases) and reliability (Yin, 2003 in Pratt, Kaplan & Whittington, 2020). These types of validity will be possible; however,

internal validity may be by association and not causal. To improve validity in research, it is often recommended to have multiple investigators or member checking (Eisenhardt, 1989) which was not feasible in this study. The seminal work by Lincoln & Guba (1985) to identify evaluation criteria for qualitative research is pertinent here. To make the 'pseudoscience' of qualitative research (Whittemore, Chase & Mandle, 2001:522) more robust and rigorous, it has been suggested that validity has many facets to its' definition. In primary data collection, it can be interpreted as credibility, authenticity, criticality and integrity, whereas validity in secondary data collection is proposed as explicitness, vividness, creativity, thoroughness, congruence and sensitivity (Whittemore, Chase & Mandle, 2001). In distilling good qualitative research, it is claimed that transparency and replication are often confused, but it is better to conflate replication with trustworthiness (Pratt, Kaplan & Whittington, 2020). It is not intended that this study is replicated but the precise steps to enable any researcher to do so should be explicit and therefore offer some reliability.

Validity is concerned with really testing what is claimed to be tested in the study. This perspective should be part of the reflexivity of the study and necessitates constantly referring back to the research question to remain focused and not be distracted by participants during interviews or letting the coding wander from the research question, the core themes and the concepts within the guiding theory. Therefore, coding should be distinct with no overlaps and accurately reflect what is being researched. When reiterating the coding and categories, the same high quality of integrity should be present in the recoding so that there is optimum clarity, rigour and thoroughness. Repeatedly checking that the coding and categories are relevant and significant are key for ensuring validity. Reviewing when saturation is reached after a certain quantity of interviews and then continuing to interview participants to ensure that the data results are being confirmed is also important for promoting validity. The act of checking that the answers given are genuine responses to the questions asked is an ongoing good practice,

even to the extent of searching for contradictory text in the transcripts (Linneberg & Korsgaard, 2019). Both inductive and deductive coding were applied. Data-driven subjective coding put structure and meaning around the data as it was transcribed and uploaded. The guiding framework, role theory, gave some concepts to start coding such as qualities, relationships and roles, so this formed an objective view (Linneberg & Korsgaard, 2019). There were three cycles of coding and some reiterating of codes and categories in between the cycles where codes were refined or clarified, with reference back to the research questions. I did not utilise the memo or other functionality, mainly as I captured process steps in my field notes and, also, there was already sufficient challenge in the coding and categorisation activities. The search function was helpful in looking for text to support an emerging category such as 'expectations', 'delegate', 'conflict'. The coding activity is one where the researcher's interpretations are key, alongside remaining aware of researcher biases.

Qualitative research cannot be wholly replicated but it can be audited to confirm that the procedure is explicit. Reliability is the ability to theoretically reproduce the study through the level of detail provided. This 'auditability' along with 'dependability' (Johnson & Waterfield, 2004:123) is critical for qualitative research, which is highly context dependent and therefore only generalisable to other similar contexts. The use of NVivo 12 aids reliability as it provides one software application for housing all codes and its functionality for condensing codes into themes is transparent for reproduction, providing the researcher has explicitly explained the process followed. There was only one researcher who carried out all coding and thematic analysis, which means that there is only one interpretation of the data and no intercoder reliability (Belotto, 2018). Moreover, the interpretation is through the lens of a mature doctoral student, NED and NCC. Coding reliability is the most challenging area to prove robustness but is helped by starting with codes as concepts from role theory and the research question. Reliability is also promoted through having three cycles of coding and

refining those codes through a critical lens. This test-retest reliability (Roberts, Dowell & Nie, 2019) was possible in this study.

3.9 Chapter Three Summary

This section summarises the chapter on methodology, which covers both the ontological and epistemological approach, the methodology, research strategy and design, the pilot study and findings, then concludes with the main study sections on data collection and data analysis.

This study adopts an inductive methodology to gather data and look for patterns to develop theory. As an interpretivist, the researcher will work inductively to identify themes and patterns in the data, then position them in the extant literature to refine or extend theory (Ridder, Hoon & McCandless Baluch, 2014). The methodology will be emergent and underpinned by an interpretivist-constructivist philosophy, allowing the focus to crystallise. It is an iterative process, repeatedly trawling through codes and categories to re-organise and sort them into revised and new meaning.

The next chapter analyses the data from the qualitative interviews in NVivo 12 and explains the themes that emerged. It also explores the new extensions to the guiding framework, role theory, and discusses the contribution this study makes for both academia and practitioners.

4.1 Chapter Four Overview

This chapter presents the data analysis from the 33 participant interviews, the transcripts of which have been analysed in NVivo 12. The discussion relating the findings back to the extant literature has been integrated into each section with the analysis of the qualitative data results. The different nomination committee (NC) roles are analysed and how board directors often perform several different board roles at any one time. The section on role analysis delves into the chief executive officer (CEO) on the NC and the dual role of board chair as nomination committee chair (NCC) through exploration of role overload and role conflict. This chapter also explains how the themes were developed from codes and categories in NVivo 12. Themes are discussed in conjunction with the relevant literature, drawing on both the original literature review in Chapter Two and supplementary literature searches on new concepts that arose during the main study. This chapter evaluates the evidence on the research question 'how does the chair of nomination committee engage with committee members to realise strategic value to the board in UK listed companies?'

The data analysis has been distilled into four themes:

4.4 Theme I: Context, determinants and dynamics of engagement

      4.4.1   Context and remit of NCs

      4.4.2   Inside NC meetings

      4.4.3   Outside NC meetings

4.5 Theme II: Strategic value

4.6 Theme III: Governance and future regulation for NCs

4.7 Theme IV: Covid-19 impact on NCs

The next section discusses the application of the guiding theory, role theory to the thematic analysis.

4.2 Role Analysis

This section aims to analyse the roles of the participants in the context of role theory as the guiding theory for this study. It is especially pertinent as role theory assumes actors are in social positions and they have expectations about how other actors will perform their roles (Biddle, 1986). Of the 33 participants, 24 were male and nine were female. The primary non-executive director (NED) role was taken as offered by the participant, even if they sat on other UK listed company boards and held different board and committee roles. While all roles except the CEO were NEDs, participants may also have held other roles apart from NCC or NC member, such as senior independent director (SID) or on other core committees within the same company. Participants were also asked about how many NED roles they held which is shown in figure 11 below. This shows the level of role dexterity, which is at its most pronounced in NEDs and less so in full-time executive directors such as the CEO. The CEO's role or roles as part of the top management team (TMT) is not within the scope of this study.
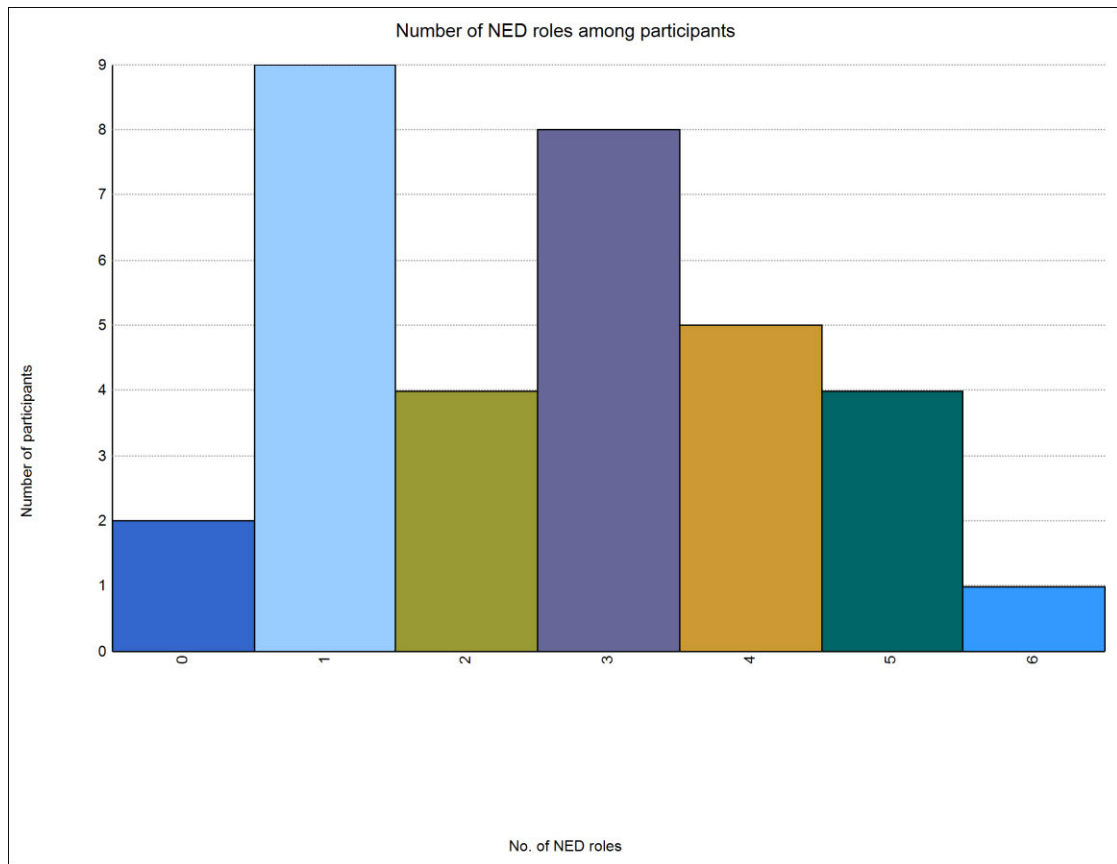
Figure 11. Number of NED roles for all participants (from NVivo)

Participants were asked about their thoughts on the role of the NCC, important NCC qualities, NCC relationships and how this committee chair engages NC members both inside and outside of the formal meetings. The role of the NCC is perceived as open to personal interpretation in many companies and this may in turn impact the NC remit. The NCC role is also attributed by the NC members who are the 'role set' and these NC members may be explicit about their expectations of the NCC. Participants were also asked about the manifestation of any conflict on the NC which was interpreted as dissent. When such conflict occurred, the expectation was that the NCC would manage it. However, in terms of the importance of the output from NCs, the role of NCC is seen as 'a hugely powerful role' (participant 6) which will become apparent in the discussion of the four themes in this chapter. This section discusses

role overload as the number of NED roles held by a board director and role conflict in the duality of a board chair as NCC; however, it does not preclude role conflict among the various discrete roles held by a board director in any one company.

The next section explores role overload as when an actor experiences too many role expectations (Biddle, 1986) or role expectations by others which may overwhelm them (Jackson, 1998).

4.2.1 Role Overload. Role overload is pertinent to this discussion as participants spoke candidly about the amount of time they gave to the increasing complexity within and between their NED roles. Role overload can be defined as 'when people believe that the demands placed on them cannot be fulfilled in the available time (quantitative overload) or that they lack the skills for satisfactory task performance (qualitative overload)' (Barling & Frone, 2017:4). This time element for NC activities was expressed by participants in the following ways, notwithstanding the amount of offline time which NEDs typically contribute to their roles on NCs:

'Because nominations is a very time consuming thing, if you don't do it

properly, if you don't want directors to, you know, sort of introduce your

friends to the board. Now, if you do the proper objective recruitment process,

then that's time consuming enough.' (participant 10)

'But I'm just saying the nature of board work is that it is much more demanding

than it used to be, time seems to be much more constrained, because we have so

many more issues to deal with. And so I think that it's incumbent on us as directors

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to develop ways to address that. And one of the ways that we do that is by speaking offline, and I would have one on one discussions with most of the directors, you know, some more often than others.' (participant 21)

It is evident that UK listed company board directors tend to hold several NED roles simultaneously on different boards, but they may also hold several roles on each board. For example, they may be NC members and also a SID, or a member of the NC and also a member of the AC or RC. The average or mean number of NED roles held by all participants excluding the CEOs is 2.86, the median or middle ranking value is 3 and the mode or most commonly occurring value is 1. These figures should be taken as the number of companies where NED roles are held but the actual number of different roles within a company could be many, for example, a NED will typically be on a board, between one and three committees (all NEDs are typically on the NC) and may also perform an additional role as SID. This represents a complexity of roles, which, as far as discovered, has not been explored in UK NC governance research, and therefore provides some insight into this area. Multi-committee directors (MCDs) have been explored within a single company (Gai, Cheng & Wu, 2021) but not in the macro sense of a single actor with multiple roles both within a company and across other company boards. The only quantitative study, which examines 1,600 South African directors both within and across company boards and including committees during the period 2011–16, concluded that the RC had the highest proportion of overboarded directors who held three or more positions and attended more committee meetings when compared to their less overboarded colleagues. The researchers propose that these results cannot be generalised and overboarding should be considered on a case-by-case basis (Mans-Kemp, Viviers & Weir, 2020). Figure 12 below shows an example scenario of NED role overload.
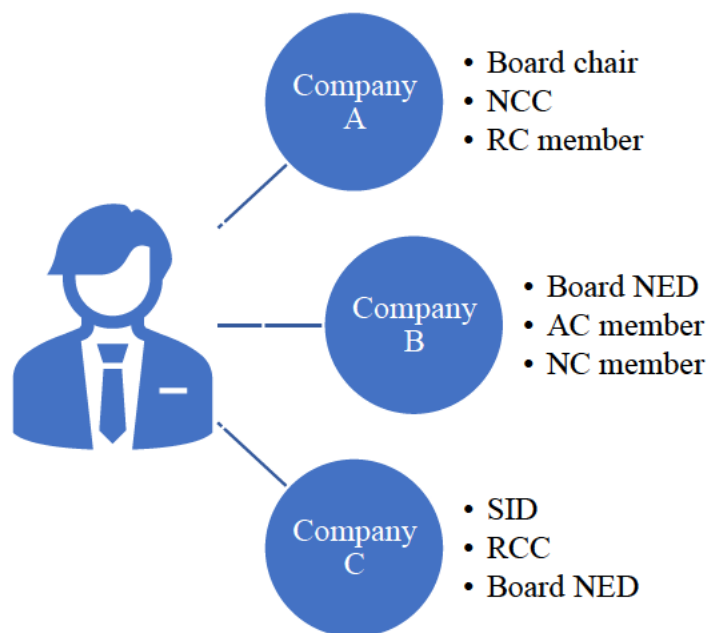
Figure 12. Example of NED role overload (author's own design)

In terms of how participants perceived their potential role overload, it was interpreted as a benchmark for how the NCC was expected to behave, so it did have some utility in being able to informally evaluate the effectiveness of an NCC. However, there is a perceived relationship between time spent on a NED role and risk to independence if this becomes too much. It has been found that director busyness is a risk to board monitoring quality and shareholder value (Falato, Kadyrzhanova & Lel, 2014). Similarly, it was found that overboarded ACCs are detrimental to the audit monitoring and oversight roles (Tanyi & Smith, 2015). Here is one participant's view of that busyness:

'All of our directors are busy people. And you don't want to make them do more and more and more things. I mean, you... from my standpoint, I think a healthy diversity in sort of somebody's time assignment is important. So I think.. a director shouldn't spend more than 25% of his or her time on a directorship. Because

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otherwise he's becoming too involved and this sort of the independence bit is being

lost. So but if you start piling up, you know, a chairman is obviously a different

animal slightly. But if you start to pile up, you know, stuff on a chair of a committee,

then, you know, all of this demands time.' (participant 10)

This scenario within the NC is a new contribution to the literature, which has previously

only studied ACs, RCs or boards. There has been no specific focus on the topic of overboarding

on NCs as far as can be found.

The next section outlines the concept of role conflict where the actor holds more than

one role which clashes or opposes another role. The scenarios where this is posited to happen

is when the NCC is also the board chair and also when the CEO is on the NC and there is a

designated NED (desNED) responsible for workforce engagement.

4.2.2. Role conflict. This section explores role conflict in terms of two scenarios: when

the board chair is the NCC and when the CEO is on the NC and workforce engagement is part

of the NC remit or discussion overlapping with board debate. Role conflict is when an actor

holds one or more roles and experiences either a conflict of interest through those roles or stress

in the role expectations of those roles (Luvison & Cummings, 2017).

4.2.2.1 Board Chair as NCC. This positioning demonstrates a role duality through the

simultaneous roles of board chair and NCC. These two roles may result in a loss of independent

thinking and this person role-switching to a covert or transparent agenda, which is their own

as opposed to a consensual or group agenda. This proposition takes its basis from 'integrative

lens role multiplicity' (Georgakakis et al, 2019:10) as theorised between the CEO and TMT

especially where the CEO may also be the board chair, albeit in geographies other than the UK.

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By applying this aspect of role theory to boards and committees, multi-role theory can be extended to apply to the board chair as NCC. Moreover, this role multiplicity has higher job demands and overflows into business relationships both inside and outside of the workplace: 'such enactment multirole promotes social and relational processes that impact organisations' (Georgakakis et al, 2019:11). This duality can give rise to potential conflict, which provides another parallel from the CEO-TMT application. Therefore role theory in the CEO-TMT setting is proposed as extendable to boards where the board chair is NCC.

There is evidence to suggest that a board chair as NCC can disempower the NC due to 'blurring' (participant 11). This means that the roles and their boundaries become less distinct from each other. Both roles are perceived to have the same skillsets and so there is a double-edged sword: 'it's both a strength and a frailty' (participant 13). This is especially the case when there is a difficult relationship between the CEO and the board chair as in this quote: 'And probably the trickiest situation should it arise is when there are issues between chief executive and chairman, at which point I think the chairman should not be on the nomination committee' (participant 17). The board chair as NCC was seen as much more than just getting through an agenda and, in fact, purely doing so, was deemed an abdication of the responsibility of the role. This positioning of the board chair as NCC endowed them with great power to dictate roles and manoeuvre NC members' roles as they felt appropriate, as expressed by this board chair as NCC participant who is transparent on his agenda:

'One, the size of our board doesn't justify delegating it to someone else. I've got to do something for my money. And then secondly, I'd like to get it bedded down in the way I'd like it to work before I handed it to anyone else. So there are a few things that I've picked up which are not working the way I would want them to work and this is one of them. It also allows me an

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opportunity to get visibility of the next tier of management. And it also

allows me to have a very different dialogue with the CEO than I would if

I weren't doing this' (participant 20).

The next section looks at the CEO's presence on the NC, whether as a bona fide member or as an invitee to the NC. It also looks at the new governance focus on workforce engagement, which came into effect from January 2019.

4.2.2.2 CEO and Workforce Engagement. Workforce engagement was a new addition to the UK Corporate Governance Code in 2018 (Financial Reporting Council, 2018) and so boards and NCs have been deciding how best to comply with this part of the regulation. It is an area that bleeds into the operational and executive remit of employee engagement. Many boards and NC committees have designated a NED to be a champion for workforce engagement and they typically conduct focus groups to listen and get feedback from selected groups of employees. However, there is a perceived disadvantage to this designation, which these NED participants expressed as:

'And if you're not careful, you can just as a CEO be constantly reporting

back to the board and all the different committees, and actually, you have

no time to run the business. So you have to be really careful around that

employee engagement one.' (participant 15)

'There is a thing called a workforce engagement director that we're meant to

have and we do. And, you know, I think those vary hugely in quality as well.

And I think there's some dangers in them, because, you know, sometimes they

can kind of almost end up being a sort of surrogate executive conducting focus

groups in the organisation.' (participant 5)

The Code's purpose is to bring the voice of the employee to the board. Interestingly, while employee engagement appears to intuitively sit in the NC remit alongside people and culture tasks, three of the participating companies had designated this NED role to the RCC. Participants didn't seem to appreciate the message that would be sent to employees: engagement is only about remuneration. There is also a potential conflict voiced by CEO participants that this desNED role for workforce engagement overlaps with operational activities of the executive team as part of their leadership responsibilities. The three companies interviewed which had designated the RCC to this role, which seemed short-sighted and likely to default to discussion purely about pay and reward. However, when asked about how the designation was made, it appeared to be random and dependent on which NED had time or volunteered. One NC member – who was also the desNED for workforce engagement, ran focus groups and had an email box for employees to contact them with issues, expressed their role as follows:

'I will often lead the discussion down a particular direction, but it is

generally open and available to anybody to say anything unminuted,

unattributed and the idea is that I will take back, if you like, the key things

coming out of those meetings, I will take that back either directly to the

CEO or the chairman.' (participant 7)

Traditionally, employee engagement has been the remit of the CEO and executive team and this addition to the UK Corporate Governance Code has upset some CEOs who feel that

governance is overstepping the operational line. One CEO felt distinctly uncomfortable and conflicted with this development into their operational remit and expressed it as:

'Because I think that the desNED in a way is slightly divided and it is a back-door into a mood. And I had to get my head around it, I spoke to X quite a bit about it. He said: don't worry, you run the business well. All they're likely to do is confirm that you're running the business well, and effectively stop being paranoid. So it's an interesting area, and it does undoubtedly crossover what is considered normal management lines of report.'

(participant 11)

No academic literature regarding workforce engagement and accountability via the board could be found, however the influence of CEOs in Canadian orchestras was the subject of a qualitative study which found four key processes in CEO-board influence. These were exploiting key relationships, managing impressions and information, and protecting their formal authority (Maitlis, 2004). The last of these processes is pertinent to the CEO role in board accountability for workforce engagement in that it could explain the discomfort felt by CEOs on NCs in this study as illustrated above. The Financial Reporting Council (FRC) (2021b) carried out its own research in early 2021 to stimulate increased reporting on workforce engagement following the 2018 UK Code. Of the three options presented in the Code, 40% of the FRC sample designated a NED champion, 12% set up an advisory panel and only one company nominated a worker director on the board. The claim is that 32% of FTSE 350 companies have not done any of the three options but claim to have made their own arrangements (Financial Reporting Council, 2021b). Moreover, these arrangements were informal activities and events (Financial Reporting Council, 2021b) and over half of the

companies said that their desNEDs had no previous experience of working in workforce engagement (Financial Reporting Council, 2021b). This study's findings are aligned with those of the FRC, in that none of the 28 companies interviewed shared that they had elected a worker director.

4.3 Theme Development

This section explains how the themes were developed from codes and categories in NVivo 12. Using role theory as the guiding framework, the focus was on the NCC role, qualities, relationships and how the NCC engages with committee members. The realised strategic value was divided into the different activities undertaken in the NC, such as succession planning, recruitment and selection, and diversity. It transpired that engagement also took place outside the formal meetings, which contributed to the shaping of the categories. Other data were categorised and emerged as playing a part in the context, such as the nature of NEDs and participants' views on having the board chair as the NCC. There was a drive towards structure to the categories, which related back to the component parts of the research question: 'how does the chair of nomination committee engage with committee members to realise strategic value to the board in UK listed companies?' There were clear categories that formed the internal context, such as the remit of the NC and whether the board chair also chaired the NC, and other categories pertaining to the external context, such as governance and the impact of Covid-19. The theme of engagement by the NCC was distilled into the context, determinants and dynamics, including the NC remit, the role of the NCC, behaviour inside the NC meetings and behaviour outside of the NC meetings. Categories were then analysed as four themes and their related sub-themes, as shown in table 14 below.

Themes	Sub-themes

4.4 Theme I: Context, Determinants and Dynamics of Engagement	4.4.1 Context and Remit of NCs
	    4.4.1.1 Comparison with Audit and Remuneration Committees
	    4.4.1.2 Nature of NEDs
	    4.4.1.3 Role of NCCs
	    4.4.1.4 Qualities of NCCs
	    4.4.1.5 NCC Relationships
	    4.4.1.6 CEO on NCs
	    4.4.1.7 Board chair as NCC
	    4.4.1.8 NC Remit
	4.4.2 Inside NC Meetings
	    4.4.2.1 Setting the Tone
	    4.4.2.2 Exploration and Synthesis
	    4.4.2.3 Managing Disruption
	    4.4.2.4 Creating a Safe Space
	4.4.3 Outside of NC Meetings
	    4.4.3.1 Relationship Building
	    4.4.3.2 Perspectives and Opinions

4.5 Theme II: Strategic Value	4.5.1 Benefits of Realising Strategic Value 4.5.2 Board Composition: Long-range Forecasting 4.5.3 Succession Planning: Deep into the Organisation 4.5.4 Diversity: Broad and Holistic 4.5.5 Dual Board Chair and Strategic Value
4.6 Theme III: Governance and Future NC Regulation	4.6.1 Director Attitudes 4.6.2 NC Name and Remit 4.6.3 Review of Succession Plan 4.6.4 Tenure Rule 4.6.5 Definition of Meritocracy
4.7 Theme IV: Covid-19 Impact on NC	4.7.1 Benefits of Virtual NC Meetings 4.7.2 Costs of Virtual NC Meetings 4.7.3 Chairing Virtual NC Meetings 4.7.4 Engagement with the Executive Team and Business

Table 14. Full listing of themes and sub-themes from thematic analysis (author's own design)

4.4 Theme I: Context, Determinants and Dynamics of Engagement

The research question asks about how the NCC engages with committee members to realise strategic value to the board. The data shows that NCCs conduct this engagement with committee members within both an internal company context and an external market and governance context. They also engage with committee members both inside the meetings and outside of the NC meetings. The nature of this engagement also depends on the remit of the NC, which in turn dictates the intensity and frequency of the engagement. This section therefore describes the findings organised into three different aspects: the internal context and remit, what happens inside the NC meetings (formal proceedings) and what happens outside of the meetings (informal interaction). These definitions are the same as those used by Concannon & Nordberg (2018). This important distinction and co-existence of the formal and informal was found to be symbiotic as in 'dual governance' (Calabro & Mussolino, 2013:394). Social interactions, shared vision and a combination of informal and formal interaction have been found to produce beneficial outcomes in other business contexts outside of the boardroom (Calabro & Mussolino, 2013). The internal context of the NC includes its remit and who chairs the NC, whether it is the board chair or another independent NED. The external context is discussed in themes III and IV under governance regulation and Covid-19 impact respectively.

Engagement has been associated with boards and committees as a necessary element in corporate governance: 'directors have an obligation to be engaged in and contribute to the exchange of information' (Charas, 2015:112). Engagement contributes towards board and committee culture; as such, it is the necessary lubricant for effectiveness and results in a board or committee being neither overly passive nor too operational: 'engaged cultures are characterized by candour and a willingness to challenge' (Nadler, 2004a). If engagement is central to board culture and effectiveness, then engagement by board directors is of itself part of the remit of the NC; therefore, arguably, the NCC needs to be a role model in demonstrating

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and eliciting engagement from NC members. Norms, beliefs and values are all component parts of board engagement (and potentially NC engagement) in building a high-performing team both inside and outside of the formal meetings (Nadler, 2004a). This team orientation, which includes the social dynamics, was also found to be more powerful than individual director characteristics: 'the impact of board functioning as a team is an eight times greater predictor of corporate performance than individual director demographics' (Charas, 2015:107).

The NC and NCC engagement is investigated in depth in the following sections, which cover the context and remit of the NC, including a comparison with ACs and RCs. More specifically, the nature of NEDs as the majority membership of the NC; the role, qualities and relationships of the NCC; the roles of the CEO on the NC, the board chair as NCC as part of the NC context and then finally the NC remit are discussed.

4.4.1 Context and Remit of NCs. The first level of engagement is the internal business and remit of the NC, including who chairs the NC. Context can be analysed on several different dimensions pertaining to role theory, such as the NCC role, necessary qualities and relationships within the board and business. In addition, participants compared the NC with the other two core committees, the AC and RC, to illustrate its differences, so this is also discussed. As the NC is typically populated with either all or a majority of NEDs, the nature of NEDs is explored as part of the internal context. As the board chair typically chairs the NC in over 80% of FTSE 350 companies, it is relevant to include a section exploring this arrangement. The FRC's recent review of reporting gives the NC a strategic role in being aligned to business strategy: '[it] must take into account the company's strategic priorities' (Financial Reporting Council, 2020:13).

4.4.1.1 Comparison with Audit and Remuneration Committees. A majority of participants called on their perceptions of the other two core committees – the AC and RC – to highlight the distinction between them and the NC. The AC and RC are perceived as operating within narrower margins relative to the NC, which permits broader discussions. There was a feeling that it is more difficult to get a 100% consensus in NC meetings when compared to AC and RC meetings. This is thought to be due to the more qualitative nature of the content and people-oriented activities in NCs when compared to the more binary or quantitative discussion in the AC and RC. Compared to the other core committees, the NC is considered more likely to get a range of different views and a more fluid range of outcomes, arguably because of a less prescriptive process. The NC is ranked as the poor relative in the governance family. This view is allegedly reinforced by the proxy voting agencies such as Institutional Shareholder Services (ISS), Glass Lewis, and Institutional Voting Information Service (IVIS), part of The Investment Association, as remuneration for the NCC is often lower than for the ACC or RCC. This sends a message that the role of the NCC is of less value than that of the ACC or RCC. The NC is perceived as a more difficult committee to chair due to its lack of prescription; however, it is also seen as incurring less risk when compared to the AC or RC: 'chairing the nomco is probably the least risky of any of them' (participant 24). However, the NC can also be viewed as lacking in vitality or vigour in some companies: 'a slightly moribund junior partner in the corporate structure' (participant 4). Participants described the NC as diminished in several ways: 'there's a bit of an orphan Annie thing about nomco' (participant 18) and 'it's seen as a kind of young child' (participant 12). In summary, in many UK listed businesses, the spotlight is elsewhere and not on the NC: 'it's a bit of a neglected committee on most boards' (participant 20). The fluid nature of NCs is highlighted in comparison with AC and risk by this participant:

'And I suspect of all the committees, it's the one where all the other committees

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like Risk and Audit, it's pretty hard wired as to what's required and what people are doing. Nomco actually is more strategic than either, maybe not risk, but you know, either of those really. And yet it's....in governance terms, a bit spongy, and a bit prone to be whatever it is the chair wants.' (participant 18)

4.4.1.2 Nature of NEDs. Board chairs and NCCs spoke at length about managing a group of NEDs on the NC. As the NC is typically all or a majority of NEDs, it is therefore important to understand the nature of NEDs and how they interact with the NCC. When all the NEDs are on the NC, it is perceived as less risky due to the NC being the same composition as the board. The NC is considered a key role for NEDs as a collective, so they need to have full authority and utilise it. NEDs are hired to challenge and provide oversight and the NC provides plenty of opportunity for them to do so. As such, they have an 'obligation to dissent' (participant 21) to the extent that NCs are not considered effective if they run too smoothly. This leads to NEDs having to strike a delicate balance between disagreeing and potentially creating discord while also needing long-term working relationships with other NC members. This is described as them being 'feisty but in a way which is relationship-enhancing' (participant 30). Individual NEDs need to decide whether or not it is worth creating tension in the NC, but this tension is deemed a vital ingredient to decision-making: '[you] need tension in any board to make the best decisions' (participant 22). At best, this collection of NEDs is perceived as 'the community of directors brought together in the best interests of the company' (participant 18). Alternatively, NEDs are there to shine a light on the executive blind spots: 'what management may well do is be blind to something which is outside their own set of experience' (participant 8).

The high level of engagement required on NCs is dependent on the NED's role to support the CEO and executive team without thought of personal gain, but also to thoroughly

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understand the business context, so they can contribute fully and add value. The NCC's responsibility is to create a climate in which this can happen that contributes to board effectiveness (Roberts, 2002). The need for NEDs to be engaged is not disputed: 'an effective NED must be engaged but non-executive; challenging but supportive; and independent but involved' (Spira & Bender, 2004:492) but how this happens is still unclear. The activity levels of NEDs are key to success as found through rotating NEDs on committees to broaden their skillsets, induction sessions for new NEDs and upgrading committee reports. It was found that NEDs with strategic problem-solving skills are more active on boards and the whole board will be more effective as a decision-making body (Rindova, 1999). Unfortunately, the type of committee is not explicit in the Rindova study, but the presumption is that it includes U.S. NCs.

The literature posits that NEDs challenge aspects of the business and executive proposals, although this is not uniform behaviour: 'some directors contribute through active questioning, others are unwilling to bring or sustain challenge, even at times when they believe the issue to be important' (Halton, 2013:422). However, challenge is deemed to be most effective when done in a constructive fashion or as 'supportive challenge' which necessitates good interpersonal skills and emotional intelligence as a foundation (Halton, 2013:430). Furthermore, there is a contradiction in terms of the role of NEDs on the NC and their accountability: 'while NEDs do hold management to account, they also hold their NED colleagues to account and are themselves accountable to the group for their decisions, views and actions' (Nicholson, Pugliese & Bezemer, 2017:2). These 'recurrent accountability routines' add to the complexity managed by the NCC in being accountable to board colleagues and engaging NEDs towards a strategic outcome (Nicholson, Pugliese & Bezemer, 2017:1).

Information asymmetry is one motivation for NEDs to collaborate as it drives their behaviour both within and outside of meetings. This lack of perfect information in their capacity as non-executives drives their need to question and challenge, which has been labelled

'the information asymmetry paradox' (Brennan, Kirwan & Redmond, 2016:135). It arguably also drives some of the informal, more collegiate contact between NEDs, which in turn drives engagement to combine their knowledge, resulting in optimum decision-making (Brennan, Kirwan & Redmond, 2016).

4.4.1.3 Role of NCCs. The NCC is seen as setting the tone in terms of supporting the board culture and creating the appropriate environment for committee members to speak openly and honestly. They shape the discussion to be relevant and hear all views before moving to a consensus. The NCC manages rapport and chemistry between committee members. They ensure that there is a strategic succession plan and the practicalities of succession and tenure are implemented so that the best board chair and CEO are in place. The NCC role is to enable the committee to have the relevant scope, authority and resources to explore and, if necessary, incubate key activities or initiatives before proposals go to the board. The NCC is a process-manager and facilitator, exerting control over whether discussion becomes more focused or allows a more blue-sky and less structured exploration. Participants see the NCC as both encouraging and supportive or as 'cautious cheerleading' (participant 13). The nature of the discussions facilitated by the NCC are seen as needing to be highly inclusive especially as the content matter may be sensitive and personal. However, committee members appreciate that the role of the NCC is to ideally reach a conclusion or consensus in as efficient a manner as possible: 'inclusive discussions that lead to the best decisions that can be made' (participant 30). The role of the NCC is similar to the SID and can be summarised in the following quote:

> 'The nomcom chair, operates in a deeply sensitive territory, which, you know, impacts ambitions, personal ambitions, and passions and fears, amongst the most senior and powerful people in a company. And as a consequence, the

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chair of nomcom, you need, you know, buckets of emotional intelligence, and courage and robustness, you know, equal, if not larger than the SID.' (participant 3)

NC members are seen to be engaged when they are asking questions and show energy through nodding, smiling, expression, tone of voice and hand gestures. Engagement in a virtual world means that they always have their camera on. The NCC is actively engaging when they create space for everyone's opinions, invite questions, acknowledge the contributor, give thanks and praise to a contributor, and ask questions to encourage discussion and debate. The NCC ensures that any concerns are addressed and they move to a decision to conclude the topic. The NCC never overrules or dismisses a point made by an NC member.

'There's inevitably a danger in debate, somebody to dive into the weeds, to get into the detail, which will be important at a point in time, but is often not the key part of the debate that you want to have at that stage. So sensitively recognising the importance of that detail, but then parking it and bringing us back on to, if you like, the more strategic discussion, to actually get to the end of the debate. It's a skill in the way you do it, but it is definitely a need for the chair to maintain that, and very much that whoever is chairing does not themselves, dive into the detail and get lost in the weeds because that is a road to no decision and interminable debate and is extremely unhelpful.'

(participant 4)

The role of the ACC, but not the NCC, was explored via interviews in Canadian firms and found that it was likened to an 'orchestra conductor', 'captain of a ship' or 'team captain' (Khemakhem & Fontaine, 2019:464). This reflects similar descriptions given about the NCC

or the board chair as NCC in section 4.4.1.7. The role of any chair can be a tightrope between encouraging challenge and also moving towards collective decision-making (Halton, 2013). Getting this balance wrong can easily tip a committee into dysfunction, but then true creativity and value creation may be unattainable: 'without disruptive thinking, the prevailing wisdom continues to prevail' (Halton, 2013:434). This certainly seems to summarise the delicacy required by the NCC to effect the best outcomes.

4.4.1.4 Qualities of NCCs. This section explores the qualities that a good NCC should display and describes both the hard and soft skills deemed critical to make the NC an effective committee. The NCC should have a passion for people, build trust and demonstrate an awareness of governance. Ideal qualities include emotional intelligence, courage and robustness, empathy, the ability to challenge and support. They should be a good judge of character, interested in people, a good interviewer, a good reader of people dynamics and therefore exhibit good interpersonal skills. They are perceptive, honest and open-minded, take personal accountability seriously and are free of ego. They possess a clear focus on what the organisation is trying to achieve and have in-depth knowledge of business management and executive business experience. Participants explained these qualities as 'within the wrapper of governance' (participant 11), creating an awareness and understanding of how the board functions. However, the NCC also needs to have some lessons learned in their business experience which may have tested them. This is described as 'battle scars' (participants 2 and 22) and contributes a diversity of thought through personal experience. The people focus is seen as critical for the NCC to exercise strategic thinking and a passion for people-oriented topics, which necessitates a range of primarily soft skills: 'soft skills in abundance' (participant 12). When it comes to the NC being diverse themselves (female or from an ethnic minority), there is support for having diverse committee members, but the NCC themselves doesn't

necessarily have to be female or ethnically diverse. The NCC is certainly seen to set the tone in terms of diversity: 'I think the way the NCC thinks and acts is important, I don't think it's necessary for them to be diverse themselves' (participant 6). Table 15 below shows the range of hard and soft skills required by the NCC.

Hard Skills of the NCC	Soft Skills of the NCC
Interviewing skills	Emotional intelligence and empathy
Strategy development and review	Approachable
Business knowledge	Collaborative
Understanding of governance	Courage and resilience
People management	Understanding of people
Understanding of company vision/mission	Calm and mature
Senior executive experience	Inclusive listener and good facilitator
Leadership experience	Good judge of character and diplomatic
Learning from past mistakes	Cognitive dexterity and pragmatism

Table 15. Hard and soft skills required by the NCC (author's own design)

Participants did not feel that the NCC needed an HR background as it could lead to a narrowing of perspective. Other participants expressed this functional knowledge as 'mildly advantageous' (participant 16). There is little research on the qualities of an NCC. The experiential expertise of NCCs (e.g. senior executive or leadership experience) has been found to be related to firm performance measures – such as return on assets, return on equity and net profit margin in Pakistani firms – but no relationship was found between monitoring and HR expertise and these financial performance measures (Chaudhry, Roomi & Aftab, 2020). These results are suggested to inform strategic decision-making by boards (Chaudhry, Roomi &

Aftab, 2020) but there is no explanation as to how this could help NCCs be effective committee chairs.

Leadership and communication skills were also found to be the differentiators for ACCs in Canadian firms, which supports the findings of this thesis: 'ACCs also need to be trusting, and they require leadership abilities including strong communication skills in order to manage the complex web of relationships that surround their role' (Khemakhem & Fontaine, 2019:458).

4.4.1.5 NCC Relationships. The primary relationships for the NCC are with the board chair, the CEO and the HRD, and then with the SID. The SID leads on board chair succession and at these times the NCC will need to collaborate with the SID for the best possible outcome. The NCC is perceived as sitting in the middle of the chair–CEO relationship. It is important for the NCC to obtain and understand the views of the board chair. A separate NCC can keep the board chair in check and guide them on appropriate conversations at NC and at board. The NCC relationship with the CEO is a coaching and visionary one, where the CEO should lead on corporate culture. Needless to say, the NCC is not expected to comply with their internal stakeholders and these key relationships should still allow dissent: 'you can disagree and still maintain productive and close relationships' (participant 30). The NC is clearly seen as the main place for NEDs to have a strong voice:

'I think the chairman of the board in particular, need not to be in the

room all the time and indeed, the CEO as well. So the core of non-exec,

your core of independent directors in nomination committees need to be

seen to have the authority.' (participant 3)

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NCC relationships have traditionally been open to personal interpretation: 'structure and composition of board subcommittees can be mandated: conduct and relationships cannot' (Spira & Bender, 2004:498). One of the key processes in the CEO's influence of the board is the chair as a 'key ally' (Maitlis, 2004:1292) but the CEO also influences committee chairs in a more indirect or subtle way, especially as the CEO is the executive on the NC who knows most about the business (Maitlis, 2004). One NC member expressed the NCC–CEO relationship as more nurturing: 'I see the relationship with the CEO touching a little bit more on maybe coaching and vision' (participant 2). This dynamic sits alongside the central CEO–chair relationship, so the NCC is part of this triumvirate, a heightened dynamic if they are also the SID or no SID exists. It can be a balancing act, as expressed by this participant:

'Particularly, because it's the inevitability of relationships between the chair

and the CEO, you know, they can be, well, they're inevitably intimate, you know,

in the widest sense of the word, because they're close, sometimes close and full of

friction, and sometimes they're close and there's not enough friction. But in any

event, the dynamic of that chair-CEO role is often you know, the strength, or the

weakness of a company, and the effectiveness of a board. And in the middle of that,

if the nomination committee chair is to fulfil his or her role, they need a passport into

that relationship, and need to be tough enough to spot when that relationship isn't

working for stakeholders.' (participant 3)

A dysfunctional CEO–chair relationship is difficult for all NEDs, including the NCC who must navigate it, but may also be expected to address it as expressed by this NCC:

'You need a really good relationship between the chairman and CEO. It's one

of those things I've kind of learned. I won't join a board as a NED unless I

think there's a good chairman, and a good CEO and the relationship is good'

<div align="right">(participant 17)</div>

The dynamics between the CEO and board chair both separately and together are both critical

and strategic as this participant expressed:

'One of the biggest things I struggle with CEOs is bad... or in their opinion,

bad board chairs, and it takes away so much of their energy and oxygen to

drive the business forward. So I think I would not differentiate between the

board chair and the board CEO role in terms of strategic importance.'

<div align="right">(participant 30)</div>

Much work has been undertaken on the CEO-board chair dynamic regarding strategic

tensions (Morais, Kakabadse & Kakabadse, 2018) so this study builds on that work by placing

the NCC in the mix of critical board relationships for realising strategic value.

4.4.1.6 CEO on NCs. Most interviewees thought that the CEO should be invited on an

ad hoc basis to the NC meeting, but the thinking was polarised in terms of whether the CEO

should be present: 'we always tend to invite the CEO to sit in as an observer' (participant 7).

The sensitivity appears to be around undue influence from the CEO or being able to speak

freely about the CEO's performance or succession:

'So I think there's value in keeping that stellular identity for nomcom intact,

because as it starts leaking around the perimeter, the chairman might or the

<div align="center">234</div>

CEO will feel that they can influence, you know, their voice is important.

And they don't feel totally inhibited in marching in and giving an opinion on

something and expecting everyone to say yes, that's all right' (participant 4)

The literature argues both positively and negatively about the role the CEO plays on a NC. This role is deemed of benefit to include on the NC when recruiting new executive directors or NEDs, as the risk of exclusion may invite future potential disharmony and conflict on the NC (Walther, Morner & Calabro, 2017). The CEO is perceived as a partner to the board in a power-sharing relationship. In this way, the CEO actively participates in the process of building the board culture, but NEDs still oversee the CEO and the company performance (Nadler, 2004a). Research has also found that the CEO on the NC is positively related to the firm's market return (Kolev et al, 2019).

However, research also shows that a NC with a sitting CEO (a NC member) is less independent and more populated with overly sympathetic directors. In the U.S., Sarbanes Oxley (SOX) legislation discouraged the CEO on the NC. A CEO on the NC tends to hire fewer independent NEDs but hires directors with more conflicts of interest (Kolev et al, 2019). An independent NC is more effective at monitoring and discipling the CEO, or, put another way, the existence of a NC dissuades the CEO from persuasion attempts towards institutional investors (Kolev et al, 2019). With this positioning of the CEO on NCs comes risk as described by the participant below:

'I think it's more that it is fairly natural for the CEO to kind of run the process

in terms of the liaison with headhunters and paying the headhunters fees and

agreeing what those fees are, and having a first trawl through the answers that

come back from the headhunters. And I think there is a risk there. And I think

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that I could see in other contexts, there would be a real risk where whichever

executive board member had the role in this, of doing some bit of filtering

down in a way that was sort of directing nomco down a particular track, and I

think that would be unfortunate.' (participant 7)

Therefore, CEOs on NCs have a great deal of power, which needs to be managed by committees

such as NC. That power is heightened when the CEO is perceived as doing a great job for the

business, so their judgement is accepted as expressed by this participant:

'But that situation gives the CEO a huge amount of power. Which is obviously

one of the reasons the committees need to be there as a check and balance. But

reality is that in the situation we're in, the CEO is incredibly powerful, because

the board is behind her, the shareholders are behind her, the company's behind

her. So you know, she's not fighting against anybody internally.' (participant 27)

4.4.1.7 Board Chair as NCC. This section explores the board chair as the NCC as

part of the context and remit of NCs. This dual role is explained as inherited from a previous

board chair. As previously mentioned, over 80% of board chairs are also the NCC in FTSE 350

companies. This positioning is not prohibited by the 2018 UK Corporate Governance Code in

the same way as it disallows the board chair to chair either the AC or RC. For some participants,

there is a nervousness on the part of board chairs in delegating to any committee, which

indicates a fear of loss of control and lack of trust. This duality is seen by some participants as

a lack of 'moral courage or the independence of mind' (participant 3) to outsource to a separate

NCC, so it may be considered unhealthy. Whether the board chair is also the NCC or not, the

NC needs independent thinking from the board chair, not just a 'rubberstamp' (participant 32).

Table 16 below lists the advantages and disadvantages of the board chair as NCC versus a separate NED as the NCC.

Board Chair as NCC	Separate NED as NCC
Chair is accountable for shape, composition and performance of board and executive – you can't blur it.	More activity in NC space these days therefore needs more focussed resource.
Chair has to challenge CEO on actions and is accountable to shareholders.	Prevents overburdening the chair.
Other than strategy, chair is responsible for shaping culture and membership of board.	Undue influence from Chair or CEO where they drive all decisions and everyone agrees without challenge.
Setting of tone has to come from chair.	Independence of mind and moral courage to outsource.
Relies on NEDs exercising their independence properly.	Board chair can be overly expedient – agenda gets minimised or underdone.
Chair needs to create reality of trust, openness and receptivity.	Use NCC role as successor to chair – internal board succession pathway.
Best and broadest worldview of business, best informed.	Don't get 'chair's picks' on recruitment or succession – board of 'chair's mates'.
Opportunity to get visibility of next tier of management.	Most influential of proxy agencies, ISS, doesn't like chair as NCC.
Economy of effort – no extra person to deal with who may have a different style.	Dilutes dynamic and avoids tricky issues between chair and CEO.
Works if there is a robust SID.	Mitigates risk of box ticking at NC and full discussion at board.
Committee report-outs are short and communication to all is easier.	If large board, then subset involved in NC.
If chair can't run NC, then there is a bigger problem with the chair.	Gives a NED the opportunity to chair a committee.
Chair uses influence in way wants NC to work – no dilution and can insist on way forward if deadlock.	Can guide board chair where to have the respective conversations – at board or NC.

Table 16. Comparison of advantages and disadvantages of board chair as NCC (author's own design)

Some participants felt in comparison with U.S. corporate governance, that the UK is more prone to director selection being the board chair's favoured candidate or 'chair's picks' (participant 21). Having the SID chair the NCC is felt to counter any biased selection of candidates by the board chair. The proxy voting agencies, especially ISS in the U.S., tend to disapprove of the board chair chairing the NC. Some participants felt that the board chair as NCC is spread too thinly with chairing both the board and a sub-committee. The justification for this duality is that the board chair is explicitly accountable for the shape, composition and performance of the board and the executive team. Additionally, the board chair has to lead any challenge of the CEO and is also accountable to the shareholders. It is argued that the board chair has the broadest and best world view of the business, therefore is the best informed of the board. However, the dual board chair and NCC may abuse their influence on decision-making and insist on a way forward if deadlock occurs on NC recommendations. A contrary argument is that if the board chair is not the NCC, then this could lead to an abdication of board chair responsibilities to build a high-performing board. The board chair as NCC relies on their personal integrity not to unduly influence or force their own agenda and choices. It is debatable whether NEDs can counter an overly forceful board chair as NCC. Many observers and practitioners feel that this is a governance shortcut that compromises the independence of the NC in shaping the board and hiring key directors such as the CEO. It is an economy or efficiency with a real potential cost and downside. There is an irony that the NC owns and drives independence through board composition, but independence and objectivity may be at risk of compromise, even if board chairs argue that this duality is an economy of effort. It creates a greater overlap with the board so can effectively disempower the independent decision-making of the NC. There may be risk of skewing outcomes or outright abuse of their authority: 'some board chairs like to use the nomco to paper over the fact that they're driving the decision-making' (participant 18). Several board chairs as NCC participants explained that

they were in the process of expanding the remit of their NC to become more strategic. When the board chair chairs the NC, there is greater autonomy to influence a broader NC remit that encompasses more of the areas proposed in the 2018 UK Corporate Governance Code. The board chair typically knows the business and its people very well, but especially for a board chair new in role, this committee chair role gives them a passport to explore deep into the organisation for talent and shape a more transformational level of change in terms of board and executive composition. This can in turn impact the business strategically. This passport is undoubtedly more about a board chair driving their own agenda and requires robust NEDs to challenge and provide oversight.

A separate NCC needs to be robust and resilient if they receive pressure from the board chair. Some participants claimed that a separate NCC is appropriate when there is more activity in the NC space, whether this is more recruitment and selection of directors or a broader NC remit. A separate NCC is felt to spend more time digging into the organisation but could default to a box ticking approach if adopting a more transactional HR approach. The NCC is perceived as a higher level and more strategic role than an HR practitioner. Another viewpoint is that large boards should have a separate NCC, whereas small boards cannot justify a separate NCC. A dual board chair and NCC allows a different, arguably more candid, dialogue with the CEO. One of the key activities of the board calendar, the board evaluation, can be managed via the NC, which is more likely when the board chair is NCC. To combine the role of board chair with board composition activity is seen as logical by many participants and board chairs 'would be diminishing themselves' (participant 19) if not taking the dual role and justification in terms of: 'he's the orchestra conductor for the board' (participant 32). It is debatable whether this is good governance or just custom and practice due to a loophole in regulation. If there is a separate NED as NCC, then this could also signal a board chair who absorbs some or all of the

NC remit into board meetings and is therefore actively disempowering the NC. In this way, there may be direct control exercised by the board chair of the NC remit.

There were two new board chairs among the participants who had taken up their posts since March 2020 and therefore during Covid-19. They had not been able to meet their colleagues in person and had developed virtual working relationships. I examined their data to see if their newness in post showed any similarity but found that one of them was focused on actively expanding the NC remit while the other was focused on an urgent matter of the financial health of the company.

The Higgs Report (2003) actually recommended that the NCC should not be the board chair but another independent NED. This recommendation was never adopted or implemented. While research typically examines the board chair chairing the board meeting and not the NC, there is insight from how they may filter information for directors and introduce bias in how it is conveyed and received: 'board chairpersons play an important role in balancing the volume and value of unique information, and the board's strategic tasks performance is strengthened as a result' (Zhang, 2010:477). A rare duo of studies looking at the dual role of board chair and NCC found a positive relationship between this dual role and poor financial stability in Malaysian companies (Al-Absy, Ismail & Chandren, 2018, Al-Absy, 2020). A dual board chair/NCC or the board chair as an NC member was found to lead to higher earnings management in a business. These findings suggest that the board chair should not chair or be a member of the NC as it allows a loss of independence and domination by the board chair, so that the NC is challenged and evaluated less with a suggestion that the board chair doesn't have sufficient capacity to do the job well (Al-Absy, Ismail & Chandren, 2018; Al-Absy, 2020). These quantitative studies on Malaysian firms are noted as culturally distinct from those of the UK but there is a synergy with the findings from this qualitative study.

4.4.1.8 NC Remit. The NC is perceived to have a relatively liberal and flexible agenda, which can vary widely from one business to another, but, as a minimum, it will focus on recruitment and selection of executive and non-executive directors. It is perceived as the most strategic of the committees in terms of having a long-term impact on the business and at its most empowered can be viewed in an advisory capacity: 'nomination committee as a strategic advisory community to the chair and the board' (participant 18). Several participants claimed that the NC cannot be separated from strategy. NC members need a greater appreciation of the range and subtlety of skills to execute the corporate strategy, which in turn protects shareholder value and sustainability of the business; for example, integrating skills with leadership development and talent development but at a high level can be described as a team to implement the strategy: 'getting the right team out on the pitch and then helping them develop appropriate cultures to maximise the efficacy of that team' (participant 31).

'In many ways, I don't think you can untangle nomcom from strategy,

you know, because once you've established the strategy, nomcom's task

really is to make certain that you're equipped to lead the business as a board,

to deliver, to execute that strategy.' (participant 3)

The NC is perceived as largely event-driven, as in when a CEO resigns it is focused on risk prevention, but the stakes are high and poor management of such a scenario can be potentially damaging to the business. It is the NC's task to ensure that any associated risk is mitigated and managed without harming the business. There are polarised views as to what should be the remit for the NC. Some feel it should only focus on director recruitment while others consider its' remit more holistically as a people and culture committee: 'people, talent, culture, behaviours - the nomination committee is a tool that can be used' (participant 8). This

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has been noted by the FRC in its recent review of corporate governance reporting (Financial Reporting Council, 2020). These views about the NC remit appear to be entrenched and could arguably restrict the strategic value, which is possible from an NC with a broader remit as expressed by this NC member: 'nomco is really reserved for those key nominations. It's not a catch-all for the things we need to be doing as a business' (participant 27). However, the opposite view was also evident as this board chair as NCC participant stated:

'You know, what are we talking about people for, we should be talking about money type views, then I've used the nomination committee as the place to do that. So for me, to me, there is no natural constraint on the remit you give the nomination committee.' (participant 8)

Therefore, it appears that board chairs are ambitious for the NC remit. However, the NC remit is strategic and inseparable from the concept of independence, therefore must be integrated into NC activities, as explained by this participant:

'I think just at the strategic level, getting the remit that for nomcom, that, okay, we've all agreed that we're moving into the Far East in two years' time, and we're going into higher tech sector of our market at the same time. Right, nomcom, we'd like you to do the research on that and get some people around this table that can help us with that as directors. And go away and do it and come back with the recommendations rather than you keeping involved. And having that independent identity is very important, because you can then remind people about that authority that you have as a committee.' (participant 3)

The purpose of NCs being independent is so that their nomination processes are without bias. Academic research uses two proxies to test the independence of NCs, ACs or RCs, whether the committee chair is independent and the proportion of independent NEDs on the committee (Leung, Richardson & Jaggi, 2014). Research has shown that when no NC exists, there are more 'grey' directors with conflicts of interest. It was found that non-strictly independent NEDs on committees did not affect outcomes such as CEO turnover, but there was an optimal level of independence for committees, which was lower than dictated by governance, leading to the conclusion that: 'the large amount of independents recommended in corporate governance codes does not necessarily improve corporate governance practices, and conversely, may provide firms with incentives to appoint non-strictly independents' (Crespi-Cladera & Pascual-Fuster, 2014:133). Non-strictly independent NEDs were those with social or professional ties with the company or who had been employed or received remuneration from the company (Crespi-Cladera & Pascual-Fuster, 2014).

The agendas of NC meetings can oscillate between both the NC and board meetings, especially where topics bleed between the two groups, such as diversity, board evaluation and culture where either the same or an overlapping discussion takes place as repetition or reinforcement. It can be used for executive behavioural issues, board evaluation and oversight of business culture, but most agree it can have a malleable and elastic character. This potential for agenda drift means that NCs are perceived as the 'chair's wild card' (participant 8) and so can be shaped into what best serves the business, including as a sounding board for the board chair and CEO. The NC remit is perceived as any people-oriented tasks and topics – 'people type areas' (participant 24) – so it is a forum to float any people ideas: 'I think it is a committee that can be used for some of these things which don't easily fit elsewhere' (participant 24). This exploratory nature of NCs is repeatedly confirmed by the majority of participants: 'explore a bit' (participants 5, 24, 27).

A minority of NCs were found to be one dimensional in the sense of being reactive to a vacancy on the board or a sudden gap in the executive team, consequently focusing mainly on recruitment and selection. The NC response was therefore transactional, about managing a process to hire a recruitment consultancy, organise interviews and make an offer to a successful candidate to fill the gap. The majority of NCs were fulfilling the broader mandate of the 2018 UK Corporate Governance Code by being multi-dimensional in terms of NC activities and tasks. This includes board composition in terms of skills and experience, diversity and long-term succession planning, which incorporates talent development within the business. As independent directors tend to have come from executive roles and therefore consider themselves people experts, the broader agenda of the multi-dimensional NC engages them through its variety and inherent challenges for the business. The combination and integration of these multiple activities is perceived as strategic and therefore critical to the success of the board, the executive team and the business. There are frequent calls for more research on the role of the NC in selecting the board chair but not about the NC itself: 'we were surprised to find virtually no research on the role of nomination committees' (Banerjee, Nordqvist & Hellerstedt (2020:390).

The next section discusses the findings and related literature on what happens inside the NC meetings. This encompasses the activities of setting the tone, exploration and synthesis, managing disruption and creating a safe space.

4.4.2 Inside NC Meetings. This section analyses data for the second part of the first theme focusing on engagement. It examines evidence from inside the formal NC meeting and how the NCC engages with committee members to realise strategic value to the board within this forum. The section is divided into four areas of focus found to drive NCC behaviour in NC meetings. These are setting the tone, exploration and synthesis, managing disruption and

creating a safe space. Engagement is considered the best of all committees in the NC meeting because all members can have a view without having any specific functional expertise: 'there's always a lot of energy when it comes to succession planning, so that always engages people' (participant 23).

The literature shows that an engaged board chair facilitates more open discussion and debate in the meeting (Bailey & Peck, 2013) and this resonates with the NCC inside the NC meeting too: 'a capable chairperson may play an important role in generating value-creating boards' (Bailey & Peck, 2013:594). It can be argued that this behaviour from an engaged board chair (whether a separate NCC or the board chair as NCC) will engage committee members in turn. The nature of this debate inside meetings was found to vary according to how NEDs perceive their roles. Directors surveyed on Swedish company boards who felt their primary role was to monitor management, perceived themselves to be low contributors in formal board meetings. In contrast, those NEDs who perceived they had a personal relationship with executive leaders, such as the chief financial officer (CFO), felt their advisory role was more important and contributes towards greater value creation (Adams, 2008). It is posited that this inclination towards either monitoring or advisory value creation by NEDs could be present in NCs too.

In studies which have observed board meetings (but not NC meetings), it is noted that the less the chair speaks, the more engaged board directors are: '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' (Bezemer, Nicholson & Pugliese, 2018:230). Their profile of how a board chair engages is supported and reflected in the optimum soft skills of the NCC in section 4.4.1.4 and the chair as a shaper: 'the chair plays a critical role in orchestrating the engagement of the group' (Bezemer, Nicholson & Pugliese, 2018:220). A further clarification is that board directors' engagement will fluctuate during a meeting,

depending, for example, on the topic, personal interest or contribution level (Bezemer, Nicholson & Pugliese, 2018). However, engagement is critical to not only fully utilising the resources represented by a meeting full of NEDs as on the NC, but also when they are exercising their key functions of monitoring and advising: 'only when directors are fully engaged will they be able to realize their potential as a board member' (Bezemer, Nicholson & Pugliese, 2018:230).

However, there is an apparent looseness about reporting of NC meetings which can be both a freedom but lacks transparency as expressed by this participant:

'there is no framework within which a nomco should operate. So I don't

think you know, the nomco reports in board packs are fairly anodyne.

It is mainly boilerplate. It's very difficult to tell what actually went on at

the nomco'. (participant 5)

4.4.2.1 Setting the Tone. The NCC needs to know the mood in the room so there are no surprises and also set the tone for the board and committee culture. Engagement can take very different forms in terms of willingness to participate: NEDs who say a lot, those who say little, those who speak first, speak last or need to be encouraged to speak. Interpersonal and non-verbal cues such as nodding or smiling are taken as a signal that all NEDs are on the same page. High energy in the meeting room and lots of change in the business engages NEDs, but ideally there shouldn't be any surprises in the meeting. Discussions are engaging because they are about people and all NC members consider themselves experts on people. A foundation of trust, mutual respect and good working relationships are all critical for NEDs inside the NC meeting. They must have the freedom to say whatever is important, confidential and trust that any dialogue is not repeated. When NEDs are engaged and open-minded, they are more likely

to ask lateral questions. The NCC setting the tone is critical for psychological safety, defined as the 'sense of confidence that the team will not embarrass, reject or punish someone for speaking up and the ability to challenge' (Edmondson, 1999 in Veltrop et al, 2021:209). It sends a message for all NC members that every contribution is welcomed. Engagement happens on NCs when the matter is deemed important and NEDs can contribute on a people topic. NCCs need to appreciate the psychology of NEDs, that they are feisty but need to build relationships. It may be easy to encourage them to speak up in NC meetings as they are deemed to be opinionated and understand their obligation to dissent. NCCs need to be able to say things that others may find unpalatable. This trust is pivotal to oiling the wheels of good decision-making: 'if there's not trust, then there's not speed' (participant 26). However, there is little evidence that the NCC explicitly sets the strategic tone but they can in their role influence strategic output.

Setting the tone is a concept featured in the extant literature. Dependent on the chair's leadership ability, tone is acknowledged as being the chair's responsibility to create an appropriate ambience or 'open and safe boardroom atmosphere' (Kanadli, Zhang & Kakabadse, 2020:586). It has long been seen as the board chair's role to set the tone (Owen & Kirchmaier, 2008) which is expected of the independent NCC and also of the board chair as the NCC. It is conducive to engaging directors in efficient debate, utilising their job-related diversity, summarising conclusions and making good quality strategic decision-making or realising 'chairperson leadership efficacy' (Kanadli, Zhang & Kakabadse, 2020:586). The work of Kahn (1990) captured psychological safety as part of his holistic model of personal engagement and disengagement, which formed an early version of engagement theory.

4.4.2.2 Exploration and Synthesis. NCCs share a collaborative, participative approach to encourage substantive debate. They exhibit proactive listening skills and distil what they

hear, 'join the dots' and remember what was said in previous meetings. NCCs synthesise and contextualise the discussion to drive towards a majority consensus: 'you need to synthesise that through conversation' (participant 18). They also ensure new NEDs are integrated and welcomed by all, therefore engaged with the group, the process and the NC agenda. The NCC cares about NEDs being able to voice opinions and constructively challenge, experience sufficient psychological safety to air nagging doubts or worries and are comfortable with dissent. The NCC encourages NEDs to preserve good working relationships on the committee. The difficulty for the NCC is reported as getting to a decision, not inciting a debate; however, challenge is considered a sign of a well-functioning NC. Equally, the NC may own a new topic of interest to the board as an incubator to develop how the board or committees manage reporting, performance and accountability. An example of such a topic is ESG (environmental, social and governance). In this way, the NC can be an explorer and synthesiser of ideas which then go to board for approval.

> 'And especially when it comes to recruitment, you always have a lot of
>
> opinions and the role of the committee chair is to try and herd all these
>
> people and make their opinions somehow stick together' (participant 10).

The literature features very little about what happens within NC meetings but there are some parallels that can be drawn between what happens after the AC meeting compared to within the meeting for the NCC: 'the ACC has the task of synthesizing all the committee work' (Khemakhem & Fontaine, 2019:466).

4.4.2.3 Managing Disruption. There is a need for trust so committee members say what they see and do it in a way that moves the discussion forward: 'there's dissent in a

constructive way' (participant 14). Participants saw challenge as a sign of a well-functioning board but with a balance: 'you've always got to find that balance between support and challenge' (participant 6). However, there is also pressure on NEDs not to rock the boat unnecessarily, but they have to 'call it out' even if doing so risks creating tension in the meeting. Difficult dynamics on the NC can make the NCC role problematic and challenging, such as when certain NEDs abuse their role or disregard the tenure rules. NCCs do not welcome drama, they purely want committee members to focus on strategy, but NEDs can cause disruption. Therefore, the NCC needs to adopt a pragmatic approach to disagreement where there is freedom to debate but not legislate or undermine NED or executive colleagues: 'making sure that you can filter what's important, what's a whinge, what's a lobby' (participant 15). Most board directors are aware of the concept of groupthink and the NCC needs an antenna to alert the NC members to this if it occurs: 'you've got to be able to have a differing view otherwise you'll lapse straight back into groupthink' (participant 13).

Conflict on boards and committees has long been seen as part of governance but one that can result in destructive disputes, swing towards pushing disagreement underground or 'the suppression of valuable dissent' (Kaye, 1994:1). Yet again the extant literature focuses largely on boards and is sparse at committee level. The chair needs to have a process for addressing and resolving disagreement, so that it doesn't create an obstacle to progress or destroy value. However, they also need to ensure that cooperation is not only restored but optimised: 'conflict resolution is synonymous with good communications and even with team building' (Kaye, 1994:4). Open communication and trust are deemed essential for the creation of an innovative high-performing team and consequently a committee chair needs to facilitate: 'open communication also allows for constructive conflict, which is often a great catalyst for new ideas' (Sherwin, 2003:29). However, directors also work backstage with concerted effort to avoid conflict and repair rifts in working relationships through a series of tactics or 'face-

saving strategies' (Golden-Biddle & Rao, 1997:603) which include minimising the severity of the rift, responding to perceived issues and justification of the position, all of which often take place in informal conversations.

A sign of a well-functioning board is when any conflict is negligible, but boards are advised not to push conflict underground or avoid its resolution, as this results in impaired thinking processes or 'cognitive blindness' (Heemskerk, Heemskerk & Wats, 2016:233). This addressing of conflict head-on was the theme of an observation study of 11 supervisory boards in the two-tier system of governance. This scenario requires engagement of a different kind as conflict will obstruct good debate and decision-making by diverting energy and attention rather than active management of the conflict (Heemskerk, Heemskerk & Wats, 2016). Moreover, in Norwegian company boards, it was found that the greater the diversity in backgrounds and personalities on a board, the more creativity and cognitive conflict exists during decision-making. This relationship is mediated by board interaction inside the boardroom, suggesting that cognitive conflict can also be addressed within the formal board meeting to good effect (Torchia, Calabro & Morner, 2015).

4.4.2.4 Creating a Safe Space. The NC meeting is frequently used as a forum to test ideas and share more sensitive feelings or thoughts, especially when utilised as a safe space for NC members to discuss the executive directors as 'a sounding board' (participants 18, 21, 31, 33) whether that is for the CEO, board chair, NCC or NEDs. This can be a two-way process in discussing confidential people issues such as performance or retention. This aspect of the NC relates directly to its more fluid remit and requires a sensitive NCC to know when these conversations are pertinent: 'it's a safe space for some things to be discussed confidentially as it's got a little bit more flexibility around its remit' (participant 30). The board chair in particular depends on the value of this opportunity to rehearse ideas and perspectives with a

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group of NEDs before taking them formally to the wider board. The following participants express how the NC is a safe space for the CEO:

'So that's how I see noms, and increasingly a safe place for the Chief Exec to share how he actually feels about his team. And where he sees need for change either in the...if any, in the short and medium term.' (participant 26)

'I encouraged the chief exec to talk to nominations committee about... in this case, his wider organisational thinking, so I like it to be a place where, of course, it's not just about formal business of appointments, but a sounding board for me as chair and the chief exec.' (participant 18)

The above evidence adds to the recent research showing that CEO cognitive conflict in the boardroom presents an obstacle to NED monitoring and can be detrimental to boardroom dynamics. If this negative climate is not actively managed by the typically independent chair, then effective monitoring by NEDs becomes impaired. It is the independent chair's participative style that engages with the conflict and, if it is not avoidant, contributes towards psychological safety (Veltrop et al, 2021). While this finding did not include NCs, there may be parallels for the NCC to adopt a participative style of leadership and facilitation conducive to building psychological safety. In the same way as the board chair's leadership style should directly address cognitive conflict, we can posit that this is also necessary for an effective and engaging NCC. This study has shed some light on psychological safety in the NC and how the NCC engages with committee members to ensure that the formal meetings are considered a safe space, enabling more challenge from NEDs. However, we can add to the current knowledge by showing that the CEO also needs to experience psychological safety to fully

utilise the NC as a safe space and sounding board, thus making the effects two-way. This proposition highlights the NCC's skill required to facilitate increasingly diverse boards and committees to prevent them defaulting to dysfunctional conflict. I can find no research focusing on NCs and psychological safety therefore this gap is a further area where this study makes a contribution.

The next section explores the evidence on how the NCC engages with committee members outside of the formal NC meetings. It covers two main functions of the NC engagement, that is to build trust, candour and mutual respect in the NC business relationships so that NEDs can challenge and therefore monitor the CEO and executive team. The NCC also canvasses the interests and viewpoints of the NC members in order to prepare a foundation for aligning NED viewpoints and concerns.

4.4.3 Outside of NC Meetings. Informality covers any form of contact or conversation outside of formal NC meetings, such as Zoom, phone, emails, face-to-face meetings or chats, texts. It also includes the more casual water-cooler conversations and discussion during dinners and lunches before and after the NC meetings. Ground rules are usually implied and not explicit. There is a beneficial impact on the quality of the formal NC meeting. It allows the NCC and NC members to unwrap, contextualise and frame issues and questions, and calibrate the discussion: 'I think you do need to peel the onion and dig in outside the meeting' (participant 5). Informality enables greater offline risk management, the sharing of diverse views and potential strategic value to be realised from NCs. It can vary between companies on breadth, depth and frequency. 'There is an awful lot of off-piste action' (participant 18) and 'the objective is to make it a more efficient meeting, it's not to prejudge the meeting' (participant 17). However, the aim to stimulate thoughts about agenda items but not make decisions offline is not an exact science: 'a lot of these decisions will at least be massively

prepared, and if not made, heavily prepared outside of the committee' (participant 27). The following participant explains how informal contact can feed into the formal meeting as a beneficial additional interaction:

'The best committee chairs are talking to the members of the committee, often around the meeting, before the meeting to help contextualise what the discussion is, frame the questions, frame the issues.' (participant 5)

Informality is a relatively recent and neglected concept in the field of governance: 'informality serves as an underexplored but critical analytical point of departure for theorizing governance' (Davis, 2017:315) and 'lacks theoretical insights into the complex nature of social dynamics among NC members' (Walther, Calabro & Morner, 2017:2202). However, it is not just about theorising; the relevant aspect for this thesis is how informality can facilitate robust governance outcomes, but also be abused or is 'Janus-faced' (Davis, 2017:317). Informality can also introduce bias, which will reduce independence: 'professional and social relationships do develop quite naturally amongst directors and this can hinder independence when it comes to making decisions' (Keay, 2017:1305). With a context of stewardship, the business relationship is seen as contributory towards building trust and respect, which aids efficiency and so more value is realised for shareholders and stakeholders (Keay, 2017). It is posited that board accountability is inherent in stewardship, in that group collaboration and consensus drives the realisation of value through trusting relationships (Keay, 2017).

Stewardship theory can explain the interaction of informality and social capital in terms of three levels, those being cognition, social capital, and human capital or learning. Moreover, it is claimed to lead to new strategic value: 'managerial social capital consisting of goodwill derived from relationships, both formal and informal, that managers have with others and may

use to obtain resources and information for sensing new opportunities' (Nijhof, Schaveling & Zalesky, 2019:149). Focusing on social capital, it is described as the goodwill derived from business relationships, which covers both informal and formal contact as seen in this study on NCs. With compliance and stewardship as two ends of a continuum, there is often a perceived trade-off between the two, where compliance is now a necessary 'hygiene factor' (Kakabadse & Morley, 2021:194). The influence of informality can arguably help build stewardship through the trust and mutual respect of NEDs as colleagues.

Informality and trust are traditionally seen as integral parts of the Japanese and European approaches to governance rather than Anglo-American governance compliance (Driver & Thompson, 2002). Directors' use of information has been found to improve the performance of strategic tasks when open discussion stimulated by the board chair occurs and when directors actively search for additional information or clarification outside of the formal meetings (Zhang, 2010). Consequently, this dialogue has been shown to have a direct effect on strategic outcomes. However, even recent studies have claimed little knowledge about the social dynamics of NCs as they go about their tasks: 'we know little about how social dynamics among nominating committees, CEOs, and board chairs affect the different stages of NED selection processes' (Walther, Morner & Calabro, 2017:351). In a more recent cross-discipline literature review of social networks behavioural research, there is no specific mention of the NC, only ACs and RCs, which illustrates a research gap that this study partly fills (Bilgilli et al 2021). Moreover, informality and humour have been found to be used alongside formality in boardrooms, but not in NCs, in order to create a collegiate atmosphere and contribute towards board culture (Parker, 2007b). In observing two non-profit boards, informality appeared to replace any formal meeting processes and this may have prevented robust challenge by NEDs (Parker, 2007b). Evidence from this study found that while humour was

still evident in NC meetings, participants reported that informality did not dilute the formal meeting processes as managed by the NCC.

Social networks have been found to be disadvantageous in governance. They were found to significantly affect board composition in French firms where the NED networks were strongly correlated with those of the CEO. These firms tended to pay their CEO more, be less likely to exit an under-performing CEO and also participate in fewer value-creating acquisitions (Kramarz & Thesmar, 2013). This study's findings, albeit from UK FTSE companies, have also highlighted the disadvantages of social networks open to abuse where the offline dialogue is not managed as this participant recounted:

'I think, you know, me reaching out to the CEO and saying, look, can I

have a conversation with you about this? That's fine. And him reaching out

to me and board members saying, I think we're having a bit of a challenge in

this, I think we need to have a call, fine. But what I think is wrong, is when

the side conversations become... have their own life. And then what was

already a decided agenda item, is parachuted into a committee or it's parachuted

in the board, because suddenly there is this whole alliance that has been built

behind the scenes. And you're caught by surprise. And that has happened to

us before. And that is wrong. That is not good governance' (participant 23)

Informal characteristics such as personal values are a key part of decision-making alongside formal governance and emphasise the importance of relationship building: 'the informal elements of corporate governance that have long been neglected by regulatory bodies, research and literature can provide crucial information about effective decision making' (Maharaj, 2008:83). As expressed by this participant: 'the whole thing around purpose, for the

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business, you know, and values, all of those things. They're not just straplines in an annual report anymore, you've got to be able to live them as well as talk them' (participant 3).

ACCs were found to engage with stakeholders such as the CFO outside of formal AC meetings in a cycle: 'as we looked deeper, we realized that the role of the chair takes place in three different periods of time, centering around the date of audit committee (AC) meetings: before meetings, during meetings, and after meetings' (Khemakhem & Fontaine, 2019:464). This informal contact was to pre-empt any surprises in the meeting (Khemakhem & Fontaine, 2019). Informality has been shown to play a beneficial role in governance between ACs and the internal audit function. Informal meetings are an additional opportunity for monitoring management and are positively associated with AC independence, ACC knowledge and experience, and the quality of internal audit (Zaman & Sarens, 2013). Informal interactions have also been found to be the greatest impact of an ACC, which in turn improves AC effectiveness through reducing informational asymmetry (Turley & Zaman, 2007). Consequently, we can see some parallels in practice between ACCs and NCCs even though their committees are focused on different topics and activities.

The separation between formal and informal dialogue among board directors has been dubbed 'frontstage' and 'backstage' (Charas & Perelli, 2013:177) and is important in addressing conflict if the distinction is blurred in behavioural terms. While board directors are rarely assessed on their behavioural appropriateness before selection, these informal conversations outside of committee meetings were more frequent in firms rated more highly for their governance (Charas & Perelli, 2013). This suggests that understanding how to conduct and utilise informal dialogue is conducive to better committee and board effectiveness (Charas & Perelli, 2013).

Informal dialogue has been found to be applied to conversations about strategy or 'strategizing' (Concannon & Nordberg, 2018:76). In the context of board, not NC, this dialogue

was pushed out of the formal meetings, which were preoccupied with risk and regulatory matters (Concannon & Nordberg, 2018). While an awayday on strategy counted as informal, other smaller casual interactions were deemed to be of strategic value: 'a number of micro-activities undertaken by boards and directors were construed by participants as constituting strategic practices. These micro-activities have been categorized as informal' (Concannon & Nordberg, 2018:77). However, they come with a warning that they may lead to 'excessive coziness' (Concannon & Nordberg, 2018:80), which may be detrimental to group cohesiveness. Linkage between formal and informal networks has found that strong relationships in the informal network leads to shared cognitions, which raises the risk of groupthink and demonstrates a clear connection between the formal and the informal in decision-making (Stevenson & Radin, 2015).

Conversation is split between business and relationship building to create optimum trust and mutual respect. Informal conversation is typically initiated by a board chair or NCC several days or weeks before a formal meeting takes place. The dialogue will typically be split between relationship building (asking about the family, health, hobbies, holidays) or business matters (seeking opinions and perspectives). Many companies actively create informal face-to-face opportunities for executive and non-executive directors to mix and converse in order to encourage and develop this richness of dialogue. The informal dialogue interacts with the formal meetings and then feeds back into subsequent informal discussion in a continuous loop: 'so rather than seeing meetings have got to conclude, they segue into some other conversation' (participant 8). It can contribute towards creating high-performing teams; however, it can be open to abuse and value destruction if badly managed: 'I genuinely want to stay away from [side] conversations because I have seen huge damage done by that' (participant 23). When informal conversations are mismanaged, it is up to the NCC to ensure that offline alliances do not undermine the business relationships or the process in the formal NC meetings and cause

distractions from making sound decisions: 'I've been on the end of other processes where there's been a fait accompli which has been presented at the meeting and people leave with resentment' (participant 28).

More recent studies have reviewed the difference between professional versus friendship ties although mainly to explore the impact on audit quality (Wilbanks et al, 2021). In reference to NCs, it is suggested that this area is made explicit during independent director selection and friendship ties are discouraged. However, the conclusion is that personal ties may detract from optimum independence in a way that professional ties appear to not do so. The latter are deemed to be helpful in terms of resource sharing (Wilbanks et al, 2021).

4.4.3.1 Relationship Building. Good working relationships and communication are pivotal in good corporate governance (Adams, 2008). These constructive and collaborative relationships build trust, mutual respect and collegiality. There is a level of candour required to understand the thinking of fellow committee members. This produces a critical foundation for the NEDs' obligation to challenge in the NC meeting. Creating this foundation enables the business relationships to be resilient and so withstand tension or disagreement in the NC meeting. To achieve these optimum working relationships entails ideally knowing something about the NC member's background such as family, holidays, domestic arrangements, working life, interests and hobbies. Often the most conducive climate for relationship building is over dinners or lunches wrapped around the formal meetings.

'I think the keys to building teams are get people who actually can work

together and then secondly, get them to break bread together because food

is a great social enabler.' (participant 20)

The literature suggests that the quality of professional and personal relationships required in a board or committee is a never-ending work-in-progress to constantly feed engagement in the formal meetings. This is illustrated in the citation below:

'A high level of non-executive engagement and commitment also

requires qualitative changes to the nature of board relationships

in particular higher levels of inter-personal and professional trust

and openness between executives and non-executives.' (Roberts, 2002:495)

In the relationship between the ACC and CFO, it is described as a 'balancing act' between being trusting and also monitoring the performance of the executive director (Khemakhem & Fontaine, 2019:465). There is a clear parallel between the ACC and the NCC in this aspect of their relationships with executive directors.

In a quantitative study of inter-agency stakeholder relationships in U.S. fisheries, 'rational trust' based on intellectual assessment of benefits and risks was found to be critical for alignment on mutual goals. However, it was 'affinitive trust' or trust based on liking that was an important influencer in decision-making. Either one of these trust types was necessary to produce good working relationships but liking or 'affinitive trust' did not have to be present (Song et al, 2019). Informal communication was found to be a strong predictor of effective formal communication and decision-making in meetings, improved collaboration and reduced conflict. While not focused on boards or committees, this paper draws a parallel with corporate governance or 'governance network praxis' (Song et al, 2019:15). In comparison, liking or 'interpersonal attraction' has been found to build trust in others' judgements and expertise, which in turn enhances decision-making (Forbes & Milliken, 1999:496). Directors need to appreciate and understand how their board colleagues add value in applying their skills and

expertie to business challenges. In this way, problems in interaction or 'process losses' can be minimised and value creation boosted (Forbes & Milliken, 1999:492).

There has been much research about faultlines on boards, rather than on NCs, with findings indicating that faultlines on tasks negatively impact firm performance. Informal interaction can help to ameliorate divisions on boards or 'board schisms' (Kaczmarek, Kimino & Pye, 2012a:337) and go towards mending such rifts: 'informal meetings as a means of restoring board cohesiveness' (Kaczmarek, Kimino & Pye, 2012a:338).

4.4.3.2 Perspectives and Opinions. The business dialogue may prepare the context for the formal meeting, but it will not and should not make any decision. This information or knowledge sharing about the business and its challenges can dilute the centre of knowledge and mitigate against information asymmetry. The advantages of this type of offline interaction allow a board or committee chair to sound out board members or tee up a topic without prejudging the outcome: 'there's a huge amount of small interactions which help calibrate discussion' (participant 5). This greater understanding of NED perspectives can contribute towards a good meeting climate and board culture creation. It results in shorter but more effective and efficient board or committee meetings. It helps to pre-handle any potential unexpected or sensitive issues, avoids disruption in the formal meeting and sidesteps any individual embarrassment or controversy, such as CEO succession. It permits the chair to anticipate the mood in the room. It can be argued that this informal dialogue has become more crucial to the smooth operation of boards and committees in managing greater business complexity. Offline contact enables greater engagement with agenda topics, so it is an important part of the equation when examining how the NCC engages with committee members to realise strategic value to the board. Conflict or dissent can be managed outside of

the formal meeting, but it is questionable whether this leads to insufficient challenge inside the NC meeting.

'And speaking with people outside of the formal boardroom framework, it just enables relationships to be built. And it also enables a better understanding of where someone's coming from in terms of how they react to something.' (participant 21)

'It's sounding out of views. So it would be, you know, how are you feeling, what are your thoughts? You know, it's so it's really information gathering from the board chair, the nomco chair's perspective, to see where people are in terms of that particular issue.' (participant 30)

Table 17 below summarises the opportunities and risks of this informal dialogue or side conversations.

Opportunities	Risks
Sounding out (NED desire to be heard) and teeing up of topics but not prejudging outcome. NCC in tune as 'Sherpa' and understands NEDs' perspectives, contributing to culture creation.	Meeting is a fait accompli which has negative impact on NC members such as resentment. Ends up a self-fulfilling prophecy.
Shorter meeting, clarifies understanding, dissipates any frustration, avoids disruption in meeting, avoids any individual embarrassment or controversy.	Value of NC is diminished as purely a rubberstamping exercise.
Anticipate mood in the room, avoid 'grenades' and manage risk of outlier views.	NEDs can drive alternative/personal agendas and outcomes.

Can give individual feedback, e.g. to CEO. Good for sensitive or awkward issues.	Undue influence by NCC and potential disruptive alliances behind the scenes.
Groundwork to discuss recruitment candidates in terms of comparing notes.	Meeting results in surprises which not good governance.
Managing complexity when more issues to deal with so makes meeting more efficient and effective.	Decisions are massively prepared, if not made before meeting.
Social enabler, building trust, mutual respect, collegiality and sense of team.	Can become gossip or rumour mill which undermines meeting process and decisions.
Improves engagement in the meeting and avoids groupthink.	Huge potential damage to relationships with NCC and between NC members.

Table 17. Comparison of opportunities and risks for informal interaction (author's own design)

The next section continues with the themes emerging from the thematic analysis and discusses how this engagement realises strategic value. The section starts with a discussion of the benefits, then explores board composition, succession planning and diversity, and how these activities can realise strategic value, before concluding with a discussion about the dual board chair and strategic value.

4.5 Theme II: Strategic Value

This section explores the second theme from the thematic analysis, which relates to the output from NCs, or strategic value, as captured in the research question: how does the NCC engage with committee members to realise strategic value to the board? Directors have been found to be divided in associating their roles with serving shareholders or advising and supporting the executive team to engender the best strategic decisions and outcomes. Their alignment with monitoring executive directors in the agency theory sense has been implied

rather than explicit. They view their roles and duties as strategic and themselves as strategic partners to the executive directors (Boivie et al, 2021). However, research has put strategic value in the realm of the board and not as a committee topic, so that any strategic concern discussed at a committee level is necessarily escalated to board: 'directors view committee work as rote tasks as any strategic decisions arising in a committee are brought to the entire board for consideration and discussion' (Boivie et al, 2021:1687). I challenge this recent thinking with the role of NCs and NCCs to propose that strategic value is already present at committee level and discussions are more strategically sophisticated than previously thought. An early conceptualisation of NEDs' involvement in strategy, which appears to fit with the strategic activities of NCs, can be defined as 'taking strategic decisions', 'shaping strategic decisions' and 'shaping the content, context and conduct of strategy' (McNulty & Pettigrew, 1999:48).

This section analyses and discusses the strategic value realised through the NCC's engagement of committee members. This strategic value is characterised by entailing longer range forecasting, going deeper into the organisation, and being broader and more holistic across all the key activities of the NC. Strategic value covers the core NC areas of board composition, diversity, recruitment and succession planning of executive and non-executive directors. There is a discussion about the benefits of realising strategic value from the NC and the part that a dual board chair and NCC may play. This section also examines the question as to how strategically NCs may operate when the board chair is the NCC.

4.5.1 Benefits of Realising Strategic Value. While the 2018 UK Code of Corporate Governance shifted practitioners from a focus on process and policy towards more strategic outcomes, there is no detailed interpretation of how this should happen through governance or what strategic outcomes are anticipated by companies. This section attempts to define what

this means for the NC and how NCCs can direct their engagement behaviours both inside and outside of the formal meeting to optimise strategic value to the board.

The benefits of realising strategic value to the board from my own experience are summarised as:

- Direction – more focus on strategic direction of the business.

- Pace – more speed to realise return on the corporate objectives.

- Risk management – improved and anticipated mitigation.

- Efficiency and effectiveness through the right choices – fewer mistakes, better cultural fit and talent retention.

- Stability and continuity – robust board and committees with skills that add value to the business.

- Board and corporate culture – sets the tone for valuing people and their applied skills.

- Greater shareholder value – achievement of the corporate plan.

Consequently, there is a role for NCs to control the board's agenda and make it more strategic in terms of outcomes: 'the work of board sub-committees not only managed much of the formal control role of the board but also served to make space in the main board agenda for more strategic issues' (Roberts, 2002: 506).

Strategic activity by a board is defined as thinking, decision-making, planning and execution (albeit the executive team are responsible for implementation), so this is the process that the NCC arguably needs to drive through the NC members (Nadler, 2004b). There is explanation of how the CEO can engage the board in strategic activity but not from the point of view of a committee chair; however, there could be parallels in that the NCC is a process leader in realising strategic value to the board (Nadler, 2004b). When a board (and not a NC)

gets involved in strategic decision-making, the directors are required to be actively engaged with effective leadership: 'the competencies and behaviours of the board chairperson are critical in order to unleash a board's value-creating potential' (Gabrielsson, Huse & Minichilli, 2007:21). Moreover, it necessitates a team culture to fully utilise the resources in the boardroom for strategic decisions:

'It is not enough to be moderator, figurehead, mentor, decision maker,

and strategist. If the board of directors should work as an effective team,

then the board chairperson must take an active role as coach and team

leader in the boardroom.' (Gabrielsson, Huse & Minichilli, 2007:33)

It is important to differentiate the literature on board strategic decision-making and the realisation of strategic value in an NC. The former is accountable for oversight of the strategy and making strategic decisions with the executive team. The latter makes strategic recommendations to the board for decisions, albeit they are decisions at a committee level. A definition of strategic decisions is given as 'complex decisions that often involve interdependent relationships, uncertain outcomes and conflicting views held by the various actors' (Bailey & Peck, 2013:132).

Board-level strategic decision-making is reportedly based on four factors of identification – the success of the business, a shared vision, strategic involvement and clarity on the board's role – which form a 'shared mental model' (Bailey & Peck, 2013: 137). A key part of this process was found to be the professional relationships between board directors or 'intra-boardroom respect' (Bailey & Peck, 2013:139). This respect is founded on the premise that trust drives challenge, which in turn produces high-quality decision-making (Bailey & Peck, 2013). In addition, diversity on a board is posited to be a critical part of creating strategic

value on a board (not NC) and this encompasses diversity of perspective (Kanadli, Zhang & Kakabadse, 2020).

4.5.2 Board Composition: Long-range Forecasting. Strategic value is typified by long-term actions that are usually beyond the current financial year for recruitment and succession. However, it could also include the current year if there is an action plan to do things very differently than previously, such as potentially taking the business in a new direction in terms of board effectiveness from a board evaluation. Board composition is about long-range and forward-looking forecasting of board skills, which will be pertinent to the business. The business view is five to ten years into the future in terms of the skills required to execute the strategy: 'it's strategic in the sense of long term building the right shape of a board' (participant 1). Recruitment of NEDs is strategic when the skills required are aligned to the strategy or a new skillset is required to execute the strategy. Coaching out or exiting NEDs is also considered strategic if they are creating obstacles to progress. Recruitment is considered tactical if it is purely to fill a vacancy. The tactical element of board and committee composition also includes retirements and directors reaching the end of their tenure period. The most critical role to recruit is the CEO, followed by the board chair. However, the roles of CEO and board chair are not just about being filled, it's also about the chemistry between these two key roles. It is not purely having candidates in the succession plan but having high-quality candidates that fit with the business. It is their skills and experience that contribute to board effectiveness: 'the biggest inhibitor to our growth has been getting the right people on board' (participant 22). The important aspect of recruitment that realises strategic value to the board is via the scope of search and having a good cultural fit with the business: 'one of the big challenges is figuring out how best to tap a much broader and deeper market' (participant 16).

There was an acknowledgement among participants that smaller boards are more effective: 'I would question why people want boards of that size, because I think inherently they're less effective than smaller boards' (participant 17). With smaller boards often being seen as more effective, it can be argued that there is greater pressure to have the right mix of skills and people on them, which in turn, places greater focus on the role and qualities of the NCC. However, smaller boards bring increased costs with a NC and independent NEDs (Reeb & Upadhyay, 2010) especially if skills gaps are infilled with external consultants.

Extant U.S. research which interviewed 16 NCCs has shown that there is wide variability in how companies approach director recruitment and selection, ranging from formal and objective to informal and lacking in discussion of skills (Clune et al, 2014). These differences were related to the NC focus on 'chemistry and comfort' or sense of collegiality and trust with candidates (Clune et al, 2014:750), which risk reducing independence and diversity of perspectives, even though board effectiveness was given as the reason for this NC focus with only some consideration for strategically aligned skills (Clune et al, 2014).

4.5.3 Succession Planning: Deep into the Organisation. UK codes of governance have not to date provided any frameworks for succession planning. The approach and any decision for NCCs is whether to 'build or buy' the necessary future talent the business requires is left with the business. It can incorporate senior leadership development and an assessment of current talent (both executive and non-executive) via a gap analysis. The challenge for the NC and NCC is to look down into the organisation beyond the 'C' level on the board. It is likened to 'playing long range chess' (participant 14). Executive succession is considered more important than non-executive succession. Successors for the executive directors are most commonly sought and developed at 'C-2' or two levels below the CEO and this is often delivered via internal talent development. Forecasting successors for the coming three years is

considered strategic. The three time horizons for succession are typically split between candidates who are ready now, ready in one to three years' time or ready in three to five years' time. The responsive emergency is the shortest time horizon with the longer time horizon considered strategic in terms of planning for skills that need to deliver the vision of the business. Succession planning for the CEO and board chair is highly strategic. Talent management and upward mobility of high potentials was frequently taken as C-5 (five levels of hierarchy below the CEO) or C-6 (six levels of hierarchy below the CEO) to develop talent and build a succession pipeline.

> 'I think one thing we identified within the group pretty early in my time
>
> on the board was a need to develop the internal talent or the leadership and
>
> management abilities of the internal talent quite significantly.' (participant 4)

Best practice on succession planning by NCs in South Africa has been posited as a proactive development of talent over the long-term, which can respond to rapid change: 'a strategic approach is needed by looking at 5 or 10 years ahead' (Mans-Kemp & Flanagan, 2022:9). Taking German firms with a two-tier governance system and shareholder directors as NC members, the key ingredients of a comprehensive and effective NC approach includes a breadth and depth of information sharing between NEDs and executive directors, and a board chair who is open to ideas, allows disagreement and integrates different opinions (Walther, Calabro & Morner, 2017). In this scenario, effectiveness is reliant on how inclusive the process is and how involved the NC members are in decision-making (Walther, Calabro & Morner, 2017). Use of both formal meetings and informal dialogue contribute towards a comprehensive process; however, this study in its focus on the dynamics and avoidance of an input–output focus, omits to evaluate any strategic output (Walther, Calabro & Morner, 2017).

4.5.4 Diversity: Broad and Holistic. This aspect of the theme of strategic value refers to the NCC adopting an approach that considers the widest possible implications on the business, its reputation and key stakeholder groups. The perspective on outcomes is not purely about shareholders' value creation but is about meeting stakeholder expectations and getting their feedback from 'who or what matters' (Nason, Bacq & Gras, 2018:277). Primary stakeholders in this context are typically the employees, customers, suppliers and shareholders or whoever else has a stake in a company's success or failure in a relational manner (Heath & Norman, 2004). Therefore, diversity depends on the business context and what type of diversity reflects its stakeholders. Strategic stakeholder theory has the added value that comes from managing these relationships at its centre: 'a theory about how devoting sufficient resources and managerial attention to stakeholder relations will tend to lead to positive (profitable) outcomes for the corporation' (Heath & Norman, 2004:249). Secondary stakeholders are those with a less direct but still influential relationship with the business such as governmental departments, competitors, local communities and activists where interaction with them becomes part of the corporate strategy (Ayuso et al, 2014). This confirms the importance of stakeholders in a governance setting such as an NC. The following quotations from participants illustrate the importance of NCs in managing very different stakeholders but with a broad and holistic approach. It is arguable that today stakeholder theory is much more applicable than previously, reflecting how businesses operate, especially for UK listed companies. This is an aspect of the NC role, including when the board chair is the NCC, which, as far as I can find, has not been researched and therefore presents a contribution from this study.

'It's that balance of primacy. It is that primacy to shareholders, due

consideration to everybody else. And actually, the way the governance

is going, it's perceived primacy for everybody. You know, so that's quite

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a difficult one to balance.' (participant 15)

'All the stakeholders, the immediate stakeholders for a nomination committee, are the people that have got the most power and authority in the whole company. And very often, of course, those same people have the biggest personalities, and the most forceful positions.' (participant 3)

'You need the ability of the nomination committee and therefore I mean the (board) chair, to have dialogue with the most important stakeholders, so the institutions, your biggest investors, you'd need in the nomcom chair somebody that could have a meaningful dialogue with big city institutions.'

(participant 3)

'I think it's really important that the chair ensures that the elevation of the importance of the nomination committee in the eyes of the stakeholders across the company, not just at board level, is clear.' (participant 16)

The FRC has expressed a wish for more thorough and detailed reporting from UK listed companies about stakeholders and their potential to feed the success of a business: 'a recognition of stakeholders as a source of differentiation and risk and can help companies achieve their strategic objectives' (Financial Reporting Council, 2020:25). This statement illustrates the demand for more stakeholder engagement in a broad and holistic manner which then needs to be reported publicly.

Diversity, especially of thought or cognition, is considered strategic when it goes beyond the regulatory quotas for gender and ethnicity, which are acknowledged as merely

proxies for diversity: 'the quota system is a blunt tool' (participant 24) and 'I think legislation is pushing us into some cul de sacs' (participant 18). Diversity is considered a differentiator and leads to competitive advantage through improved sustainability and better business performance. However, there is confusion about where to reference diversity, for example, local community, staff or customers. Two types of diversity exist, namely, outward – what is a visible difference – and inward – cognitive or thinking with different perspectives. Participants often contextualised diversity and what it means within their business and sector: 'I am at all times looking at diversity in the sense of a mix of experience, a mix of background and a mix of skills' (participant 22). There is a view that diverse (especially on ethnicity) candidates do exist but the challenge is identifying or locating them as part of candidate lists. Even then, it is how that diverse candidate will blend with the board or committee that matters: 'you need to find that diversity of thought with a chemistry to make it work' (participant 12). It is considered the role of the NCC to tease out how diversity is applied.

> 'Diversity is about selecting the right eleven players to get on the football
>
> pitch with the right blend of skills, inclusion is making them play well
>
> together as a team.' (participant 31)

> 'There's no point in having diversity around the board table if you
>
> don't provide the space, time and framework to get those diverse views
>
> in the discussion before you start coming to a conclusion.' (participant 8)

The literature on gender and ethnic diversity is vast (as shown in section 2.6.2.2) but literature on cognitive diversity, especially in the boardroom, is relatively sparse. Some governance studies refer to job-related diversity producing a range of different opinions

(Gabaldon, Kanadli & Bankewitz, 2018). Cognitive diversity has been defined as 'gaining information from a variety of sources and perspectives' (Olsen, Parayitam & Bao, 2016:198), which may be rooted in demographic, social, expertise or intellectual diversity and frequently linked to strategic decision-making. Often it is indirectly measured via proxies such as dissent in the boardroom (Kang, Kim & Oh, 2022) or more directly as educational level and educational background (Aifuwa et al, 2020). Studies have found that it is positively related to firm performance in Nigerian consumer goods firms (Aifuwa et al, 2020). Through the diverse tenure and qualifications of board directors, heterogeneous directors were found to be more likely to dissent. but the enriched cognitive diversity in turn improved monitoring, firm value, governance and risk management (Kang, Kim & Oh, 2022). In relation to the task and decision-making, cognitive diversity has been positively associated with task conflict and competence-based trust (Olsen, Parayitam & Bao, 2016).

Board directors sometimes feel they have to compromise on candidate selection. They want to hire the best candidate for the job, but sometimes feel compromised by the drive for diversity. It's a holistic view of diversity in terms of diversity of thought, which is emphasised. Board directors separate out visible and invisible diversity, but sometimes struggle with incorporating all types in one board. There can also be resistance to the concept of broad and deep diversity and some directors are fearful that it will negatively impact their current board and committee composition: 'nor should you try too hard when the aim is to build a functioning board' (participant 17). There is therefore a tension between meeting regulatory quotas and creating a truly cognitively diverse board: 'the next levels of diversity are harder' (participant 18). It is easy for excuses to be found by some NC members if diversity feels too difficult for the business: 'diverse candidates are available but the head-hunters don't find them' (participant 19).

The NC can also be seen as an internal change agent for achieving greater diversity and meeting quotas, especially when the NC itself is ethnically diverse and therefore a role model for the board (Mans-Kemp & Viviers, 2019). Most recently, FTSE 350 NEDs have been found to value personality and neurodiversity over and above gender and ethnic diversity (Financial Reporting Council, 2021a), which is in line with this study. NCs are responsible for operationalising diversity and focusing the board on deciding what specific types of diversity matter to them as a business and then set diversity targets accordingly. In this way, the NC is performing the role of a culture committee (Financial Reporting Council, 2021a).

However, few studies have examined the precise approach to specific NC activities such as selection and recruitment. One such study looked at the amounts of planning and evaluation in a NED selection process, albeit as part of a multiple case study of German firms and two-tier governance system. It examined the interactions within NCs, board chair leadership and facilitation skills, and the level and timing of the information exchange between the CEO and board chair (Walther, Morner & Calabro, 2017). These elements led to 'comprehensiveness' (Walther, Morner & Calabro, 2017:351) or a robust and thorough process. The implication is that high planning combined with high evaluation lead to greater strategic value, but the authors do not state it explicitly. An earlier study found three types of NC on selection processes among 27 NC members and 12 boards, which are labelled as active, consultative and box-ticking, depending on how involved they are in the process, skills requirements and level of transparency. The role of NC members in box-ticking NCs show that they are purely endorsing the CEO's choice of candidate (Walther & Morner, 2014). Again, it is not explicitly stated whether active and consultative approaches realise more strategic value or have any measurable output, but the majority of NCs are considered ineffective: 'only a minority of nomination committees are actively engaged in performing these tasks and could therefore be considered to be effective' (Walther & Morner, 2014:150).

Output from a board evaluation is also considered to be strategic if the action plan is broad and holistic with explicit actions for the next year that significantly move the board and business on in addressing their challenges. Board evaluation in the extant research is typically associated with board effectiveness (Behan, 2021) or board improvement (Booth & Nordberg, 2020) rather than strategic value, therefore it is more inward looking in terms of group dynamics and process rather than outward as value to the board. An understanding of the strategy is evaluated in formal internal or external board evaluations (Griffin et al, 2017) rather than seeking output, which drives the corporate strategy.

4.5.5 Dual Board Chair and Strategic Value. There is evidence to suggest that board chairs as NCCs may strive to deliver more strategic value through long-range forecasting, going deeper into the organisation, and being broader and more holistic than those NCCs who are separate NEDs. This is partly due to the added authority and power held by a board chair who also chairs the NC where they can exercise their own agenda to navigate deeper into the organisation. However, this can provide a level of discomfort for the CEO in that it is potentially encroaching on more operational areas of the business the CEO owns and that traditionally have not been visible via NCs regardless of the breadth or narrow limitations of the NC activities. The data suggests that dual board chairs and NCCs focus relatively more on succession planning when compared to separate NCCs who appear more focused on board and committee composition as an immediate and more transactional problem to be solved. Several board chairs as NCCs were in the process of expanding the activities managed by the NC. The graph in figure 13 below illustrates the differences in strategic value coding between dual board chairs and separate NCCs.
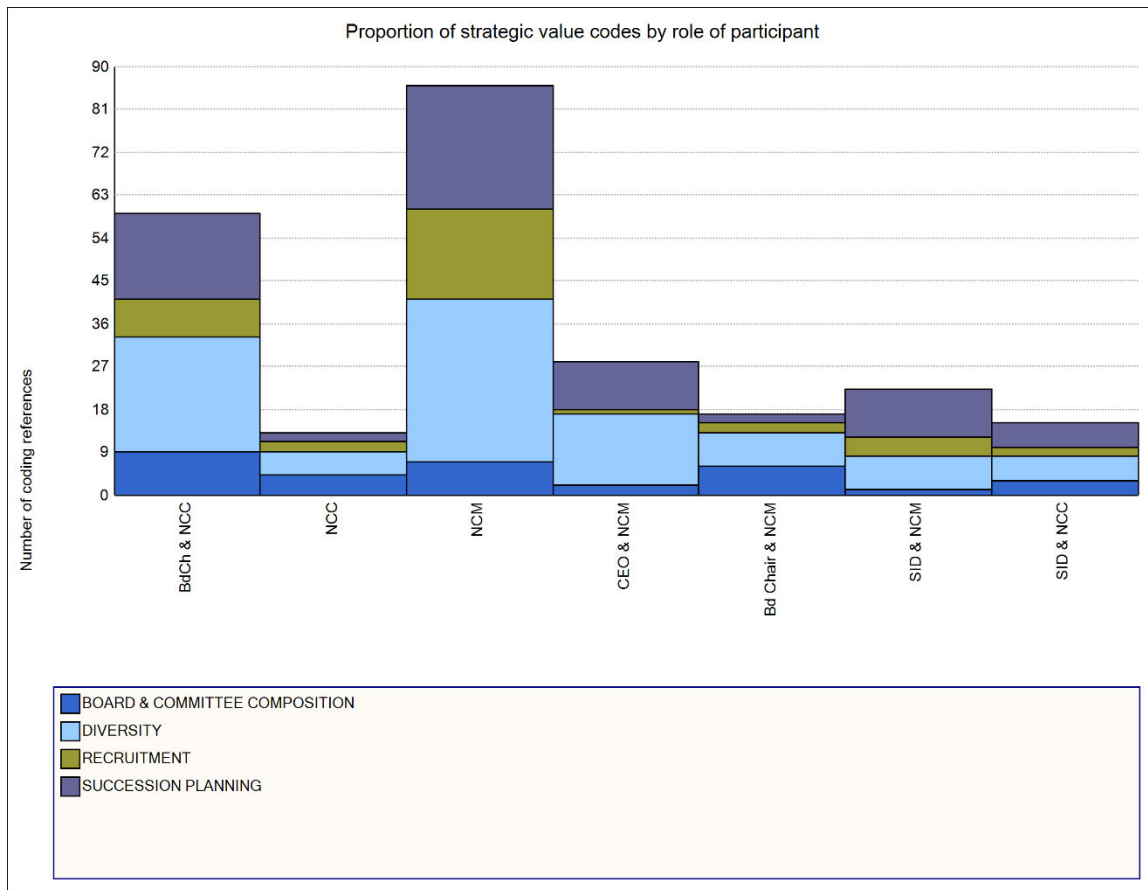
Figure 13. Bar chart showing strategic value codes and themes by role of participant (from NVivo)

The most strategic decision taken by a NC is seen as the hiring (or arguably firing) of board and executive directors, especially the CEO as the risks of getting it wrong can be long-term and wide-ranging as expressed by these participants:

'The biggest strategic output is when it comes to the replacement of the CEO. That is a major strategic decision that nomco is responsible for, that can make or break the company. So there is a big, big strategic output, if you get the timing wrong, if you get the person wrong, if you get the conversation wrong, they can really mess up the company for years to come, can destroy shareholder value,

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or it can be enhancing of shareholder value. So that's probably the biggest thing

that nomco is responsible for, from a strategic perspective.' (participant 29)

'But at a more granular level, you are trying to strategically equip the business

with the right people for the shape of the business tomorrow, and tomorrow and

tomorrow. And part of the problem with recruitment is you never bloody know.'

(participant 13)

Taking the data from figure 13 into account, there is a suggestion that NC members

(NCMs) perceive the greatest strategic value in recruitment and diversity, whereas the board

chair as NCC is more future-oriented and arguably less purely process-oriented. Consequently,

the board chair as NCC is relatively more focussed on succession planning, but the board chair

as an NC member is more preoccupied with board and committee composition as strategic

value. There is no similar research that I can find, so this is posited as a gap filled by this study.

On further analysing the NVivo data, the NC members with one to three NED roles

appear to perceive greater strategic value from the NC. This role multiplicity suggests that

NEDs compare the output from their different committee and board memberships, but the

comparison is easier or more evident when there are only this number of NED roles, not more

or fewer. The focus on diversity as strategic value is least among NC members with 11–20

years' experience as a NED. As a relatively new concept in corporate governance and society,

this proposed finding could suggest that these NC members with longer service struggle with

the definition and application of diversity. In terms of the numbers of NC members on the

committee, it appears that a NC of four to six members perceives the greatest strategic value

across all four areas of succession planning, recruitment, diversity, and board and committee

composition. Similarly, the most strategic value is perceived as resulting from three to four NC meetings per annum.

This section has presented the results from the thematic analysis for strategic value as an output from the NCC's engagement with committee members. No extant research was found focusing on strategic value from NC or NCC engagement that describes the strategic value in terms of how it contributes to board and the company strategy. Therefore these findings are proposed as a gap in the research and a contribution from this study. The next section explores the third of four themes from the thematic analysis which is analysis of the interviews on NC governance and future regulation for this committee. This theme about governance and future NC regulation is timely as the FRC has announced that it will open a consultation on the 2018 UK Corporate Governance Code during the second half of 2022 as shown in figure 14 below.

4.6 Theme III: Governance and Future NC Regulation

This section covers the third theme focusing on the governance and regulatory changes desired by NC board directors and their attitudes towards governance regulation. The specific areas discussed are director attitudes, the NC name and remit, the succession plan, tenure rule and the definition of meritocracy. This study takes as its context the prevailing corporate governance code, the 2018 UK Corporate Governance Code. The regulatory body, the FRC, has publicly announced that it will initiate a consultation on the 2018 Code during the second half of 2022. Figure 14 below shows a timeline for this study in terms of implementation of the 2018 Code and its review.
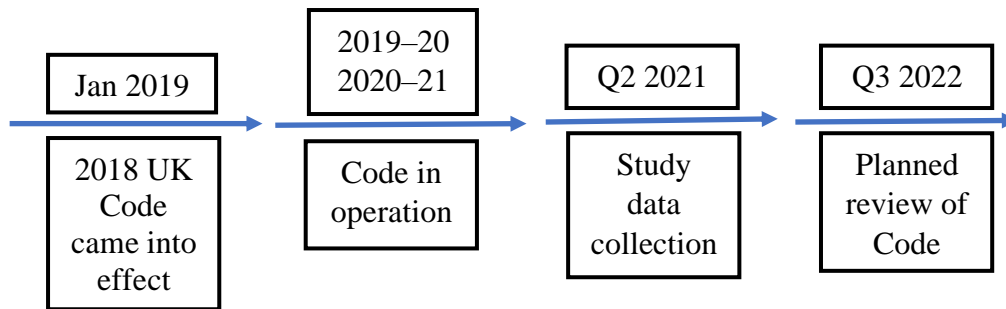
Figure 14. Timeline of 2018 UK Corporate Governance Code and this study (author's own design)

4.6.1 Director Attitudes. Firstly, there is a general attitude from many board directors that governance regulation is a double-edged sword. All board directors appreciate the beneficial aspect of governance regulation but the majority feel that it has gone too far in the UK. There is a wariness of becoming prescriptive and box ticking: 'the more prescriptive things become in terms of Codes, the more it gets into box ticking mode' (participant 9). Board directors welcome guidance in terms of 'guardrails' (participant 20) or a 'safety net' (participant 9), but there is resistance to more regulation as it moves towards becoming more rules-based and purely aimed at the worst case scenario: 'there has to be a different way to catch bandits' (participant 26) and 'governance is there for the lowest common denominator' (participant 17). If governance regulation is meant to improve how businesses are managed and succeed, then there is apparent low confidence: 'the formulaic stuff doesn't often improve what's happening' (participant 17).

In terms of the NC, there are no external standards or external accountability, and therefore its' scrutiny is considered the least effective. This makes NC the committee most open to internal interpretation, but also the lack of prescription means it has an image of being an impoverished committee. However, its potential as a currently under-powered committee is recognised by some board directors as promising in its flexibility: 'there are nomination

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committees that maybe don't use the influence they could have' (participant 6). There is a degree of conservatism about how board directors utilise their NCs. Part of this image problem for NCs is through disclosure. There is a call from board directors for more qualitative reporting on the activities of the NC in annual reports and not just the number of times the committee meets during the financial year.

There are some defined areas where directors would welcome a tightening up on concepts and processes to make them more robust and helpful for the business. Governance as primacy to shareholders is the tradition but it is now moving towards all stakeholders. It is considered best to create guardrails for boards rather than prescriptive processes. Too much regulation is thought to force businesses out of public listing. Regulation is pressure towards the primacy obligation to all stakeholders. This is not just a focus on increasing shareholder value, but a balance is also required. Directors therefore have low confidence in increasing governance regulation: 'if you're going to give a message back to the FRC, tell them no more regulation' (participant 20).

The literature is sparse in terms of commenting on attitudes to governance since January 2019 when the 2018 UK Corporate Governance Code came into effect. Prior to its inception, there is commentary to say that taking the 'comply or explain' principle to an extreme in an effort to disregard independence can result in underperformance: 'firms at times use the Code flexibility opportunistically, aiming to decrease the monitoring capacity of the board, which is followed by subsequent underperformance' (Shaukat & Trojanowski, 2018). Researchers claim that governance regulation has little effect on behaviour in decision-making; instead, values that are aligned with the business and groupthink can have a beneficial influence on board strategic decision-making (Maharaj, 2008). Groupthink is defined as 'board members' ability to interact or the groupthink mentality of board members, and the level of engagement and questioning of board members' (Maharaj, 2008:72). This definition puts engagement and

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challenge at the opposite end of a continuum to groupthink or peer pressure to think alike and not differently: 'the level of participation among board members at board meetings can be used to reduce the negative effects of groupthink' (Maharaj, 2008:75).

4.6.2 NC Name and Remit. This section explores the data results in terms of desired changes to the remit and name of the NC, which could potentially shift its role in board governance to a more empowered one. However, there is a tension and a potential downside to overloading NCs. The more that is added to the NC agenda, the more CEO and executive time it takes up away from the business. The more operational NEDs become in the business, the more their independence is potentially weakened. The majority of directors wish to leave the NC remit as it stands as a focus on people and culture, which means not doubling it up with other less synergistic areas, such as sustainability or remuneration. The workforce engagement role should meld the NC remit with employee champion: 'meld it with the employee champion role' (participant 31). There is also a risk of overloading the NC remit in some companies when the people and culture activities overlap with a large part of the HR function. Whether the NC is operating within a narrow definition or is defined more broadly, i.e. across people and culture, there is a clear message to keep the NC remit focused on people and culture as it is considered to work well: 'there is no natural constraint on the remit you give the nomination committee' (participant 8). However, the broader the NC remit, the greater the time commitment:

'But what I'm thinking about is….how would you describe people and culture – that's a full time job. I mean, that's...managing a committee, running it, if you're managing a committee called people and culture properly, that's a full-time job, you can't ask a [NED] director to run it. And spend just 30% or 25% of his or

her time on that, so, I don't know. I mean, the idea is great, but you're sort of

the limitation is there.' (participant 10)

The NC remit ranges from one-dimensional recruitment and selection of directors through to being a multi-dimensional committee covering a fuller people and culture agenda, including leadership development. Many board directors appear to minimise its operation, illustrated by only anticipating formal business in one meeting per annum. Whether this is cause or effect, the NCC should receive extra payment to chair NCs (as is currently the case for the ACC and RCC). There is a fear that if the NC remit is broadened, then NEDs will want more pay. It will take up more executive time, and that there will be more likelihood that NEDs will cross the operational line and lose their independence.

The committee name 'nomination' is not considered helpful as it is too one-dimensional and doesn't indicate the strategic element of planning and skills auditing that should be inherent in the process. Many directors suggested that it could be changed to something more contemporary. There was an underlying thinking that NC is interpreted to be whatever serves the business; however, there were suggestions to incorporate the wider stakeholder environment and career development.

'I think nomination committee as a name 'nomination' is not a helpful

descriptor. It's pretty clear what audit & risk deals with. It's very clear

what remuneration committee deals with. It's not at all clear to an outsider

what nomination committee deals with.' (participant 4)

'I'd probably change the name because I think the name of the committee

kind of gives it a single purpose. Whereas if you're going to give it a

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different remit, you probably want to give it a different name. And so

therefore, you could put it almost anything else in the basket, once

you once you get it out of your head that is the nominations committee.'

(participant 7)

The name of the NC has been debated in the literature. It has been proposed as a change to promote greater value creation: 'consideration should be given to renaming the 'Nominating and Governance Committee' the 'Chairs and Shareholder Engagement Committee' (Leblanc, 2013:304). Participants did seem to align NCs with governance even if they were not explicitly accountable for it.

4.6.3 Review of Succession Plan. One area of desired tightening of the UK Corporate Governance Code for NCs is to include a retrospective review of the succession plan. Several board directors would like to see a formal review of the succession plan after it has been completed to see if it was a worthy and accurate living document that strategically delivered what the business forecast and needed: 'the difficulty always with succession planning is the test of whether you've been successful or not' (participant 32). This element of succession planning could be included in the board evaluation or sit alongside the three-year independent and external board evaluation stipulated by the 2018 UK Corporate Governance Code. Board directors see disclosure about succession planning in annual reports as giving away competitor advantage about their talent, which creates a risk of poaching talent from the business. A further issue with disclosure from NC activities is that the more strategic the NC tasks, such as anticipating a change of CEO, the more this is competitively sensitive and boards do not want to disclose such information and risk giving away their competitive advantage. However, the

paradox is that more NC disclosure in general may help to empower and strengthen the profile of this committee.

'But then when you actually realise that (succession) plan, you've got

to sort of close the circle, come back and then check – have you actually

got a successor that matches what you said and is it working for the term,

the period you want it to?' (participant 28)

4.6.4 Tenure Rule. There is currently a nine-year tenure (normally three terms each of three years) for UK listed companies. NCCs feel that this constraint means that internal successors are disadvantaged when compared to a newly recruited board director from outside the business: 'I think we should have tenure rules. I believe in the tenure rules, but that one is just wrong. Yeah, just totally wrong' (participant 33). Board director independence is not perceived to alter or diminish at the nine-year point and this is an irritation for board directors. The nine-year rule stifles director development as the board chair is unable to develop an internal successor, for example, if the SID steps up as successor to the board chair. There is also a further potential development to the SID role to counterbalance the power of the board chair, especially if they also chair the NC. To extend board directors' tenure is frowned upon by the proxy agencies except when there is a robust business risk and sufficient justification, which has to be disclosed in the annual report. Directors also expressed a wish to have more concrete steps on how they could exit underperforming NEDs before the end of their statutory tenure.

'What I really object to is the idea that a board chair who develops a

brilliant candidate over a long period of time has to turn to them and

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say, don't apply because the proxy agencies will vote you off.'

<div align="right">(participant 33)</div>

'The chairman in their first eight years of tenure has enormous power around the table. My worry is too much. My bid on governance is that there should be more formal part of the SID who is the balance to the chair.' (participant 8)

In any discussion of board tenure, it is noteworthy to acknowledge the increasing popularity of shareholder-nominated boards and NCs in the Nordic countries. This is where majority shareholders sit on NCs and nominate new directors, as opposed to independent NEDs forming the majority of the NC, as in the UK. All Nordic countries except Denmark now have shareholder-nominated boards and NCs. Recent empirical research has shown that such boards and NCs have directors with shorter tenure, fewer long-service directors and higher turnover of directors. These characteristics have been related to better performance in firms (Arranz Aperte & Strand, 2022).

4.6.5 Definition of Meritocracy. There is significant awareness on the part of NCCs and board directors about the need for diversity on boards and committees. However, many directors wish to modify the definition of meritocracy to allow more diversity, which does not necessarily stem from professional experience: 'a broader definition of what value people bring to the conversation' (participant 29). There is too much emphasis in recruitment and selection on length of business experience rather than on bringing some truly diverse skills, which may be plentiful in younger or less experienced potential directors. The 'best person for the job' is sometimes seen as an excuse to sidestep diversity. Therefore, the definition of meritocracy

needs to be redefined more holistically as what value can be added and this was a clear message from participants to the FRC:

> 'There's one thing that absolutely they [FRC] need to change. And that is a strong
> reference to meritocracy. So we know that nobody wants to appoint
> idiots or incompetent people or you know, people who just can't do
> the job. But meritocracy is proven… study after study after study proves
> that it is an excuse to keep the status quo by saying we only appoint on merit.
> And that may mean that somebody doesn't have the experience in the classical
> sense of being a CEO or being a CFO' (participant 29).

The next section explores the findings and related literature in regard to the fourth theme about the impact of Covid-19 on the NC. This theme covers the benefits and costs of a virtual NC, the chairing of virtual NC meetings and how engagement was affected with the business and the executive team.

4.7 Theme IV: Covid-19 Impact on NC

This section outlines the impact of Covid-19, which is part of the wider external context for this study. Boards and committees have had to redesign how they operate utilising new technology and new ways of working. The evidence shows that there have been both benefits and costs to the pandemic and its subsequent impact on the NC, arguably for the long term. This section also examines how Covid-19 has impacted the role of the NCC in chairing virtual committee meetings and how it has affected the NCC and its members' engagement with the executive team and the business as a whole. The FRC has also noted that there have been more frequent board and committee meetings during Covid-19 (Financial Reporting Council, 2020).

4.7.1 Benefits of Virtual NC Meetings. The beneficial impact from Covid-19 has been as a catalyst for flexible and virtual working by employers. There is greater acceptance and creativity in using new technology in board rooms with clear advantages in reducing carbon footprint, cost of travel, and improving productivity and work-life balance. Technology such as Zoom and MS Teams for meetings allows two points of engagement – live video (which facilitates emotion and empathy) and text in the chat (used for follow-up questions or clarification). Robust business decisions have continued to be made professionally and diligently. Some processes have speeded up, such as recruitment, and technology has encouraged shorter, more effective meetings, scheduled at shorter notice and often with better attendance. The drive towards the end decision has been a positive one for many participants. It has given time back with no travel, even though more contact and interaction are reported but with an ability to flex diaries. Some people have welcomed the more task-oriented purposefulness of virtual meetings and feel decision-making has been better than in normal times. However, the lack of preamble and warm-up casual conversation prior to virtual meetings is not perceived as a positive for all. Decisions are reported to have been the same or better during the Covid-19 period, with no material impact from this shift to virtual meetings:

'I honestly think that the quality of the debate, the quality of the

information, the quality of decision has been better, and more efficient,

much better and more efficient under this medium…it's cut through

the rubbish and the noise.' (participant 30)

There is a greater embracing of digitisation with the use of board software and hardware to eradicate paper documents. Meetings and the interview process are shorter. There is greater

ease and comfort with virtual meetings and a perception of greater productivity. There is less emotion on Zoom.

NEDs are motivated to engage in board roles to further the goals of the business and part of this role is to provide advice and realise benefit from their external relationships (Guerrero & Seguin, 2012). However, the pandemic has arguably pushed board directors into a greater stewardship orientation with preoccupation about human capital, crisis management, greater ownership, agility and ensuring company resilience (Kaur, Malik & Sharma, 2021). The virtual boardroom has challenged boards to reassess their effectiveness. Covid-19 as a risk management issue has been a catalyst resulting in boards aligning stewardship as part of board effectiveness (Kaur, Malik & Sharma, 2021). This heightened feeling of stewardship was evident in this study: 'you are there for the stewardship of the company' (participant 1). There has also been evidence of an increasing sensitivity to stakeholders and resilience especially regarding employee physical and mental health to the extent of absorbing stakeholder groups into company purpose (Gelter & Puaschunder, 2021). Adaptability and lateral thinking by firms are proposed as trends from Covid-19, which reinforce the importance of sustainability (Mather, 2020). The increased scrutiny from stakeholders including pressure from shareholders post-Covid-19 is emphasised in relation to transparency from RCs and ACs but with no mention of NCs (Zattoni & Pugliese, 2021).

4.7.2 Costs of Virtual NC Meetings. However, the pandemic has seen an increased frequency of digital meetings, which can run back-to-back and can be tiring. Often there is frustration with engaging with colleagues so positions may become polarised and views more extreme. No matter how good the technology, it is not perceived to replace physical conversation. Some boards and NCs have perceived more separation between NEDs and executives but NEDs have also become more operational. Conversation tends to be more

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serious and stilted. Meetings can lose their momentum as the dynamic of real debate is lost, making digital meetings difficult and less enjoyable to attend: 'so it reduces transportation, timing and things like that, fine transactionally, but when you're into debate, it's pants' (participant 31). There is little informal chat wrapped around a digital meeting and so the greater formality is at the cost of informality and all the relationship building benefits it brings: 'just that lack of ability to engage in that minor point of humanity which we've lost' (participant 4). Social capital is perceived to have declined during the pandemic with less trust and connection through the lack of interaction, loss of humour and congeniality. Trust is sometimes impacted through virtual meetings and often individual positions may become polarised over time. There was talk of damage to working relationships such as a 'fracture' (participant 19).

'I think the thing we all feel we miss are the sort of the slightly

more informal interactions, a five minute conversation afterwards,

the walk to the tube station, etc, upon which kind of networks are

built and ideas are floated.' (participant 14)

Engagement is more challenging: 'you can engage only so far on Zoom' (participant 7). It has to be demonstrated differently using the technology: 'so for me the engagement that I have I show it by asking questions directly and not putting them in the chat' (participant 29). Turning off cameras and muting can often signal disengagement. Even with video and audio, there is a lack of body language, so it's harder to read non-verbal behaviour with no micro signals such as direct eye contact. There is a lack of non-verbal communication, partly due to the difficulty of having direct eye contact, which is clearly vital: 'it would be a real handicap not to be able to engage in issues of succession because all of those nonverbal cues are so important' (participant 3). These non-verbal signals via face-to-face eye contact can indicate

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shared values and opinions, which may be important in a discussion: 'we lose something in terms of the humanity, the relationship between people' (participant 32). This is exacerbated when the chat function is used to type in questions, resulting in no verbal conversation at all. The chat function on Zoom or MS Teams is often used as a supplementary layer of conversation over and above the formal meeting dialogue. The ultimate in disengagement is to switch off the video and mute the audio. Participants report that a certain way of doing things in a real meeting is eroded so that the 'etiquette of engagement' (participant 23) partly disappears when the meeting is virtual. Board directors still feel that they are having good debate, but it is merely functional and therefore more difficult. There is a lack of humour, asides or breaks in the tension of following a formal agenda and process, which is reported as being a hindrance to the normal dynamics. Social capital is perceived to have diminished. Some of the richness is lost in the group dynamic and therefore in the conversation. There is no apparent opportunity to 'chew the fat in a business way' (participant 22). However, some participants say that decision quality has not been impeded: 'if we had been in person, we would have reached the same conclusion but in a different way' (participant 29).

However, there is some literature to demonstrate that board effectiveness and therefore committee effectiveness, is a core part of restoring the UK economy as part of the Covid-19 recovery. Much of this literature focuses on the role of the RC incentivising strategic performance versus purely financial performance, together with implementing government furlough schemes and redundancies (Keating, 2020). Independence on boards and especially on NC committees has been found to be positively related to company performance during crises, such as that during 2007–8 in banking (van Essen, Engelen & Carney, 2013). This positive association has also been found with more independent directors on risk and audit committees of financial institutions (Yeh, Chung & Liu, 2011). Independence on the board, AC, NC and an independent board chair were also found to be significantly related to total

disclosure by firms pre-pandemic in the grocery industry (Kent, McCormack & Zunker, 2021). In addition, diversity was found to significantly enhance firm performance in Malaysian companies in crisis, but AC meetings had a significantly negative influence on firm performance both pre- and post-Covid-19 (Khatib & Nour, 2021). A beneficial action by companies has been the setting-up of a specific Covid-19 committee to manage the operational impact of the pandemic (Kaur, Malik & Sharma, 2021). One study suggests that Covid-19 has reduced trust behaviour, but this was found among Chinese students playing a trust game (Li, Zhang & Niu, 2021), which is an artificial situation and arguably not comparable to the gravitas of the NC.

The benefits and costs of how Covid-19 has impacted NC meetings and NCC engagement of committee members is summarised in table 18 below.

Benefits	Costs
Catalyst for flexible working by employers.	Frequency of meetings increased and often run back-to-back.
Use of new technology in boardroom and increasing digitisation.	Polarised positions – more extremes in views.
Reducing carbon footprint in cities.	Technology doesn't replace real conversation.
Improved work/life balance and people have more time.	More separation between NEDs and Execs – NEDs more operational/inappropriate influencing.
Shorter meetings, meetings at shorter notice, better attendance.	Remote interviewing – more difficult to engage.
Shorter time to recruit.	Loss of spontaneity – process is mechanical and points are often belaboured. More difficult to chair.

Greater productivity.	Only one person can speak at a time so lacks energy, loses dynamic of real debate, less personal.
Show expression – more emotion and empathy on Zoom.	Social capital declined, lost trust and connection through lack of interaction, missed social congeniality, loss of humour.
Quality of debate and info is better, more efficient, professional & diligent.	No informality before or after formal meeting, no preamble. Just picking up phone feels contrived. More formality at cost of informality benefits.
No perceived impairment to running business and making decisions.	People mute and turn off camera – signals disengagement.
Creativity in terms of use of technology for awaydays, webinars and workshops.	Lack of body language – harder to read non-verbal behaviour and no micro signals. Eye-to-camera and not direct eye contact.
Two tiers of engagement – live discussion and in chat.	Conversation more stilted in group and more serious.
Less interpersonal conflict when virtual.	Conflict driven underground and less challenge.
Reduces costs of travel.	New NEDs and execs not inducted face to face.

Table 18. Summary of benefits and costs of Covid-19 (author's own design)

4.7.3 Chairing Virtual NC Meetings. The chairing role within NCs is seen as more mechanical and laboured. This results in a dialogue that is more serious and relatively stilted. Chairing is more heightened and more process-conscious where the process often dominates the content of the meeting. This lack of informality to soften and humanise the process puts more pressure on the committee chair in a virtual setting when compared to the formal face-to-

face meeting, where the formality may be diluted by some more light-hearted interaction between members during the meeting, as expressed by this participant:

> 'It just changes the dynamic a bit and places the onus on the chair
>
> and the people in it to understand that and actually try and do things
>
> that sort of make up for it.' (participant 14)

There is little found literature on the effects of Covid-19 on the actual dynamics of chairing board or committee meetings; however, it is deemed that boards are meeting more often and chairs including NEDs, have become more 'hands-on' during the pandemic (Mather, 2020:580). There has also been an increase in the time demanded by board responsibilities and a keen focus on board activities by stakeholders to ensure an optimum standard of governance (Kaur, Malik & Sharma, 2021). The use of technology such as Zoom and Microsoft Teams has prompted the development of decision criteria for the use of virtual meetings, but also resulted in a weariness of communicating via a screen or 'Zoom fatigue' (Hacker et al, 2020:571), areas assumed to be a chair's responsibility to manage. However, from a chairing perspective, constant scanning of meeting participants can also be tiring:

> 'But at first I'd come off a day of Zoom calls and just be shattered. And
>
> your brain is trying to process something in a way that was a 3D way and
>
> when you see things out the corner of your eye or somebody.... or just
>
> twitching a bit' (participant 24)

The conclusion being from participants that for a chair of a virtual meeting, it is more difficult to engage committee members as there is a detriment to non-verbal communication which

impacts the chair's ability to pick up signals around the room.

4.7.4 Engagement with the Executive Team and Business. Some participants reported a feeling that they have less of a grip on the business. This was in part due to their inability to wander around the offices and have casual conversations with employees. They experienced no sense of atmosphere or corporate culture by not being in the office. The board experience for many participants has changed from a combination of informal contact and formal meetings (where often there was also an element of informality in the formal meeting) to a formal meeting alone becoming even more formal. Their knowledge of what was going on in the business was therefore via a drip-feed from the executive directors and not their own first-hand experience and perceptions. This has also been reported as a perceived detachment from personal contact and subsequent erosion of relationships: 'But I think it's just that sort of increasing disconnection, when people can't get together, because that's where you build the relationship' (participant 11). The feeling of teamworking between NEDs and executive directors has resulted in a feeling of separation: 'less collegiate activity between the NEDs and the executive' (participant 15). The perceived degradation of relationships has resulted in a temptation by NEDs to cross the operational line during Covid-19, presumably to assure themselves in a time of crisis:

> 'And now that everybody has time in Zoom and this is available, non
>
> execs are more tempted to cross that line and encroach on executive
>
> territory. And I think it's extremely…. a very serious risk for companies.'
>
> (participant 10)

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There was also the impact that Covid-19 has had on stakeholder engagement and most feedback was about a greater awareness of all stakeholders and a certain stewardship and engagement towards them, which perhaps wasn't so heightened pre-pandemic. This participant expressed the preoccupation with stakeholders during Covid-19: 'our stakeholder base is varied, and they change their minds, everything we do is very public' (participant 21). Another participant aligned the people and stakeholder agenda to NCs through maximising potential by saying:

'I think development, personal career development, the way in which our people, and by that I mean, our staff, generally the workforce relate to the wider stakeholder environment.' (participant 4)

Covid-19 has distracted boards and NCs from focussing on value creation to ensuring business continuity, however, when this strategic value is long-range, deep into the organisation and broad and holistic, then it is producing the optimum strategic value. Covid-19 has also magnified the need for companies to actively engage with stakeholders and many directors felt this relationship management could be part of the NC.

4.8 Chapter Four Summary

This chapter has analysed the data collected from 33 qualitative interviews and discussed the findings with evidence from participant transcripts. It has related the findings to the extant literature, building on that literature covered in Chapter Two, the literature review.

The data analysis was distilled into four themes, as shown in table 19 below.

4.4 Theme I: Context, Determinants and Dynamics of Engagement
4.4.1 Context and Remit of NCs
4.4.2 Inside NC Meetings
4.4.3 Outside of NC Meetings
4.5 Theme II: Strategic Value
4.6 Theme III: Governance and Future Regulation for NCs
4.7 Theme IV: Covid-19 impact on NCs

Table 19. Themes and their respective sections (author's own design)

This chapter has discussed the findings in terms of the main research question: 'How does the chair of nomination committee engage with committee members to realise strategic value to the board in UK listed companies?' With the continued strengthening of governance in committees, our understanding of NCs and their role in independence and strategic decision-making is crucial as 'the more effective the committees, the better the boards which they serve' (Vafeas, 1999:203).

The next chapter summarises the findings and conclusions from this study and the extensions to role theory. It also presents an emergent model that links all the themes as an explanation of the research question. Research limitations are discussed and future research directions proposed. The final section explores personal reflections from having conducted this study.

Chapter Five: Research Conclusions and Contribution

5.1 Chapter Five Overview

This chapter summarises the findings from this study and distils this research process into conclusions, which span its contribution to the application of theory and practice within corporate governance and particularly for UK companies. There is an evaluation of the study through revisiting the research aim and objectives, and also via a personal reflection section. Limitations of this study are discussed and future research ideas are proposed. The emergent model is presented and explained in terms of a holistic view of the dynamics within and around nomination committees (NCs).

The next section summarises the findings across all four themes and the contextual additions to role theory from this study.

5.2 Summary of Findings

This section summarises the findings as analysed and discussed in Chapter Four. There were four themes that emerged from the thematic analysis. They are nomination committee chair (NCC) engagement, NC strategic value, governance and regulation of NCs, and Covid-19 impact. These themes are detailed in table 14, section 4.3. Table 20 below summarises the findings by each theme.

Theme I: Context, Determinants and Dynamics of Engagement: Context and Remit of NC	• Role and qualities of NC and NCC – soft skills and emotional intelligence • Catalyst, synthesiser, incubator
Theme I: Context, Determinants and Dynamics of Engagement: Inside NC Meetings	• Setting the tone and facilitation of discussion • Exploration, synthesis and consensus • Manage disruption and difficult dynamics • Safe space and sounding board
Theme I: Context, Determinants and Dynamics of Engagement: Outside NC Meetings	• Build relationships for trust, candour, challenge • Understanding and aligning of perspectives and opinions
Theme II: Strategic Value	• Long-range forecasting e.g. board and committee composition, strategic skills • Deep into organisation e.g. succession planning and talent management • Broad and holistic e.g. diversity, candidate long and short lists, stakeholder engagement • Board chair as NCC can empower NC
Theme III: Governance and Future NC Regulation	• NC director attitudes towards governance • NC name and remit – tight/loose • Review of succession plan – close the loop • Tenure rule – how to develop inside board • Definition of meritocracy for optimum diversity
Theme IV: Covid-19 Impact on NC	• Decline in social capital, trust and relationships through lack of informality • Difficult to chair, engage and debate in virtual NC meetings • New technology catalyst for digital working • No travel time so greater productivity
Role Theory	• Busyness of non-executive directors (NEDs) on NC – quantitative overload and risk to monitoring and independence • Board chair as NCC role conflict • Chief executive officer (CEO) on NC and workforce engagement role conflict

Table 20. Summary of findings by theme and role theory (author's own design)

5.2.1 Research Aim and Objectives Revisited. In this section, the original research aim, objectives and research question are revisited to assess if and how they have been met.

The research aim can be simply stated as 'to better understand how nomination committees can generate strategic value to boards'. This has been met as significant new knowledge has been learned through this study about how NCs operate as well as how the NCC interacts with committee members and other board roles to realise strategic value to the board. This strategic value has been distilled as both generic and specific across all main areas of the NC remit; however, its only source was via board director interviews. As such, it has not been corroborated via secondary data such as NC terms of reference or NC meeting minutes.

The research objectives can be summarised as the following:

- to carry out a systematic quantitative literature review (SQLR)

- to devise a guiding framework within the context of a theoretical lens

- to investigate this framework via a qualitative approach

- to develop a model from analysis and conclusions from data

- to relate the model to a theoretical framework.

The research objectives have been met as all steps were completed and the emerging model has been related to role theory. However, not all parts of the emerging model are explained by role theory, as it focuses on engagement as interactions and not output such as strategic value. This aspect could be perceived as a weakness of the application of role theory to the model especially as this was also part of the research aim.

The next section proposes an emergent model that connects all the themes and presents them as a diagrammatic explanation of this study and research question.

5.3 An Emergent Model

The model described in this section is a high-level representation of how NCCs engage with their committee members to realise the output of strategic value to the board. It focuses on the main activities NCCs perform inside the formal NC meetings and the nature of key discussions with NC members informally outside of the formal NC meetings. It also characterises the output as the criteria for strategic value. The model includes both the internal and external contexts. The internal context is one of the sub-themes of engagement and encompasses the NC remit, the board chair as NCC and the business context, the latter of which is specific to each company and so not covered in this thesis. The external context consists of the factors outside of the business, namely governance in the UK, the impact of Covid-19 and the market and/or sector of the business, the latter of which is company-specific and therefore not covered in this study.

The informal dialogue between the NCC and NC members occurs between NC meetings in casual settings and focuses on generic relationship building to create trust and mutual respect in good working relationships. This forms a robust foundation for challenge, diverse perspectives and disagreement in the NC meetings. It helps NC members understand each other, be candid and appreciate each other's value-add to the committee. Informal dialogue is also driven by the NCC in terms of understanding each NC member's perspectives and opinions on the NC agenda items in order to move towards alignment and ensure there are no surprises or shocks in the formal meetings. This informal conversation can be over the phone on a one-to-one basis or at board dinners, lunches or water-cooler conversations.

Inside the NC meeting, the NCC is engaging members through setting the tone and facilitating discussion of the agenda items, with a view to reaching a consensus through exploration and debate. These resultant decisions typically become recommendations to the board. The NCC engages through contextualising issues, synthesising ideas and sometimes

using NC meetings as an incubator for new initiatives. The NCC can encourage and engage NC members to use the NC meetings as a safe space for confidential discussions about the executive directors and this may include the CEO using them as a sounding board to discuss members of the executive team and succession. However, there can also be drama and vocal disagreement, which may make the NC climate difficult at times, so the NCC needs to occasionally manage the meeting dynamics to ensure everyone is treated equally and there is no inappropriate behaviour or disruption.

There is a two-way flow of information and interpersonal contact between the informal conversation outside NC meetings and the formal NC meeting agendas. The output from the combined formal and informal interaction is strategic value, which when realised to the board is characterised by being (1) long range in terms of future forecasting, (2) deep into the organisation in terms of talent management and (3) holistic in terms of the broadest interpretation of diversity and meeting stakeholder's expectations. In this way, the NCC through the NC is making a significant strategic contribution to board and the business on its accountable people and culture activities. The dotted lines in figure 15 illustrate the conjected interaction of informal and formal dynamics with output from NC.

Role theory is evident throughout this model in the relationship building between the NCC and NC members as this is the primary role set and forms the basis of role expectations as roles are sent and received. The qualities of the NCC are inherent in the formal and informal engagement parts of the model in terms of implying that the NCC requires strong soft skills and skilful process management. Role conflict is implied in the formal meetings if the NCC has to manage disruption and difficult dynamics between members. Role theory is mainly concerned with interpersonal and group dynamics so does not focus on output or value. However, as strategic value is in the form of NC recommendations to the board, it could be argued that there are individual and group expectations from board of the NC as a committee

and the NCC as its committee chair. The narrow or broad remit of the NC means that the NC and NCC role expectations will be highly contextual for the business and the people performing these roles. The board chair as NCC may present role conflict if the board chair is dictating the NC agenda and outcomes. Equally, the NC members as NEDs will have expectations of the role of a board chair as NCC in terms of their independence and facilitation skills.

Figure 15 below illustrates the proposed emergent model of the NCC role in engaging NC members to realise strategic value to the board.
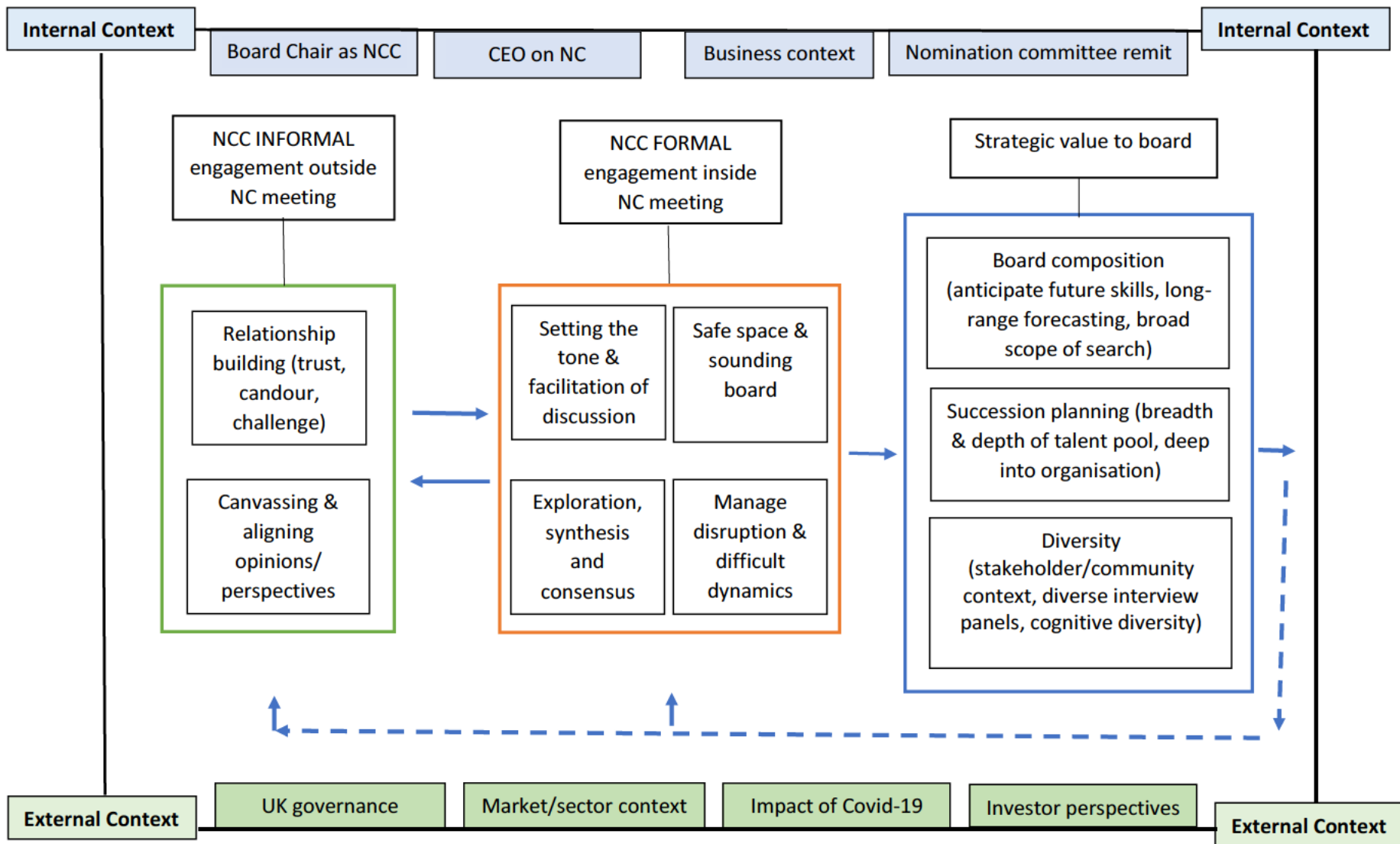
Figure 15. Emergent model of NCC role in engaging NC members to realise strategic value to the board (author's own design)

5.4 Study Contribution

This section distils the contribution about NCs into two areas: for academia including its' contribution to application of theory and new knowledge, and also for UK company boards and the regulator, the Financial Reporting Council (FRC), which is in the process of transforming into the Audit, Reporting and Governance Authority (ARGA). This study reports qualitative findings that are novel, significant and timely: there has not previously been such a holistic understanding of NCs in UK listed companies. It aims to fulfil the five forms of impact as scholarly, practical, societal, policy and educational, in short: 'to be new, interesting and important' (Wickert et al, 2021:300). While some of the findings are expanding previous areas of academic research or 'gap-spotting' (Alvesson & Sandberg, 2013:132), this study is pivotal in terms of shedding considerable light on NCs and NCCs and therefore qualifies as a study offering an overdue 'more novel and high-impact contribution' (Alvesson & Sandberg, 2013:129). The novel areas are about the dynamics of the NC, the role of the NCC, and the nature of strategic value realised from NCs, including the type of dialogue that occurs informally outside of NC meetings.

5.4.1 Contribution to Academia. This section summarises the contribution to academia via new knowledge and new perspectives on theory, particularly on NCs, the role of the NCC, informality and this study's contribution to the application of role theory.

Theory helps aid prediction, opens up explications and expands our understanding. It should be at the forefront of explaining trends and demands empirical support (Alvesson & Sandberg, 2013). The most significant contribution to academia from this study is learning more holistically about the least researched committee, the NC, and how its' committee chair manages the dynamics of the committee both inside and outside of the formal meeting to realise strategic value to the board. This study is ground-breaking as there have not been any studies

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to date focused on a core committee with this rounded approach in understanding the context, remit, dynamics and strategic output in their entirety. A recent notable review on board committees highlighted what little was known about NCs, NCCs, committee engagement and strategic value from committees (Kolev et al, 2019).

5.4.1.1 Contribution to Knowledge on NC and NCCs. This study has provided a holistic view into the operation and processes of the NC in the context of UK listed companies during and around a global pandemic and in relation to the 2018 UK Corporate Governance Code. It has highlighted the role of the NCC as a specialist and expert committee chair role, which has not previously been researched across all activities of the NC. It has deepened the understanding of the NC in terms of what happens inside committee meetings and what happens outside in terms of informal contact with NC committee members. It has also scrutinised the roles of the board chair as NCC and the CEO on the NC. This rounded view of NCs has adopted a rare qualitative approach compared to the typical quantitative empirical study.

Previously, a quantitative approach was taken to NCCs' expertise and firm performance (Chaudhry, Roomi & Aftab, 2020) and a parallel study has examined audit committee chairs (ACCs) and audit committee (AC) meetings (Khemakhem & Fontaine, 2019). Aspects of NC dynamics such as information-sharing, disagreement and diverse opinions were investigated in German listed companies (Walther, Calabro & Morner, 2017). There is no other known model of the role of the NCC that provides insights into behaviour and how relationships are managed around the NC agenda. Engagement in the Australian boardroom but not in UK committees has been studied with a focus on board chair engagement behaviour (Bezemer, Nicholson & Pugliese, 2018). There is no extant research on strategic value from a board committee, least of all from NC and in relation to NC accountable areas of activity, other than studies on

selection (Walther, Morner & Calabro, 2017; Kim & Cannella, 2008; Feng, Ghosh & Sirmans, 2007a) and diversity (Hutchinson, Mack & Plastow, 2015; Guldiken et al, 2019; Knippen, Shen & Zhu, 2019). Therefore, this study is a new departure and significant contribution to knowledge. The board chair as NCC has rarely been the topic of academic research, other than their general influence (Main, 1994) and so this study surfaces the advantages and disadvantages of this position. There has never been an SQLR carried out on any aspect of the NC, so this is considered to be a contribution in terms of literature review.

5.4.1.2 Contribution to Informality. Informal interactions outside of NC meetings have not been the subject of academic research. Studies have looked at side conversations outside the boardroom (Concannon & Nordberg, 2018) but not outside formal NC meetings. There is no extant research easily found on informality within NCs and none that links informal interaction to the formal NC meetings to explain the dynamics and behaviour of NEDs over time. The extant literature on social networks in the boardroom does not necessarily explain the role played by informality although these are related areas. Recent studies have focused on networks amongst NEDs in French boardrooms and in ACs but omitted NCs (Kramarz & Thesmar, 2013; Zhao, 2021). Informal meetings between ACCs and internal audit have also been investigated and linked to the characteristics of ACCs via a survey approach (Zaman & Sarens, 2013). Much of the research in the area of informality has been quantitative and not qualitative, therefore this study provides greater understanding of the dynamics and purpose behind informal contact between NEDs, which could arguably be generalised to other committees and the boardroom. In addition, the emergent model of the role of NC (figure 15, section 5.3) highlights the purpose and content of these informal contacts.

5.4.1.3 Contribution to the Application of Role Theory. Role theory was adopted as the guiding theory for this study. There are specific contributions to role theory in terms of role multiplicity and potential overload as UK listed company board directors typically hold several board roles within one company and this is duplicated for the number of companies where they have NED roles. There could equally be role conflict where the NCC is also the senior independent director (SID) and so has an additional role to support and coach the board chair, which may compromise independence. However, this study has highlighted the complexity of roles held by UK NEDs and the propensity for role conflict, which may not optimise UK board governance. At present, there is little in the UK Code of Governance to address the symptoms or outcomes from potential role conflict. Recent studies have investigated the CEO–chair relationship at board level using role theory (Morais, Kakabadse & Kakabadse, 2018). A notable recent review driven by role theory looked at the CEO–top management team (TMT) interface (Georgakakis et al, 2019). Role overload of NEDs has been researched for many years in relation to overboarding, busyness or multiple committee directors. However, there is no research looking at this application of role theory to overboarding by NEDs on the NC, in the positions of NCC or the board chair as NCC.

Role conflict of the CEO on NC has not been the subject of previous research, especially with the focus of the board having a new governance accountability for workforce engagement and how this regulation overlaps with the CEO's operational remit for employee engagement. The role conflict in the role of the CEO is in relation to the designated NED (desNED) for workforce engagement. This may cross the operational line for NEDs and create conflict for them and also for the CEO who is operationally responsible for employee engagement across the business. Previous studies have researched the presence of the CEO on NCs and demographic faultlines (Kaczmarek, Kimino & Pye, 2012a&b) or the presence (Eminet & Guedri, 2010) or influence of the CEO on the NC (Clune et al, 2014; Clune et al, 2018).

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Previous research regarding the CEO on NCs has tended to focus on their role in director selection (Clune et al, 2014; Valenti, 2008; Cohen, Frazzini & Molloy, 2012). There is no found research concerning the CEO on the NC and the desNED for workforce engagement and nothing related to role theory.

In applying role theory to the role of the board chair as NCC, role conflict can be extended to explain this positioning and how independence may be compromised if this dual board chair exerts undue influence over the agenda, activities and recommendations to the board. Role conflict in the role duality of the board chair as NCC has been highlighted in this study. This position on the NC has been rarely researched and so this is a new contribution to the application of role theory from this study. Typically, extant literature on role duality in the board context has examined board chair with CEO role duality (Boyd, 1995; Braun & Sharma, 2007; Dalton & Dalton, 2010;) but not touched on the role duality of board chair with NCC. One quantitative study examined the board chair as NCC and its association with earnings management, suggesting that the board chair should not chair the NC (Al-Absy, Ismail & Chandren, 2018). This position was not the focus of this study per se, but it is a peculiarity of the UK Code that board chairs are permitted to chair the NC but not the AC or remuneration committee (RC). There is a delicate balance to be struck for a dual board chair when they are promoting their own agenda or objectively consulting and reaching a consensus within and outside of the NC meetings. These areas of role conflict pertaining to NCs and the position of NCC are new contributions to role theory.

The next section summarises the contribution to practice, for board directors, company secretaries, corporate governance consultants and the regulator, the FRC. It encompasses realising strategic value from NCs, NCC engagement, informal interaction between NEDs and executives, the CEO and workforce engagement desNED, the NC and learnings from Covid-19, and finally future NC governance regulation.

5.4.2 Contribution to Practice. This section explains how the findings contribute value to both thinking and action for practitioners of corporate governance in the UK and potentially all unitary systems. It speaks directly to all UK listed NCs and NCCs but could also provide insights for ACs, RCs and their respective committee chair roles and as such, can be generalised to other similar contexts. It informs board effectiveness and board culture at the committee level and positions NC as a governance construct with greater potential than previously realised in reducing uncertainty and bringing increased value creation to boards.

5.4.2.1 Strategic Value from NCs. Through an emphasis on strategic output from NCs, this study has given UK board directors a new perspective and pragmatic guidance on how to extend their strategic value and impact from NCs. NCs have been shown to be the most strategic of all committees and even more so when the board chair is the NCC, although this position comes with its risks of undue influence and loss of independence. This value creation occurs by extending the NC's scope and forecasting for succession planning, their definitions of diversity, whether they decide to have a narrow or wide remit for NC and the considered impact on key stakeholder groups. This study has provided insight into the evolution of cognitive diversity on UK FTSE boards by looking at how board chairs as NCC and separate NCCs discuss diversity in its broadest interpretation, even if they are not familiar with the term, cognitive diversity. It shows that as a concept it is generally understood but as an ideal for board and committee composition rather than as a measurable part of the dynamics or behaviour within board and committee meetings. Long-range forecasting of skills has been shown to provide boards with competitive advantage in terms of planning and accessing key skills to execute their corporate strategy. Succession planning should encompass the breadth and depth of the talent pool in the business to ideally realise strategic value. These areas of NC

operation may inform the FRC consultation on the 2018 UK Corporate Governance Code during 2022 and promote this often neglected committee.

5.4.2.2 NCC Engagement. The NCC as a sophisticated manager of stakeholders is proposed in this study, through the optimising of internal dynamics and intellectual capital. This confirms what was already known about NEDs at board level, but this study elevates the complex role of the NC with its adaptable remit and the NCC as a sophisticated business partner, role model, catalyst, synthesiser and incubator, not just plugging recruitment gaps or driving a transactional process with external headhunters. The image of the NC as a purely one-dimensional vehicle for director recruitment is now outdated and this study has shown the breadth and depth of value NCs can bring to the board and business through its focus on people.

5.4.2.3 Informal Interaction between NEDs and Executives. The informal interaction between NEDs and executives has been made explicit and understood in terms of its practical application and the nature and purpose of those interactions to improve NC meetings and combine the intellectual capital to produce cohesive but diverse thinking. It is argued that offline contact between NEDs and executive directors can make the NC meeting more effective and efficient, therefore more likely to realise strategic value to the board. This study contributes to the importance of relationship building for trust and to facilitate candour and challenge. This was previously a hidden area in corporate governance and yet has clear and tangible benefits for the work of committees and the board. The importance of a committee chair canvassing opinions and perspectives has to date been underplayed. This study demonstrates how there is a direct effect on the efficiency and effectiveness of committee meetings. However, it can be abused and by making this part of governance more transparent, it can be managed and optimised.

5.4.2.4 CEO and Workforce Engagement DesNED. A further contribution is the CEO on the NC and how there is a conflict where governance has possibly gone too far in NEDs becoming overly operational on workforce engagement with the risk of duplication between the NC or board and the executive team. The CEO and the executive team are traditionally responsible for employee engagement and this new element in the Code has created a sensitivity and potential demoralisation of CEOs where NEDs are going deep into the business to gather feedback and essentially duplicating the CEO's role. This is further complicated when the remuneration committee chair (RCC) is the desNED for workforce engagement as the message to employees is that engagement is just about pay.

5.4.2.5 NCs and Covid-19. This study has equally enhanced awareness into how NCs operate in both 'normal' times and during the Covid-19 pandemic. It has crystallised the benefits and costs of virtual operation and what it means for good governance. The findings have highlighted how NCs can function virtually and gives insights into what may be sacrificed and may lead to risk in the long-term. These qualitative insights indicate the emotional and arguably intellectual consequences that may arise from long-term virtual contact. It emphasises the necessity of informal contact by removing the opportunities for face-to-face dialogue by NEDs and executive directors.

5.4.2.6 Future UK Governance Regulation. In terms of governance and future regulation, this research is timely and has hit a sweet spot in terms of being conducted two financial years after the 2018 UK Corporate Governance Code came into effect and before the FRC consultation opens to review the Code during 2022. It has prompted board directors including board chairs of UK listed companies to reflect on the value of NCs in advance of giving formal feedback as part of the consultation. Key aspects are the evidence presented in

this study around the dual board chair and NCC, the CEO and workforce engagement, and the wide or narrow flexing of the NC remit.

There is a clear message for the FRC from this study about the amount and nature of future governance. This is particularly pertinent in terms of the anticipated review of the 2018 UK Corporate Governance Code during 2022. There was a significant degree of consensus among participants on what they would like changed in the Code. This is shown both as general feedback on the level of regulation but also specifically in areas such as quotas and proxies for governance and tenure. There are also recommendations given for governance to help promote the value from NCs, such as a broader definition of meritocracy to feed diversity and forcing the review of a succession plan once implemented to see if it was fit for purpose.

5.5 Research Limitations

This section outlines the perceived limitations in this study, its management, process and its interpretation. It highlights some key areas that may be considered weaknesses in the methodology and consequently, where different or more robust findings could have been found. These areas include limitations in regard to the sample, coding, CEO participants, maintaining focus on the topic of NCs and the lack of secondary data.

5.5.1 Sample. Of the 33 participants, approximately one-third were female, which is slightly under the stated 46% for female NEDs on boards of the top 150 FTSE companies (Spencer Stuart, 2020). However, I did consciously approach more female board directors to aspire to nearer a 50/50 split of males to females, but ultimately did not get the engagement or response. It is debatable why more females did not accept my invitation to participate in this research study. Only three standalone board chairs were interviewed as, in the majority of the UK FTSE companies, the board chair is the NCC. Only four CEOs agreed to participate in this

study, which represents 12% of the total sample. More CEOs were approached but it was assumed that arguably as the only executive role approached for interview, they were the busiest of all targeted roles, especially during Covid-19 and the respective lockdowns. Similarly, only four separate NCCs agreed to be interviewed. Of these four participants, two were male and two were female, with two also holding the role of SID. All participants volunteered for the role, so already there is self-selection in terms of bias in the sample with some participants volunteering that they wished to 'give back' through their contribution. Very few participants responded to say they were too busy or didn't feel able to contribute. There were five FTSE companies where two participants were interviewed but I felt that their contributions were distinct and each added value from a different perspective. No special or additional analysis was carried out on these participants or companies. This means that the sample consisted of data from over 28 different UK listed companies as typically board directors sit on other company boards. Two Real Estate Investment Trusts (REITs) were included and both followed the UK Corporate Governance Code even though REITs tend to have teams of investment managers rather than conventional employee populations. While I confirmed the primary reference company with the participant at the beginning of the interview, all participants were typically board directors on other boards, whether listed or not.

There may have been a cognitive bias from participants who wished to self-promote their achievements and good governance on a UK listed board. The majority of participants were humble and ego-free; however, there were a handful of participants who overly indulged in promotion of their board management and output, with a few openly boasting about their business achievements and name-dropping to impress me. This aspect of the data collection only appeared with board chairs as NCCs and could have skewed the results in terms of overstating their account of NC engagement and NC strategic value creation.

5.5.2 Coding. There was no opportunity to have a colleague check my coding and categories on NVivo 12 and this situation was exacerbated by remote working during Covid-19 and respective lockdowns. Even though the process was iterative and I personally went through the transcripts, codes and categories reviewing and altering them several times, there is no independent view of how I approached and executed this task. Therefore there may be bias built into my coding, categories and interpretation of thematic analysis. There was no guidance on how to use NVivo even though I did attend some webinars offered by QSR International, the supplier of NVivo. They were not relevant or helpful for my project as they were more generic about literature review or publication. I utilised YouTube for tutorials on NVivo 12 and these were helpful in explaining some of the more advanced functionality, but I felt rather isolated in struggling to self-learn all the functionality.

5.5.3 CEO Participants. As the focus of this study is the role of the NCC and how they engage with committee members, there was no specific focus on the role of the CEO on the NC or their impact in sitting on this committee, whether they were a bona fide member of an NC or invited on an ad hoc basis. Equally, there was no focus on the NC members' role to monitor or advise the CEO on the NC. Only four interviews were possible with CEOs of FTSE listed companies, despite 66 messages being sent to CEOs on LinkedIn. This represents a 6.1% response rate. There is a stark difference between the role of the CEO in the UK compared to the U.S. Since the Cadbury Report proposal to separate the roles of CEO and chair (Doble, 1997), today there are no combined CEO/chairs in UK FTSE 150 companies (Spencer Stuart, 2020). However, in the U.S. there are still 41% combined CEO/Chair roles heading up S&P 500 companies (Spencer Stuart, 2021). Therefore, there is no true comparison in terms of the influence of the CEO on the NC in UK listed companies. As this study also took place during

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Covid-19 when CEOs of UK listed companies were extremely busy with their whole workforce operating virtually, there may have been more volunteers in 'normal' times.

5.5.4. Maintaining Focus on NC. During the interviews, I found that I was consistently having to bring the participants back to a focus on NCs and engagement by NCCs. There was a tendency for participants to start referring to board or other committees they sat on. I managed this confusion by asking a follow-up question which included the NC in it to emphasise the NC as the topic of conversation. I have interpreted this confusion as an indication that NCs are often perceived as lower in importance than the board, AC and RC. This may be a correct interpretation or it may be a recency effect, meaning that the participant referred to the most recent meeting having taken place.

5.5.5 Lack of Secondary Data. As previously mentioned in section 3.8.3, no participants agreed to having an observer in their NC meetings, either in-person or virtually, due to the confidential nature of their agendas and discussions. Neither did any participants agree to share NC meeting minutes for the same reason. UK listed company terms of reference for NCs and annual reports are available online but as public relations documents, they are considered so generic, that they would not give sufficient insights into the formal or informal dynamics of NCs. This may have been even more of a constraint during Covid-19 and the various business challenges being managed by UK companies. Similarly, the sharing of NC meeting minutes and board minutes for document analysis was considered by participants as too confidential to share externally. On discussion with my supervisors, it was decided that there was sufficient triangulation in this study via the interviews from participants holding different roles on NCs. This may have impacted the ability to demonstrate robust credibility,

validity and reliability. The next section explores future possible research directions arising from this study.

5.6 Future Research Directions

This section explores future research directions prompted by this study of NCs, NCCs, engagement and strategic value. As the least researched of all the board committees (Kaczmarek & Nyuur, 2016), it offers significant potential as a fruitful field of research when compared to ACs and RCs. Therefore, there is considerable scope to further understand different aspects of the NC remit and to go into more depth on some of the areas covered by this study.

5.6.1 Influence of the CEO on NC. CEOs were not the focus of this study but are acknowledged as being a key stakeholder in the operation and output of the NC and its recommendations to board. For example, in matters of executive director recruitment, the CEO will need to work with and manage newly recruited directors. In terms of executive succession, a diverse employee population and workforce engagement, the CEO may have operational targets to achieve that affect their annual bonus payment. Whether the CEO is a member of the NC or purely invited to meetings on an ad hoc basis, they may have a significant influence on the activities of the NC. This study posited the role conflict for CEOs on the NC as potentially the operational line could more easily be stepped over by NEDs and create discomfort or even tension on workforce engagement. Suggested research questions for future research are 'how does the CEO on NC influence outcomes?' and 'how does the NCC engage the CEO on NC yet also monitor their actions?' It would be interesting to see if this entailed greater or lesser amounts of informal contact between the CEO and the NCC.

5.6.2 Cognitive Diversity. Diversity is a key aspect of board and executive composition and therefore is directly related to NC recruitment activities. When discussing diversity with participants, I was struck by how cognitive diversity was taken as the ultimate goal on diversity with many participants offering their own definitions of this concept. However, no participants attempted to explain the mechanics of how they actively draw out and manage cognitive diversity, and least of all how they assess or measure it. It appeared to be an attractive concept participants felt was important to pursue but without any framework. Sometimes participants described the concept of cognitive diversity and I confirmed the term to them. There is fundamental understanding that cognitive diversity feeds into board culture and is required even more so today, as board and committee decisions become increasingly complex. However, there is no clear business case or governance regulation to persuade boards to pursue it. A qualitative approach to research would help clarify the detailed processes and outcomes for cognitive diversity, without resorting to proxies which do not directly measure it and possibly underplay its' benefits. Suggested research questions are 'how does a board or committee chair access cognitive diversity through their chairing behaviour?' and 'what is the process by which cognitive diversity leads to better decisions on boards and committees?' The realisation of cognitive diversity could also be related to informal contact outside of meetings to see if this offline understanding of perspectives and opinions helped or hindered cognitive diversity in the meetings.

5.6.3 Comparison of Board Chair and SID as NCC. As mentioned previously, the board chair is permitted by the UK Corporate Governance Code to chair the NC, but not the other committees. The SID is permitted to chair the NC. This study has included data and interpretation of the dual role of the board chair as NCC; however, further research would be potentially fruitful in this area to understand more about how independence may be

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compromised or how exactly board chairs maintain their independence when chairing an NC. Moreover, to further examine any impact or differences in process, behaviour or output when the SID chairs the NC. A further comparison in comparing the board chair, SID or an independent NED as NCC may produce new insights. The potential differences could be related more directly to the NC remit, the type of business or its people strategy. Suggested research questions are 'how does the board chair as NCC influence quantity or quality of interaction and challenge on the NC?' and 'how does the behaviour of the board chair differ when he/she is chairing the board to when they are chairing the NC?' Alternatively, a further research question could focus on the SID's role and ask, 'how does a SID as NCC affect the dynamics of the NC?' Similar to the CEO on the NC, it would be interesting to investigate if quantity or quality of informal contact mediates these effects.

5.6.4 Differences in NC Remit. This study elucidated the wide and narrow remits of different NCs in UK listed companies. There is scope for further academic research in comparing the remits of different NCs as to whether they adopt a wide remit encompassing many aspects of people and culture and therefore risk becoming overly operational and/or overloaded. Alternatively, whether they maintain a narrow remit of purely recruitment and selection of board and executive directors, and consequently experience more risk in the business. This area of research could lead to a typology of NCs. Suggested research questions are 'how is the remit of NCs tailored to the business strategy?' and 'how do boards decide on terms of reference for NCs?' There is also a further area of comparison, that of dual committees where nomination is paired with remuneration, sustainability or governance. Suggested research questions could investigate the strategic value realised from the different pairings.

5.6.5 Comparison of NCC, ACC and RCC. The three core board committees are distinct in their strategic output, but further research on how they differ in terms of their operation and engagement would be beneficial for academics and practitioners. There are no known studies comparing these committee chair roles or the dynamics of all three board committees alongside each other. It can be argued that UK governance regulation scrutinises these three committees very differently and therefore academic research could evaluate how these committee chair roles require potentially different hard and soft skillsets, follow different processes of monitoring and guidance; and have different views of realising strategic value to the board. Suggested research questions are 'which core committee most benefits external stakeholders?' and 'how do the core committee chairs interact to realise strategic value to the board?'

This study adds to role theory in terms of role overload of the board chair and NEDs in overboarding or holding several NED roles in different companies. There is sparse research about the role of the NCC and none that can be found in terms of the overboarding literature. Relating overboarding of the NCC to external stakeholder management or resource dependency theory could be a profitable area of research, exploring such research questions as 'how does the NCC on several company boards manage their external stakeholders?' There is little qualitative research on the role of linking pin or overlap directors between the core committees. Most research conducted in this area has been quantitative, for example, Brandes, Dharwadkar, & Suh (2016) and Essman et al (2021). An empirical approach does not allow the examination of dynamics and behaviours within and across committees, especially in relation to decision-making and other outputs from the activities of the respective committees. A qualitative approach would be a fruitful perspective to better understand the determinants and antecedents of linking pin directors. Suggested research questions are 'how do overlapping directors realise optimum value to the business?' or 'how do linking pin directors add risk to the business?'

5.6.6 Alternative Methods. There are few examples of direct observation of board or committee meetings, with the most common methodology being qualitative interviews. It would be good to experiment with alternative methodological approaches such as longitudinal research designs or multiple case studies across different geographies, comparing differences in unitary systems of governance. Shadowing board directors for a short duration to understand more about how social networks and informal interaction play into the formal board and committee meetings would be innovative. Alternatively, observation of board evaluation processes with individual board directors or the whole board, especially when conducted by an external third party, would be an interesting study, especially as UK listed companies are regulated to conduct external board evaluations every three years. While observation of boards and committees is challenging, there may be more scope to observe with the camera off during a virtual meeting. This could also provide a recording of the dialogue, which enables other methods of analysis, such as discourse or content analysis.

5.7 Personal Reflection

This section covers my own thoughts captured in field notes during this study, not least of all the influence of Covid-19, and both the challenges and opportunities presented by the pandemic. The challenges of accessing board directors of UK listed companies as elites and my biases are discussed. This section also explores the learning from my contributions to various academic conferences as a presenter and reviewer, my publications and attendance at sessions offered by the Reading Researcher Development Programme (RRDP).

5.7.1 Impact of Covid-19. In many ways, Covid-19 was a catalyst for this study as the need to conduct interviews via Zoom saved a lot of time and gave easier access to board

directors working from home or during times of lockdown. Several participants mentioned that they currently had more time to 'give back' by making a contribution to research. There was a candour in conducting interviews while participants were based at home, illustrated by one participant who was half-way through painting a ceiling and another who had just come off a virtual aerobics class. The period of data collection was condensed and contributed to the timescales for this study. However, a backdrop of Covid-19 meant that every participant wanted to talk about their personal experience of it and it sometimes risked distracting from the central topic of NCC engagement and strategic value. Equally, there was a weariness in some participants about sharing their thoughts and feelings on yet another consecutive Zoom call. The last ten years has seen NEDs having greater involvement in businesses at multiple points of contact and Covid-19 has accentuated this greater involvement, particularly around risk management and support of the executive team in Covid-19 response actions.

5.7.2 Experience of Elite Interviews. One challenge was in identifying participants and this required significant resilience in the face of numerous negative, often curt or nil responses on LinkedIn. It required me to constantly remind myself not to take it personally and always thank them for even replying with a refusal. I decided to adopt a batch approach and not take the rejections as a comment on my study, especially as I was aware that doctoral colleagues were potentially approaching the same participants in UK listed companies at the same time. While the data collection phase of this study was very enjoyable, especially for a practitioner, there was some anxiety around reaching participants during a time when people had many domestic and professional challenges. During the interviews, I was struck by how generous many participants were with their time and consideration, also how genuinely interested they appeared in my study. Several participants stated that they were happy to help

as they considered it as 'giving back'. There appeared to be genuine interest in the NC and admiration for the NCC in managing both process and people.

I approached the elite participants as respected businesspeople and positioned myself as a mature doctoral researcher, NED and committee chair, which appeared to create some empathy and trust. Some participants required reassurance about confidentiality, which I usually reiterated at the beginning of the interview. I endeavoured to be tolerant and understanding about occasional interruptions such as Amazon deliveries or a phone ringing, as the participants were usually in their homes and one participant had Covid-19. It appeared to help establish trust by asking a few introductory questions such as how they were, commenting favourably on a picture on their wall or enquiring where geographically they were based. I also signalled the start of the interview by saying that I had some broad questions to direct the interview, but I would attempt to make it as natural a conversation as possible. My semi-structured questions were not always asked in the same order as I aimed to follow the participant's engagement while ensuring that all areas of enquiry were covered. My gentle steering and active listening seemed to help the flow of conversation with the majority of participants. One participant repeatedly gave monosyllabic answers, in response to which I tried to prompt him to expand. Another participant shared an extreme level of candour in sharing traumatic anecdotes about his upbringing in illustration of diversity of experience, to which I offered a supportive and sympathetic response. It felt as though some participants were over-promoting themselves and their achievements. Several participants exhibited an element of ego as if they were public-speaking and name-dropped into the conversation. This scenario sometimes improved as the participant relaxed, but occasionally I interjected that there were no right or wrong answers to put them at ease. There were some participants who had decided what they were going to talk about, regardless of my questions. This tendency to dictate the agenda led to some rambling, which I gently interrupted and brought them back to NCs with a

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new question. Some participants shared that they had prepared for the interview in advance and that this reflection on NCs had been valuable. There was a tendency for board chairs as NCC to fluctuate between the chairing of NC and board meetings or other committees in their comments. If this happened, I would ask a follow-up question with the NC in it for emphasis.

5.7.3 My Researcher Biases. As discussed in Chapter Three (section 3.8.5), researcher bias can impede the realisation of good quality research, especially in qualitative research which focuses on the researcher's subjective interpretation. It is difficult to eradicate any researcher bias as this is inbuilt in the human condition. This section reflects on my personal thinking about how I may have introduced bias to this study.

As a NED and NCC, I was very conscious of overlaying my personal expectations or interpretation on what was being said by participants in the interviews. At times, it felt like a heavy responsibility to ensure that I was being as honest and objective as possible while also being true to the interpretivist epistemology. During the interviews, I did not give any opinions or facts about my experience of NCs or boards but mentioned my NED and NCC roles to gain credibility with participants and encourage them to expand on their thoughts. I was aware of speaking to them as a businessperson and using governance vocabulary as a practitioner. I adopted a professional yet friendly tone remaining impartial to what was shared by participants, although asking clarifying or supportive questions to engage them. However, I also wanted to co-create a consensus of views rather than abdicating my perspective. I managed the interviews with pace and energy so that all my questions could be covered in the time allocated. However, this process management may have inhibited deeper reflection by the participant and more considered responses. I was aware of anticipating responses from participants to my questions once I had reached saturation but tried to behave as though I was hearing the view for the first time, which may or may not have been successful.

Similarly, when I subsequently coded the interview transcripts, I was very aware of coding through the eyes of a practitioner and not a wholly objective and unknowing researcher. My experience of NCs as a NED and NCC most definitely influenced my coding, which meant I repeatedly revisited the data to ensure that my themes and conclusions were based on evidence. In addition, I frequently referred back to my guiding theory, role theory, as a lens to view and group the codes into categories and themes. My governance experience as a practitioner certainly created a strong personal interpretation of the data, although I constantly reminded myself to be impartial and not skew my interpretation of the data.

The technicalities of using Zoom did lead to some issues with two participants where the broadband signal was very poor at the participant's end and kept cutting out, disrupting the conversation. In the interview with another participant, my One Drive reached the upper storage limit and the recording function kept stopping, which meant piecing together eight parts of the interview transcription. When I played back the audio files and transcriptions, I was conscious of the points in the conversations where I missed an opportunity to ask 'why?' even though this could have interrupted the participant's train of thought. I quickly learned not to make any noise or murmurs during Zoom interviews as these sounds were picked up on the transcript and meant a lot more editing. Consequently, I just nodded and smiled to demonstrate active listening. From a chairing point of view, some participants expressed frustration with Zoom in that it is transactional and not user-friendly for debate, so it could have inhibited their responses.

5.7.4 Extra-curricular Activities. My time as a doctoral researcher has undoubtedly been enriched by my involvement in extra-curricular activities, which supported my academic studies. These include mandatory attendance of Reading Researcher Development Programme (RRDP) workshops offered by the Graduate School. The range of workshop topics has been

wide, encompassing use of social media, impact, preparing posters, conducting a literature review, data management, ethics and critical academic writing. The teaching has been to a high standard and interactive as the majority of workshops were delivered online due to Covid-19. In addition, I have submitted papers and presented at global conferences, namely, the International Corporate Governance Society (ICGS), the European Academy of Management (EURAM) and the British Academy of Management (BAM) during 2021. I was also a reviewer for the EURAM and BAM conferences, which I found fascinating in terms of broadening my perspective on paper production. During last year, I participated in the EURAM Doctoral Colloquium and presented at the Doctoral Conference on Strategy, Corporate Governance, Innovation and International Business.

A further new skill and enjoyable personal development has been business writing and publication of research, articles and book chapters. I participated in two research projects on behalf of the Quoted Companies Alliance as a supplier for Henley Business School during 2020. These mixed method projects were focussed on ESG (environmental, social, governance) and board evaluation among UK AIM-listed companies. My publications have spanned the FT Governance newsletter, Governance + Compliance magazine published by the UK Chartered Institute of Governance, the Risk Coalition and KPMG Board Leadership Centre websites. I collaborated with my supervisors on two book chapters, one on board committees and another in print on ESG.

All these experiences have built an extensive, global network of academic and business contacts, from whom I have enjoyed learning new perspectives on corporate governance. In relation to my own NED role and future ambitions, I feel this research experience has made me a better informed and intuitive NED in my current role as vice-chair and chair of a nomination and remuneration committee at a London housing association. This PhD has more

than fulfilled my expectations in terms of insights and confidence, so I am better equipped to make a more significant contribution to corporate governance in academia and business.

5.8 Chapter Five Summary

This chapter has summarised the findings from this study before evaluating whether the research aim and objectives have been met and where there could be weaknesses. An emergent model is described to explain how the NCC engages with committee members to realise strategic value to the board. This model has been related to the guiding theory, role theory, and highlighted where role theory doesn't adequately explain the model. The contributions to academia and practice were summarised followed by a section on research limitations covering the sample, coding and the lack of CEO data. Finally, some areas for future research were proposed and my personal reflections were shared.

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Appendices

Appendix A: Ethics approval

Ethics form (PhD research projects M&R)

This ethics form comprises two elements:

Cover sheet

Section A Research approval application

The cover sheet requires you to provide details about you and your research project. Section A is used to apply for ethical approval for your research project. You should answer all the required questions and you should ensure that you have read and understood the ethics requirements of the University of Reading Research Ethics Committee.

Application for research project approval

The University Research Ethics Committee allows Schools to operate their own ethical procedures within guidelines laid down by the Committee. The University Research Ethics Committee policies are explained in their Notes for guidance, which can be found at:

http://www.reading.ac.uk/internal/res/ResearchEthics/reas-REethicshomepage.aspx

Approval must be obtained from Dr Georgiana Grigore, who is the Ethics

Representative for Marketing and Reputation, who will also inform our Head of School, before the research project commences.

During the research project

There is an obligation on all researchers to observe ethical procedures and practice and actively bring to the attention of their Ethics Representative and Head of School any concerns or questions of clarification they may have. If during the course of your work the nature of the research project changes or ethical issues arise, you must seek advice again from your Ethics Representative before proceeding.

Please note that this form is designed to conform to the University's requirements with respect to research ethics. Approval under this procedure does not necessarily confirm the academic validity of the proposed project.

Cover sheet

Project details

Name of researcher: Jenny Simnett

School title: Marketing and Reputation

Research centre in which the study is located (if applicable):   n/a

External research funding support (if applicable): n/a

Email: j.y.simnett@pgr.reading.ac.uk

Title of proposed project: How does the chair of nomination committee engage with committee members to realise strategic value to the board in UK listed companies?

Proposed timing of the research: Feb – Sep 2021

Nature of project

(Mark with an 'x' as appropriate)

Externally funded research   [ ]

HBS Academic Research Centre project   [ ]

HBS Applied Research Centre project   [ ]

Doctoral research   [X]

Other   [ ]

Please state:

Date of submission: 21 January 2021

Section A Research approval application

Section A must be completed in full. If you have any questions regarding the form, please discuss them with your Ethics Representative (Dr Georgiana Grigore). Approval must be obtained before the research project commences.

Summary of proposed project and research methods

PhD research – main study – qualitative approach with semi-structured interviews (20-30) carried out on Zoom, optional document analysis of meeting minutes and optional recorded observation of one nomination committee meeting per participating company.

Research question is 'how does the chair of nomination committee engage with committee members to realise strategic value to the board?'

Participants will be chairs of nomination committees, nomination committee members, board chairs and CEOS in fully listed or AIM listed UK companies.

Participants to be secured as convenience sample via researcher's own network.

Participants' audio files and transcription files will be coded so names are not used. A separate key to coding of names will be held on the University of Reading OneDrive. All audio files, transcription files and related documents will be held on this OneDrive and destroyed within two years' of the end of the project. Researcher's laptop is password protected which only known to researcher. Virus software on researcher's laptop is up-to-date Kaspersky anti-virus covering network and firewall.

Optional observation of one nomination committee meeting per participating company via Zoom (with researcher's camera and audio off) or the researcher could be given access via email to a recording of a nomination committee meeting which she has not attended. All attendees would be briefed about the researcher's observation by the respective chair. Audio files to be saved securely on the University of Reading OneDrive. Both the Board Chair and the CEO would need to approve.

Consent may be via the consent form or via a non-disclosure agreement with the participating company and organised via the University of Reading contracts department or the participating company's own non-disclosure agreement. Both the Board Chair and the CEO would need to approve.

Optional document analysis of minutes from 1-3 nomination committee meetings and 1-3 board meetings. Sent by email to the researcher, password protected and saved securely on University of Reading OneDrive. Consent managed as above.

1. Questions about proposed research (University ethics requirements)

Please reply to all of the following questions concerning your proposed research by marking with an 'x' as appropriate.

		Yes	No
1.1	Have the participants and subjects of the study been chosen because they are patients and/or clients of the National Health Service or Social Services in the UK, or equivalent health or social care systems in another country?		X
1.2.	Are the participants and subjects of the study unable to give free and informed consent because they are not over the age of 18, or as a consequence of their mental capacity? (For more details on how mental capacity might impair the ability to give free and informed consent, please consult the Mental Capacity Act 2005.)		X
1.3	Are you asking questions that are likely to be considered inappropriate or to cause distress to any of the participants?		X
1.4	Are any of the subjects in a special relationship with the researcher that could affect their ability freely to give informed consent?		X
1.5	Is your project funded by a Research Council or other external source (excluding research conducted by postgraduate students)?		X

If you have answered Yes to any of these questions, your proposal will be reviewed in accordance with the requirements of the University Research Ethics Committee.

If you are unsure whether any of these conditions apply, please contact your Ethics Representative (Dr Georgiana Grigore) for further advice.

2. Questions about proposed research (administration of investigation process)

Please respond to all the following questions concerning your proposed research project by marking with an 'x' as appropriate.

		Yes	No
2.1	The research involves only archival research, access to company documents/records, access to publicly available data and/or questionnaires, surveys, focus groups or other interview techniques.	X	
2.2	The need to reimburse expenses or make other payments to any research participants has been reviewed.	X	
2.3	Participants will be/have been advised that they may withdraw at any stage if they so wish.	X	
2.4	Arrangements for ensuring personal privacy, commercial confidentiality and data protection during and after the project and for the disposal of material will be in line with University guidelines.	X	
2.5	Arrangements for providing subjects with research results if they wish to have them have been considered.	X	
2.6	Research instruments (questionnaires, interview guides, etc) will be reviewed against the policies and criteria noted in The University Research Ethics Committee Notes for Guidance.	X	
2.7	The arrangements for publishing the research results and, if confidentiality might be affected, for obtaining written consent of this have been reviewed.	X	
2.8	Information Sheets and consent forms will be prepared in line with University guidelines for distribution to participants, as appropriate. This contains details of the project, contact details for the principal researcher and advises subjects that their privacy will be protected and that their participation is voluntary and that they may withdraw at any time without reason.	X	

2.9	Completed consent forms, where required, will be retained and submitted with the final report on completion of the project for retention by Henley Business School.	X	

If you have answered No to any of these questions, contact your Ethics Representative (Dr Georgiana Grigore) for further advice.

3. Safeguarding personal safety and security of the researcher(s) and research participants

If the research is to be conducted outside of an office environment or normal place of work and/or outside normal working hours please note the details in the comments box below and state how the personal safety and security of the researcher(s) and research participants will be safeguarded.

Comments

20-30 one hour interviews for main study to be carried out online via Zoom during working hours or at convenient time for participant. Zoom details sent to participants' elected email address. Participants select their own venue/background for Zoom call.

Researcher will ensure a neutral background and no interruptions on Zoom calls.

[X] I confirm that I have read and understood the ethics requirements of the University of Reading and will abide by these requirements in the course of my research.

Signed (doctoral researcher):

Date: 21 January 2021

Print name: Jenny Simnett

Approval (Ethics Representative/ Head of School)

Ethics Representative/Head of School to mark with an 'x' as appropriate:

[x] I have reviewed this application as Approved and confirm that it is consistent with the requirements of the University Research Ethics Committee procedures. This proposal is Not approved and

[ ] is returned to the applicant for further consideration or

[ ] has been referred for further review in accordance with University of Reading Ethics Committee requirements

Name (Ethics Representative): Irene Garnelo-Gomez

Signed (Ethics Representative):

Name (Head of School): A Palmer

Signed (Head of School):

Comments (where application has been refused)

Appendix B: Main Study Interview Protocol and Consent Form

Key Study for PhD Research in Corporate Governance

Invitation

You are being invited to take part in a key study because you a Chair of a Nomination Committee, a Nomination Committee member, a CEO or Board Chair of a UK fully listed or AIM listed company. Before you decide whether to participate, it is important for you to understand why this study is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Please feel free to ask me if there is anything that is not clear or if you would like more information.

What is the purpose of the project?

I am conducting a PhD research study. The research area is:

Nomination Committee and Strategic Value – the aim is to understand how Nomination Committee Chairs engage with their committee members to realise strategic value to the board. This research study aims to provide guidance to policymakers and practitioners to strengthen the role of committee chair, their practices and committee outcomes.

Why have I been chosen?

You have been chosen because you are a Chair of a Nomination Committee, a Nomination Committee member, a CEO or Board Chair of a UK fully listed or AIM listed company.

Do I have to take part?

It is up to you to decide whether or not to take part. If you decide to take part you will be given this information sheet to keep (and be asked to sign a consent form). You can withdraw at any point. You do not have to give a reason in the case of a withdrawal. You can contact the researcher at any time to ask questions about participation. All the data you provide will be held securely and treated confidentially.

What do I have to do?

The interview will last approximately one hour. It will involve a natural conversation about your understanding and experience of the role and practices of Nomination Committee Chair with their committee members and how strategic value is realised from this committee.

Interviews will be recorded only for use by the researcher. A transcription will be kept in a secure place and deleted once the project is completed. Privacy and confidentiality will be rigorously maintained.

This study is also interested in the minutes of Nomination Committee meetings and board meetings. The researcher would welcome observing one Nomination Committee meeting either online or face-to-face or receiving a recording of one Nomination Committee meeting.

Will I be recorded, and how will the recorded media be used?
With your permission, interviews/meetings will be recorded and then transcribed, only as a way to accurately present findings and main themes that emerge from our conversation. Material collected will only be used for the purpose of transcribing, summarising and analysis by the researcher. Data collected will be destroyed within two years of the project's end. The audio recordings of your activities made during this research will be used only for analysis, with transcribed direct quotes used anonymously for illustration in the final thesis. No other use will be made of data without your written permission, and no one outside the researcher will be allowed access to the original recordings.

What are the possible disadvantages and risks of taking part?
There are no reasonably foreseeable discomforts, disadvantages, or risks to participation.

What are the possible benefits of taking part?
You will be helping to uncover new knowledge for a final PhD research thesis, policymakers and practitioners. You will play a critical part in furthering the understanding of Nomination Committees and how they realise strategic value to boards.

Will my taking part in this project be kept confidential?
All the information that I collect about you during the course of the research will be kept strictly confidential. Any quotes included in the thesis will be anonymous and will not identify you or your company.

What type of information will be sought from me and why is the collection of this information relevant for achieving the research project's objectives?
I am interested in interview data, minutes of Nomination Committee and board meetings, and observation and/or recording of a Nomination Committee meeting if permitted.

The data collected is important in achieving the research objectives as it offers the opportunity to understand your experience in detail. This project has been reviewed by the University Research Ethics Committee and has been given a favourable ethical opinion for conduct. You will be given a copy of the information sheet and a signed consent form.

Thank you for taking the time to read through the information.

Contact for further information
Jenny Simnett, Doctoral Researcher, Henley Business School
j.y.simnett@pgr.reading.ac.uk

Consent Form

1. I have read and had explained to me by

……………………………………………………………………………………… ……………………………………….
the accompanying Information Sheet relating to the project on:

……………………………………………………………………………………… …………………………………………

2. I have had explained to me the purposes of the project and what will be required of me, and any questions I have had have been answered to my satisfaction. I agree to the arrangements described in the Information Sheet in so far as they relate to my participation.

3. I understand that participation is entirely voluntary and that I have the right to withdraw from the project any time, and that this will be without detriment.

4. This project has been reviewed by the University Research Ethics Committee and has been given a favourable ethical opinion for conduct.

5. I have received a copy of this Consent Form and the accompanying Information Sheet.

Name:.…………………………………………………………………

Signed:…………………………………………………………………

Date:……………………………………………………………………

Appendix C: SQLR searches

How does the Chair of Nomination Committee engage with committee members to realise strategic value for the Board? *May/June/Oct 2020*	*Article, review & conf paper, 1992-2020*	*Business, Management & Accounting (1,874 sources)*
Keyword Search **(Scopus convention is double quotation marks)**	**Scopus refined***	1* = 54 2* = 109 3&4* = 149 0* = 90
"board dynamic*"	47	
"board behavio*"	50	
"chair* role"	37	
"chair* leadership"	17	
"senior independent director"	1	
"senior independent director role"	0	
"lead independent director"	3	
"board dynamic*" AND CEO	6	
CEO AND "board behavio*"	8	
"nominat* committee*"	83	
"nominat* committee*" AND value	25	
"nominat* committee*" AND strateg*	7	
"nominat* committee*" AND contribut*	15	
"nominat* committee*" AND effective*	27	
"nominat* committee*" AND independence	20	
"nominat* committee*" AND "director selection"	9	
"nominat* committee*" AND select*	22	
"nominat* committee*" AND succession	2	
"nominat* committee*" AND diversity	13	
"nominat* committee*" AND composition	20	
"nominat*" committee*" AND evaluation	3	
"nominat* committee*" AND role	28	
"nominat* committee*" AND dynamics	2	
"nominat* committee*" AND impact	23	
"nominat* committee*" AND engage*	3	
"nominat* committee*" AND process	19	
"nominat* committee*" AND out*	21	
"nominat* committee*" AND purpose	23	
"nominat* committee*" AND activit*	4	
"nominat* committee*" AND influence	23	
"nominat* committee*" AND interaction	1	
"nominat* committee*" AND behavio*	7	
"nominat* committee*" AND "leader*"	7	
"nominat* committee*" AND "CEO"	31	
"nominat* committee*" AND "chair*"	19	
"nominat* committee*" AND "non-executive director"	10	

"nominat* committee*" AND "senior independent director" (same result for SID)	0
"nominat* committee*" AND "decision-making"	1
"nominat* committee*" AND "board" AND "influence"	19
"nominat* committee*" AND "board"	73
"nominat* committee* chair*"	1
"nominat* committee*" AND board AND interaction	1
"committee* chair*" AND "nominat* committee*"	2
"committee* chair*" AND "board"	17
"committee* chair*" AND engage*	5
"committee* chair*" AND value	21
"committee* chair*" AND impact	8
"committee* chair*" AND effective*	29
"committee* chair*" AND role	24
"committee* chair*" AND contribut*	17
"committee* chair*" AND influence	14
"committee* chair*" AND interaction	7
"committee* chair*" AND strateg*	4
"committee* chair*" AND leader*	10
"committee* chair*" AND behavio*	4
"committee* chair*" AND skill*	4
"committee* chair*" AND "CEO"	2
"committee* chair*" AND "chair*"	69
"committee* chair*" AND "non-executive director"	1
"committee* chair*" AND "senior independent director" (same result for SID)	0
"board sub-committee*"	9
"board committee*"	130
"board committee*" AND "nominat* committee*"	12
"board committee*" AND value	40
"board committee*" AND impact	32
"board committee*" AND effective*	33
"board committee*" AND strateg*	18
"board committee*" AND engage*	2
"board committee*" AND contribut*	20
"board committee*" AND role	34
"board committee*" AND leader*	11
"board committee*" AND purpose	34
"board committee*" AND interaction	2
"board committee*" AND influence	24
"board committee*" AND activit*	17
"board committee*" AND out*	28
"board committee*" AND skill*	4
"board committee*" AND process	12
"board committee*" AND dynamics	1
"board committee*" AND behavio*	5
"board committee*" AND CEO	26

"board committee*" AND chair*	18
"board committee*" AND "non-executive director"	9
"board committee*" AND "senior independent director" (same result for SID)	0
"board committee*" AND "board"	131
"board committee*" AND "decision-making"	7
"board committee*" AND structure*	50

1678

Less duplication = 403

non-executive director = 356 - not included

Appendix D: Example of Interview Transcript

Researcher
Yeah. Lovely. Thank you. So I wonder if we could just... a couple of warm up questions to start with. Could you briefly outline your existing non exec roles, please?

Participant
Yes, I'm chair of the remuneration committee at X. And I'm the senior independent director at X, and also chair of a privately owned company called X. And then I've got X which is a charity.

Researcher
Right. Okay, can you hear me okay, by the way? Is the volume right?

Participant
It is right. Yeah.

Researcher
Thank you. And so that sounds very busy.

Participant
Could be, it depends.

Researcher
So a X is listed, I guess, as is X.

Participant
Those are the two listed brands. Yeah,

Researcher
Yeah. So I don't mind whichever you take as your frame of reference, if you wish to or need to. But I wanted sort of, for those two listed...

Participant
I'm chair of the nominations committee at X because of the relationship with the chairman there.

Researcher
Yeah, lovely. Thank you. And could you just say how many members are in the nomination committee? And also how often on average do they meet?

Participant
The nomination committee? We meet about three times a year and the members are....I think there are five of us, I'd need to double check if it's in the annual report. It's all of the non

execs and myself. And yes, the chairman is a member, but he's not chairing, so there's six of us.

Researcher

Six altogether. Lovely. Thank you. So could I ask how long in years you've been a non exec director?

Participant

Twenty.

Researcher

So, as you know, this study is really looking at nomination committee, it's the least researched of all the committees. Possibly, arguably the least regulated. And I'm interested in what you see, as in your own words, what you see as the role of that committee chair.

Participant

The chair of the nominations committee is very much associated with being chair of the company. And so people blur them together. But the role of the chair of the nomination committee is, I guess, you know, in a way, talking about what the nomination committee is meant to do is, is it meant to be planning the succession, both for the board, and for making sure that there is succession to the executive committee and through the company to the executive committee. Those are the two main roles. And so, you know, the role of the chair is to make sure that that all gets onto the agenda, and that there's a good debate about those two things in due course. And to manage.... you know, it's not enough to sort of rock up and say, okay, we're going to debate the succession of the board, has anyone got any thoughts? The chair of the nomco really needs to manage that board succession thing in quite a hands on, preferably invisible way. So by that, I mean, you want a balanced board. And you can balance it in terms of saying, we need all these skills, could everyone fill out a skills matrix, and oops, we need digital skills what a surprise! And that's fine. So then you can run off and get a digital skills, non-executive director, but you're also trying to balance the fact that X, who knows the most about the company is retiring, coming to the end of their term next year. And if you're not careful, you're going to have a bunch of people who are too spiky against each other personality wise, or who are all digital experts, but nobody is good on race, or none of them is ethnic diversity. Or you're suddenly going from 30% women to 20% women, and oh, my gosh, X leaving us the following year, we'll be down to 10. So for the chair of the nomination committee on that side, I would say needs to really be thinking two or three steps ahead as they think about the board composition, and then try and get the colleagues to sort of come to the same view, to see it the same way as ? so that you can manage succession in an orderly way, possibly by saying to X, you know, you're a marvellous committee member, a board member, but in order to balance the board, it would be good if you stepped down after seven years instead of nine years, so in two years' time, so we're not pushing you off, we love you, you're going to be here for two years, plenty of time for you to start to feel sad. But that would enable us to look ahead. Very long winded, but I hope you know from the recording, you'll be able to see what I'm getting at.

Researcher

It sounds quite a juggling act.

Participant

But it is and a lot of chairs don't do it. They just look 12 months ahead and then grab, oh, my gosh, we got to get some women. And the other thing is, again, being honest, the men all think their great at everything, when they take the skills picture. I mean, some of the women do too. But you would be amazed at what the men tick for their skills. They're great at leadership, they're great at operations, they're great at digital, great at people, the whole damn lot. So again, you're trying to have a conversation where you might say, we've got a gap in ? And they're looking at the same chart that we're looking at and saying oh, well, no, we don't. So again, you may have to just think more deeply about what you really want.

Researcher

Yes. So you were saying that many nomcom chairs just take a view a perspective of a year's view? What do you have in your head? What sort of view do you take?

Participant

Yeah, I guess I'm trying to think three years over the next two to three years. Because that gives the runway to move some pieces around.

Researcher

Yeah. And is there a context about the corporate strategy as well, and where the business is going?

Participant

There is and an awareness that we want to ensure that we have the right set of skills around the board for a business that will face evermore intensity of competition on consumer engagement and evermore regulation. So that is a challenge.

Researcher

I can appreciate that. So what are the... when you're chairing a nomco meeting... what are the qualities or the skills or attributes that you bring to bear?

Participant

Well, I think any good chairing of any board committee meeting requires a good sense of what you're trying to get out of the meeting and having read the papers and thought about the meeting, alongside putting pressure on others to make sure that they have read them as well, that they're expected to contribute to the debate so that you can have a high-quality debate. And I guess those are the two big things, you know, the great chairs of any committee are really good listeners. But they've really done their homework. So they don't say their view necessarily at first. But get other views. And there's the balance. I've seen chairman in the past, chairs of boards or chairs of nomcos, who treated it like it was about choosing what

colour icing to use a cake. Oh, everyone liked pink, well, then we'll go with pink. Rather than well, I hear what you all say, I've been thinking about it more deeply, I see these three problems. And so I actually think we ought to be going with green. What do you think now that I've laid that down? Can I persuade you all back to green? And I guess, sometimes, it is worth playing that green card. This is a big issue. It's very tricky. My own view is having thought about it a lot that we should go green. Can I hear your views? Now if you do that all the time, everyone will always go green, and you won't get diversity of discussion. But occasionally, if it's something very important, you might want to just lay down what do you really think so that others don't build up such an amazing case for pink that they're not going to want to back down from their case prepping?

Researcher
Yeah, really good point, actually. So I'm interested in you mentioned, the aim is to get a high-quality debate. Well, how would you define a high-quality debate?

Participant
Where people have asked questions that one or all of us didn't think about. And it might be, for example, at X in December, we were saying we need to....we may need to add another non-executive director quite soon, because with our new chairman who's not independent, we will have just as many independent directors as non independent directors. It would be better to have one extra independent. And so we should do that fairly soon. There's no reason not to do it, is there? No. And then, you know, one colleague said, we've got a new chairman, we should be asking....he brings a hugely different set of skills to the old chairman, there may be a way in which we can all work together at a very different pace. Should we put that to him and see if there is a way to change how we work together. And if that is the case, then we should delay getting the new nomco?. So it was a sort of let's step back here and think about whether the new chair can run things in a way that would make us want to have a different set of skills. That was a good example of a question that he'd thought about in advance, or because we're all sitting there, looking at the papers of matrices and so on, but not just saying, yes, you're right, let's get an ethnic woman with digital skills, because that's what the frame says. So it's that, you know, intelligent, thoughtful, and happy to challenge. What happens further creates that.

Researcher
Yes. And I imagine that's down to you know, the foundation that you've laid is creating that environment where people feel comfortable and trusting to challenge each other without conflict.

Participant
I think there are two other things that deserve saying as well. In the past, boards often had people on them who had an influential career, including as a CEO of something and saw the board as a hobby, as something that required minimum homework, turnout, enjoy the debate and then go home. And some of those, therefore, wouldn't be engaged enough to perhaps have read the papers really thoroughly, or they're in the mode of make sure you say one thing

at the board, often at length, and then you've shown your grace and leave it at that. And, you know, it's a long winded way of saying you need high quality people at the board, not just people who used to be energetic and talented once, but who are still energetic, who are genuinely... are generally clever now, it doesn't have to be, you know, fantastic algebra, clever, but just that type of person when you say I can have an intelligent conversation with this person, they're thinking about the world around them.

Researcher
So sorry, sorry....Are you referring to intellectual capital?

Participant
Yes, but… yes, you could use that term, I wasn't specifically thinking of that. But just people who are engaged and open minded and knowledgeable in an area that when combined with engaged and open minded, they're more likely to ask those lateral questions sometimes.

Researcher
Yes. And when you say knowledgeable, I guess I mean, clearly that the appropriate business experience, but do they need to have it's no good if they've just had positive, successful experiences, I guess we learn best don't we from the times we fail or trip up. How important do you think that is?

Participant
I think it's hugely important. And perhaps not everyone needs it. But it's hugely important. And I think that's where we actually get into this interesting twist more generally of... people are trying to create diversity on boards, and one idea is of having younger people on the board, but the younger people won't have had as many opportunities. And they won't be as self-aware and that can create differences.

Researcher
Yes, I think that's a really good point. And you mentioned diversity, I'm interested to know whether you feel there are advantages to the nomco chair being diverse in some way.

Participant
It shouldn't make a difference in a balanced board. The key thing with diversity is what has been said many times about women that it's got to be 30% around the table for it to be no longer a gender underlying the compensation. And I'm sure you've thought about that yourself. And the example I often give is, if you have... if there are four couples at dinner, and the men start talking about football, this is I know, there's a bit stereotypical, you know, maybe you're a football fan, the women would say, guys, stop it, we're not interested. And if.. and the women wouldn't start talking about breast cancer or pregnancy, because it wouldn't be fair on the men. And yet, in a board, if there are few women around that table, it's going to be dominated, you know, the lunchtime conversation will be dominated by football, sports, and the women won't be able to sort of contribute or cut in. And you wouldn't do it if you were equal genders. So why are you doing when you're inequal genders

That's the thing. Get it up to three women out of the 10 and it changes it's less likely to go towards ?

Researcher
Yes. Is diversity owned by nomco at X or X?

Participant
It is, but it's a big enough issue that we're looking elsewhere, so nomco does consider the diversity of the board. And our big challenge now is ethnic diversity. And again, you know, we will put somebody ethnically diverse on the board. It would be a shame that we can't put three ethnically diverse because we will have a token ethnically diverse person better than none, but we haven't, you know, we haven't got enough sources of ethnic diversity at present.

Researcher
What do you think the issue is there? Is it that the candidates are not available? Or they don't consider non exec director work?

Participant
I think the candidates are available, but the headhunters don't find them. And I think the candidates may not be putting themselves forward either, thinking you know, I wouldn't be good enough. I really.... people used to say there are no women in insurance and X is a big insurance company as well as the holidays. And it turned out they were just completely wrong. But the headhunters oh very few women. And the women that we've got on our board... we've had several women who had a lot of insurance background on our board who are fantastic. And they were there five years ago too, so when the headhunters were looking. So I suspect the same goes on, it's traditionally headhunters. They don't know how to look for the ethnically diverse. I think there's lots of them there.

Researcher
Yeah, no, no. Yes. That's good. So I'm interested in when you're in the nomco meeting, and you want to engage your committee members around a particular agenda item or a particular debate? Do you.... are you conscious of how you go about it?

Participant
Probably not really anymore, just because I do it automatically. I think if it's a particularly tricky issue, I'm trying to think whether we've had any tricky issues recently. I would give some thought to what are the risks here, the risk is that one of the members will be very unhappy about doing X or Y. So should I have a chat with them in advance, or should I get the papers to be even clearer about pulling out in writing the advantages as well as the disadvantages, so that even those who might be balanced in one way, will have read a more balanced thing, and therefore, possibly be more open? So I suppose I would think about that in a controversial context.

Researcher

Yes. So you, you probably more consciously think about the presentation of the business case, for example. Okay. You mentioned contact outside of the formal nomco meetings. I'm interested in that, not just for since, you know, there's been an impact from COVID in the last year. But believe it or not, there's absolutely no academic research about what non exec directors do outside of the formal meetings. So do you tend on at X or X to have phone conversations or informal chats?

Participant

We do, we do. With Covid-19, those informal chats have been greatly reduced. And I have gone out of my way on both companies to sometimes email colleagues and say it's been a while I'd love to chat. Let's have a chat. So at X, I've done that with two of the non execs on a very regular basis. And with the third when I can. At X, I've done it with pretty much all of them. One on one, how are you feeling? Where are you at? What do you think of the committee issues? What do you think of where the company is? So it's a very informal chat, which may spend a little bit of time on kids or personal lives. But that's like 10% of it. You know, you might start with that, you're genuinely interested. But it's pretty much a business conversation.

Researcher

So there's some sort of relationship building.... And then it would be.... and are you interested in getting their views in advance of the meeting? So you know, what you're going to be managing.... is that the agenda?

Participant

That has been the agenda at the remuneration committee at X and remuneration committees that I've chaired. To be honest, at the nomcos that we've dealt, the nomcos don't usually have something very controversial. Because you're not really trying to say, we can't pay him more. I know he wants more, but we can't do it. What's your view? Or do you think we should be sticking our heads because the shareholders will vote against the remco in a very public way, and there'll be headlines if you.... so it's a much more political, complicated cross? committee than the nomco. To be honest, the nomco even at X, at X, the issues have always been much less controversial, because they're more measured. You're planning the board out, or you're listening to the chief exec and the group HR director present the top 10 to you, portraits of what they're good at what they're bad at? Who would succeed? Who if they suddenly dropped out in the short term in the long term? And so it's much more of about.... we've reviewed it, we've looked at the talent, it sounds like the group HR director and the chief exec have a grip on it. We'd love to see more of Fred and the board, since they're saying he's a superstar. Can we get....but again, it's not stuff you're likely to say, this needs a big decision, much more about approving things that have rocked through a process.

Researcher

Yes, yes. Understood. And when you're in a meeting and the members are engaged, what do you hear or observe, what do you....how would you visit visibly clock, that sort of thing?

Participant

It's much easier in in real meetings, because they're looking at you and they've got their iPad closed, or you can see that the papers are on their iPad. It's much harder on virtual because people can look engaged, but you have no idea whether they're looking at a crossword on the screen or whether they're looking at you and you can't get the same total confidence of whether everyone is going in one direction or another.

Researcher

Really good point. Yes, really good point. So I guess apart from I mean, that engagement piece which is difficult you know we automatically pick up cues when we're face to face, don't we? But I think the struggle when you're digital is... you mentioned about the lack of informal face to face contact even if it's relationship building.... is there anything else that you would say was an impact from the last year?

Participant

No I think the social capital has declined drastically because of the lack of opportunity to connect and in effect that means the trust reduces amongst board members and that's a shame and a danger. And between the non execs and the group the executives is a big problem. Otherwise, yeah I mean that's the big one, otherwise it's amazing how well things have worked but it has required more effort by people, much more, because people looking at the screen for hours on end is pretty killing. There are an awful lot of meetings, more or less back-to-back and they run late.

Researcher

Yeah so I'm interested that you perceive that there's a little bit more of a fracture between the non execs and the exec team and you mentioned trust there. Is that because you... there's a feeling as a non exec you can't sort of get your arms around what's happening so easily?

Participant

It's yes...now why is it.... it's a little bit of that. it's a little bit of the sheer body language and opportunities on a micro scale to connect with people. So one example that I've used talking about this is if you're in a meeting and I'm sitting opposite you round a board table and the person beside me says something ridiculous, I can catch your eye and you can look across at me, you don't have to change your expression at all, but you and I know that we agree with each other, so that means when the idiot beside us has stopped, one of us will have the confidence to say I beg to disagree, knowing that they're not isolated. And you can't do that on Zoom. There is no way to make eye contact secretly and it wasn't intended to be secretly, but it also even if we let the blatherer blather on, I think she's got good judgement because she thought that was stupid just as I thought it was stupid, I trust her judgement. So it's all these micro signals of what you do and don't believe in and it could be that he was boasting of having flown to in a private plane to the Caribbean and I roll my eyes and you think she's got the same values as me, she thinks it's ridiculous to get a private plane to the Caribbean in the era of climate change, so even if it's something that's got nothing to do with the board,

we're sending signals about each other's values in as much as what we don't say as much as we do say. It's just that range of things around.... it's also even how we dress; you can only see the top half. It's the things we're eating, you know, in the board you can get up and walk around occasionally perhaps just to go to the sideboard to get a cup of coffee from the coffee machine, but you can move the way people move sends a signal of math? and are they confident, are they….so just understanding where you come from on a steady downward slide on all sorts of levels.

Researcher

Yes absolutely that's really interesting. It sounds like it was sort of its alliances with a small a, you know that the alliances between people....I don't want to make it sound sort of sort of aggressive, but I mean it's just subtle alliances between people on different things as you've illustrated. Really good point. So do you think there's been impact on business through... over the last year and operating this way?

Participant

I think it has gone on for a lot longer than there would be. We're all making big allowances for each other. And we've got these elaborate mechanisms of having phone calls on our own? and so on. But I think it would make quite a difference if it were to continue.

Researcher

Yeah. So apart from this sort of technology angle, is there anything else in a nomco meeting that tends to hinder progress?

Participant

Not that I can think of.....

Researcher

And do you have any times where you've had to resort to a vote because there isn't a clear consensus? That's good. And, and so it doesn't sound like there's any sort of.... you might have dissent, which is not there's nothing wrong with dissent, but there isn't conflict as such. Great. So if we think about the output from nomcos, I'm interested in what you feel out of the activities you've mentioned, what would you call strategic and why?

Participant

Well, there are two different levels of strategic, I could argue both of them. So having the right people around the board is... will shape the strategy in one way or another. And at the same time, the other important thing is looking at the talent reviews and questioning whether people are getting the support they need, whether overall, the top 10 people are of the quality we need, all feeds into success of the strategy. And indeed, whether people think up a good strategy while you're at it. So I would say all of ? is strategic

Researcher

Yes. And put so the succession, the recruitment, the board composition, would you call diversity strategic? Or is that compliance with regulation?

Participant

Yeah, at the moment, its compliance. I would say.... I mean, I regard it personally as strategic a board with no women on it will make some very odd decisions. When you get into the ethnic diversity thing, it's a just a bit more complicated, depending on your markers. Because... so I think it's important for society that boards should be diverse, because ethnically diverse, because 10% or so of the country is ethnically diverse. In X, based in Folkstone, there have not been that many ethnically diverse people, and so fewer are hired into the company. And they haven't got any role models to look at up above in the company. But it is harder to find them, if it's 10% of X is ethnically diverse, but only one board member, you know, would be the right balance, whereas you might say, ? focused as women, then surely half of the board should be women. So the women thing is always easier to justify because we start with half and half out in society. The diversity thing, if you were in Birmingham or Leicester, then surely the ethnic diversity should be high on your board and not having it would surely be a strategic mistake, because you're not sending the ? organisation and probably to the customers in turn. So it's a trickier one. Now at X, diversity is essential, ethnic diversity is essential. And we've been slower at it on the board. But we've got a lot of ethnic diversity in our workforce. I mean, most of our creations, I'm just saying they all seem to be from Italy. But they will be black Italians and Asian Italian, this Italian and that Italian. And that's because of the nature of fashion. It's just bringing in talent from around the world. Interestingly, there are 40% of our sales have been to China and we still haven't gotten an Asian on the board. So yeah, we have someone who lives in Asia who works, you know, who is ? Asian companies? You know, we get some insight in these things.

Researcher

Yeah. And does that tick the box? If you have somebody who brings that....

Participant

It wouldn't tick the compliance box, no. A black woman on the board which ticks the compliance box, but she is a US woman and with a background in radio. So it's actually her expertise as well is... they're highly relevant to us.

Researcher

Right. Okay....

Participant

It's a compliance box.... invaluable to us. But I'm doing a report experiment here, if you had.... if you had an Asian on the board of X thinking about insurance, what extra dimension of insurance would arise? Now, I'd much prefer to have an Asian on the board, or a black person or anything, just because we are too white. It's wrong. But it's harder to say that it would translate instantly into insights about the insurance market.

Researcher

Some people I mean, the whole thing of diversity is so interesting as a board challenge. And some people I've spoken to have said that really diversity should be translated as cognitive diversity and intellectual diversity. Actually, what we're doing is... it's a bit of a sledgehammer to crack a nut.... by going with the obviously visible colour differences. What do you say to that?

Participant

I agree. I agree. I'm just thinking.... But in doing that, I don't want to therefore cut out people of colour from getting taken seriously in business. And that's the challenge we're doing here, we know they're not taken seriously enough. And we're trying to change that. And rightly so, just as we knew women weren't being taken seriously. So there are two different levels. I don't want them to be treated badly, just because of the colour of their skin. They should be on boards. Will they bring cognitive diversity? Not necessarily, just as some women won't either. There's more chance that the women will then the men, for all the reasons that, you know, the way in which women are, you know, schooled and all the rest of it. And I'm sure some ethnically diverse people because of their backgrounds as well....But I went to X, who are, you know, they're investment bankers.... A lot of people have them as their advisor in case you get a takeover approach, because you want X on your side, not against you. So they've been advisors to X. And so they invited me to an event at the X two years ago, to celebrate 50 years or 100 years or something. And it was a bun fight, you know, you went into that big hall, and it was jammed with people. It must have been hundreds and hundreds of people in it. And what was obviously.... and it was.. there were chairman of companies and a lot of bankers. And what was intriguing to me, was about 70, it was mostly men, because a few men had brought their spouses, they were invited to bring their partner but most of the people invited were men and they'd gone alone, because it's just a reception. And 70% of them were Asian. They looked Indian, and I thought, what's going on here? Banking, treasury, trading, forex, mathematics....Indian. Now, there wasn't much cognitive diversity in that room. They were all there to make money. They've all made a fortune. They're all enormously talented. They probably all went to Winchester and Eton, and then Oxford and Cambridge or the equivalent in India. But it was diverse.

Researcher

Very interesting. Very interesting. Yes. And just changing the subject slightly. The last the 2018 governance code was sort of positioning a little bit more prominently the idea of workforce engagement. And I wonder is that something that has gone to board at X or X? Or does that sit with nomco?

Participant

That's gone to board. It's been very effective. At X, there's a workforce advisory forum of 15 people from around the world. And the chairman and I go to the meeting twice a year with the individuals for... it's a two-hour meeting. And it's very engaging and very helpful to me as the remuneration committee chair. And both the chairman and I enjoy it, but it was the

group HR director who brought the proposal to the board. And we've got something similar going at X. Again, it's the remco chair who is typically going along to these workforce forums, because they're the front for pay and they need to understand what the workforce feels about pay or to explain to the workforce what's going on with the executive?

Researcher
Yes, yes, absolutely.

Participant
It hasn't come through nomco.

Researcher
Okay. I'm interested. One of the things that the FRC has gone public with is that early next year, early 22, they will open up the consultation on the 2018 code. And I'm interested if you were advising the FRC, what would you suggest to them in terms of the remit of nomco, to expand it or stick to the knitting?

Participant
I'd probably say to leave it...

Researcher
Is there a reason why?

Participant
Well, if you take.... the only reason to.... what would you expand it into? Are they suggesting....?

Researcher
Well, I mean, I did a little bit of analysis of the FTSE 350 at the end of last year. And it seems that very often nomination is paired with remuneration, it's sometimes paired with sustainability. It's sometimes paired with ethics, or directors' affairs, I'm not quite sure what would be thrown into that bucket. And I have spoken to a nomination committee chair of a listed company who actually has got ESG in the nomco but as an incubator until they decide whether they're going to.... what they're going to do with ESG and whether they'll set up a separate committee for it.

Participant
I think I would leave nomco as it is. It's got a clear agenda. Muddling in with ESG could water down ESG and water down nomco.

Researcher
Really good point. Yeah. So there's, is there anything you would want to put across to the FRC when they open their consultation?

Participant

I think it would be to make sure nomco is.... I think part of the challenge here is that ESG should not be all together. The environment is a big thing that every company needs to take seriously. Social includes the workforce, which is something the board should be taking seriously. Governance, maybe you could put governance in with the nomco, but quite a lot of governance, you know, approving the tax policy, why would that be in a nomination committee? It's best actually looked at in perhaps in the audit committee before going to board. So, I would leave well alone.

Researcher

Okay. That's great. And is there anything that you see into the future that needs to be done to empower nomination committee? For example, the regulation isn't quite as tight as it is for audit and remco in that you can have the board chair chairing a nomination committee.

Participant

Yeah, and they usually like to….usually it is.... it's actually regarded as the normal thing that should happen. I mean, at X, our chair chairs the nomco and he does a terrific job of it, and he is the one with whom the buck stops for how the board will shape over the next few years. So in many respects, it's logical for the nomco chair to be the chair of the company.

Researcher

Do you think there is any risk there with independence?

Participant

Not in the....no, because the chair doesn't choose his successor and isn't allowed to have any say on that. That's for the senior independent director. So as long as there's a robust senior independent director there, that can work well. Now again, in other places where I've been senior independent director choosing the chair, the new chair, we kept the old chair out of it altogether. Whereas I have been occasionally on companies where no, the old chair was sitting there around the table, participating in the discussion. And that is not good practice. Because it means people can't be honest about what they really need from the future, without ? to the old chair sitting there.

Participant

But I've been aware of the opposite. And that's in FTSE 100 companies, the chair of the board is the chair of the nomco. The chair of the nomco is a very important role because they decide on the board composition. And any chair who knows their stuff would be mad to let someone else be chair of the nomco, they would be diminishing themselves. And there's very occasional cases where if the chair of the board is also a very big shareholder, or founder of the company, or something that causes a conflict. And that's the case of X, the new chair of the board is ??, who bought a quarter of the company. So we have to send a signal to the shareholders that he is not going to take us in a way that ? in and that their interests are protected as well. And one of the big signals is well, since he is not independent, he should not chair the nomco and so control the board composition.

Researcher

Yeah, that strikes me as slightly strange, I must say, yes. Yeah, it seems that the folk I've spoken to when I've asked them, you know, how did you decide to have a separate nomco chair, it doesn't seem that there's any particular strategic thought behind it. Some people have suggested that maybe where you have a larger board, then it makes sense to have a separate NED as the nomco chair, or where the board chair maybe has several other positions, and there's a risk of them becoming overburdened. But there's not really any strict strategic thought behind it.

Researcher

So that sounds a much more strategic decision in that scenario. Yes, no, that's really helpful. Thank you. And I've got to the end of my questions now, and I wondered, is there anything you thought I was going to ask which I haven't?

Participant

No, no, not at all. And I'm sorry for rambling on so much.

Researcher

You haven't you give me some really interesting insights. So it's been good. No, it's been really good. And very interesting. There's a real diversity of views, which is makes it fascinating to conduct this study. And I'm also talking to the FRC, some of the senior directors because they tell me I'm the only person researching nomination committees.

Participant

I can imagine. I can imagine... sort will there be an outcome of your work in the end?

Researcher

Well, it's a PhD so I will write a thesis. It will probably sit in an archive somewhere at the Henley Business School. So, but I am I'm doing a little bit of writing and journalism myself. I've done some articles in ICSA (now the Chartered Governance Institute), and the FT Governance magazine, and also Henley Business School does commercial consultancy. So we've done some research with SMEs into ESG for the Quoted Companies Alliance. So, so yes, it's an I'm a practitioner. I mean, I am a chair of a nomination and remuneration committee for a London Housing Association.

Participant

You know how tricky remuneration can be....

Researcher

Yes, yes, absolutely. But no, it is fascinating. So thank you so much for your time. I really do appreciate I've enjoyed speaking to you know,

Participant

Well, a pleasure to speak to you too. So the best of luck with yours.

Researcher

Thank you so much. Thank you, and I hope there's some sunshine before the end of the day where you are.

Participant

Okay, well, I'm not betting on it. But

Researcher

Thank you so much. take care bye

Appendix E: NVivo 12 Coding Structure and Thematic Analysis