

## Management PhD Research Topic

### *Boardroom Decision-Making in the Face of Change*

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#### **Abstract**

The board of directors plays a central decision-making role in the governance of the public corporation. They generally add value through the (i) monitoring of management, (ii) provision of advice and access to critical resources, and (iii) setting of the long-term strategy of companies. Diligently fulfilling these tasks is becoming more challenging, with boards facing increased stakeholder demands and pressures around important societal issues such as climate change, slavery and human rights, disrupted global supply chains, depleting natural resources, and cybersecurity. These issues take boards into unfamiliar territories with limited lessons from the past being able to guide them. This raises important questions: (i) how do boards acquire the right knowledge and skills to successfully engage with today's grand challenges, (ii) how should boards effectively integrate these issues into their boardroom decision-making and (iii) what kind of support is needed to assist boards in dealing with these new challenges? Further details about this PhD project are available [here](#).

#### **Project**

For decades scholars and practitioners have attempted to understand what makes boards effective in their decision-making. The starting point of many conversations and efforts has been to put the right board structures (i.e., appointing independent directors, promoting gender diversity, splitting the role of the CEO and board chair, establishing board sub-committees etc.) and policies in place to improve board performance. However, despite these optimal board structures, many boards are still struggling to engage fully with contemporary societal challenges and developments. What often is being missed or not fully acknowledged is the human dimension: boards are generally composed of well-intended people that need to work together in a complex, ambiguous, high-stakes context that often involves time-pressure. This growing recognition of boards as dynamic, social systems is starting to change the governance field, yet a lot more work is needed to academically open the black back of the boardroom and practically assist boards in improving the human-side of their processes, dynamics and ultimately their performance.

Methodologically, exploring this human dimension requires different ways of researching boards and their members. Instead of relying on typical database/archival studies that form the foundation of the current corporate governance debate, there is a need to explore and embrace the realities of what happens in the boardroom. An emerging stream of research is tackling this issue head-on by relying on qualitative research techniques, involving boardroom observations, director interviews and longitudinal case studies. One of the big advantages of these qualitative approaches is that they allow to factor in 'time' more comprehensively, i.e., how do boards develop across time and how does the past shape current approaches to contemporary grand challenges.

This growing behavioural governance/boards space provides a fertile ground for future PhD students with a keen interest to bridge the significant divide between theory and practice in governance. Some possible research questions could be:

1. How do boards of directors acquire the knowledge and capabilities that are needed to meet growing societal expectations around issues such as sustainability, cyber security, and work, health and safety (WHS)? How do boards integrate this knowledge and capabilities into their decision-making?
2. How do boards of directors develop and maintain the flexibility needed to continuously and actively respond to an environment that is changing in complexity? Do the current approaches to board governance and existing boardroom routines enable boards to adequately respond to what it is needed anno 2023?
3. How could current technological developments (e.g., artificial intelligence) assist boards of directors in improving their boardroom decision-making? Does this technology engagement require cross-board collaborations? What changes would be the needed to board design and director training?
4. How can individual board members bring in their specific expertise in an effective way in what can be a socially challenging group context? What is the role of the board chair in building a psychological safe boardroom climate that allows directors to speak up and contribute?

These are just some examples of interesting research questions that could be asked in this emerging research area. I am keen though to push the boundaries in this space and open to further discussing what might particularly interest you in this behavioural governance/board space. Possible journal articles to build an understanding of the field include the following. A number of the papers are by the lead supervisor to allow candidates to understand his background work in this field.

- Bezemer, P.,** Nicholson, G., Pugliese, A. (2018). The influence of board chairs on director engagement: A case-based exploration of boardroom decision-making. *Corporate Governance (Oxford): an international review*, 26(3), 219-234. <https://doi.org/10.1111/corg.12234>.
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- Klärner, P., Probst, G., & Useem, M. (2020). Opening the black box: Unpacking board involvement in innovation. *Strategic Organization*, 18, 487–519. <https://doi.org/10.1177/1476127019839321>.
- Lorsch, J. W. (2017). Understanding boards of directors: A systems perspective. *Annals of Corporate Governance*, 2, 1–49. <https://doi.org/10.1561/109.00000006>.
- Pernelet, H. R., & Brennan, N. M. (2023). Challenge in the boardroom: Director–manager question-and-answer interactions at board meetings. *Corporate Governance: An International Review*. Forthcoming. <https://doi/full/10.1111/corg.12492>.
- Pugliese, A., Nicholson, G., **Bezemer, P.** (2015). An Observational Analysis of the Impact of Board Dynamics and Directors' Participation on Perceived Board Effectiveness. *British Journal of Management*, 26(1), 1-25. <https://doi.org/10.1111/1467-8551.12074>.
- Tilbury, L., & Sealy, R. (2023). Seen and not heard: A comparative case study of women on boards and process loss beyond critical mass. *Corporate Governance: An International Review*. Forthcoming. <https://doi/full/10.1111/corg.12524>
- Veltrop, D., **Bezemer, P.,** Nicholson, G., Pugliese, A. (2021). Too Unsafe to Monitor? How Board–CEO Cognitive Conflict and Chair Leadership Shape Outside Director Monitoring. *Academy of Management Journal*, 64(1), 207–234. <https://doi.org/10.5465/amj.2017.1256>.