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Satu Koskinen

At the Heart of the Board: CEO and Chair
Processes, Practices and Relationships

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ABSTRACT

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This doctoral dissertation explores leadership in the dyadic relationship of the Chief Executive Officer (CEO) and the Chair of the Board, and in the process leading to CEO dismissal. The study contributes to the literature on relational leadership and the human side of corporate governance and Board work by increasing understanding of the relational practices and processes of the CEO and Chair. A theoretical model is developed of the construction of the CEO-Chair relationship. Additionally, the study makes a methodological contribution by examining researcher-practitioner collaboration during the writing of this study. A qualitative research approach was adopted in the study, with open-ended, in-depth interviews with CEOs and Chairpersons in Finnish limited liability companies as primary data. The thesis consists of this introductory essay as well as three journal articles and a book chapter, all based on empirical studies.

The main argument of this study is that the dyadic practices and development of trust in the CEO-Chair relationship are closely intertwined, and that the dynamic around them is delicate, self-reinforcing and context-embedded, particularly in the early stages of the relationship. Due to the information asymmetry which works in favour of the CEO, her/his initiative to interact with the Chair is proposed to be the 'engine' of an effective CEO-Chair relationship and pivotal for trust to develop. The results of this study also increase understanding of the importance of social dynamics and the actions of the Chair in the process of CEO dismissal. In addition, it is proposed that a collaborative research approach between academic research and practice may provide valuable pathways to enhancing our understanding of the human side of corporate governance and Board work.

Keywords: CEO-Chair relationship, Chief Executive Officer (CEO), Chairperson of the Board (Chair), relational leadership, leadership practices, trust development, CEO dismissal, corporate governance, Board work, researcher-practitioner collaboration, Finland

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TIIVISTELMÄ

Koskinen, Satu

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Tässä väitöskirjassa tutkitaan johtajuutta toimitusjohtajan ja hallituksen puheenjohtajan kahdenvälisessä suhteessa sekä toimitusjohtajan erottamiseen johtavassa prosessissa. Tutkimus lisää tietoa toimitusjohtajan ja puheenjohtajan suhteen käytännöistä ja prosesseista, ja se kontribuoi relationaalista, suhteissa rakentuvaa johtajuutta sekä hallitustyön ja corporate governancen inhimillistä puolta tarkastelemaan kirjallisuuteen. Tutkimuksessa kehitetään teoreettinen malli toimitusjohtaja-puheenjohtajasuhteen rakentumisesta. Väitöskirja tekee lisäksi metodologisen kontribuution tutkimalla tutkimusprosessin aikana toteutettua tutkijan ja käytännön toimijoiden yhteistyötä. Laadullisilla menetelmillä toteutetun tutkimuksen pääasiallisen empiirisen aineiston muodostaa suomalaisten osakeyhtiöiden toimitusjohtajilta ja hallituksen puheenjohtajilta koottu haastatteluaineisto. Väitöskirja koostuu tästä johdantoesestä sekä empiirisiin tutkimuksiin perustuvista kolmesta artikkelista ja kirjan kappaleesta.

Tutkimuksen pääväite on se, että toimitusjohtajan ja puheenjohtajan kahdenväliset käytännöt ja luottamuksen kehittyminen ovat tiiviisti kytköksissä toisiinsa, ja että niihin liittyvä dynamiikka on herkkää, itseään vahvistavaa ja kontekstisidonnaista, erityisesti suhteen alkuvaiheessa. Tulosten perusteella voidaan sanoa, että toimitusjohtajan informaatioyivoimasta johtuen hänen aloitteensa yhteydenpitoon puheenjohtajan kanssa on hyvin toimivan suhteen 'moottori' ja erittäin tärkeää luottamuksen kehittymiselle. Tutkimuksen tulokset lisäävät myös ymmärrystä sosiaalisen dynamiikan ja puheenjohtajan toiminnan merkityksestä toimitusjohtajan erottamisprosessissa. Lisäksi ehdotetaan, että akateemisen tutkimuksen ja käytännön toimijoiden yhteistyö voi tarjota arvokkaita mahdollisuuksia lisätä tietoa erityisesti corporate governancen ja hallitustyön inhimillisestä puolesta.

Avainsanat: Toimitusjohtaja-puheenjohtajasuhde, toimitusjohtaja, hallituksen puheenjohtaja, relationaalinen johtajuus, johtajuus käytäntöinä, luottamuksen kehittyminen, toimitusjohtajan erottaminen, corporate governance, hallitustyö, tutkimuksen ja käytännön yhteistyö, Suomi

KIITOKSET

Toimitusjohtajan tehtävää kuvataan usein hyvin yksinäiseksi. Tämän tutkimuksen tulosten mukaan hyvin toimiva suhde hallituksen puheenjohtajaan voi kuitenkin merkittävästi vähentää toimitusjohtajan kokemaa yksinäisyyttä. Myös tämän väitöskirjan valmistelu olisi ollut todella yksinäistä ilman niitä lukuisia osaavia ja auttamishaluisia ihmisiä, jotka antoivat tärkeän panoksensa ja tukensa tähän työhön. Te teitte tästä jaksosta elämässäni sekä mahdollisen että todella hienon ja antoisan - kiitos! Eriyisen kiitollinen olen tietenkin kaikille teille, jotka olitte mukana väitöskirjan empiirisen aineiston synnyttämisessä haastatteluihin tai fokusryhmäkeskusteluihin osallistumalla. Isot kiitokset ajastanne, aktiivisuudestanne ja avoimuudestanne - ilman teidän panostanne tätä tutkimusta ei olisi syntynyt.

Väitöskirjani ohjaajaa, professori Anna-Maija Lämsää haluan kiittää siitä, että olet ollut minulle paras mahdollinen ohjaaja: antanut paljon tilaa löytää oman tieni ja toteuttaa ideoitani, mutta ollut aina käytettävissä kun olen tarvinnut tukeasi ja apuasi. Osaamisesi, työskentelytapasi ja empatiakykysi väitöskirjan ohjaajana ovat oman kokemukseni mukaan kerrassaan loistavat ja olen todella iloinen ja kiitollinen, että sain tehdä väitöskirjani ohjauksessasi. Väitöskirjani esitarkastajina toimineita dosentti Mikko Luomaa ja professori (emeritus) Asko Miettistä kiitän lämpimästi hyödyllisistä kommentteista käsikirjoitukseen, sekä Mikko Luomaa suostumisesta vastaväittäjäkseni. Richard ja Christine Cuthbertsonia kiitän tärkeistä keskusteluista ja avusta haastattelulainauksen kääntämisessä, sekä Eleanor Underwoodia hyvästä yhteistyöstä väitöskirjan kielenhuollossa. Jyväskylän yliopiston kauppakorkeakoulun henkilökuntaa ja opiskelijakollegoita kiitän sujuvasta, hyvähenkisestä ja tuloksellisesta yhteistyöstä: kurssit ja seminaarit Jyväskylässä olivat aina sekä tutkimustyötä että innostusta edistäviä. Samoin lähetän kiitokset niille lukuisille muiden yliopistojen kollegoille, joiden kanssa minulla on ollut ilo kohdata kursseilla ja seminaareissa.

Boardman-partneri Arto Hiltuselle esitän lämpimät kiitokset tärkeästä ja monipuolisesta kannustuksesta, tuesta ja sparrauksesta sekä tämän tutkimusprosessin aikana että ennen sitä. Lukuisat vuosien varrella käymämme keskustelut ovat antaneet minulle arvokkaita näkökulmia hyvään johtamiseen, hallitustyöhön ja elämään. Taitava toimintasi tämän tutkimuksen fokusryhmänä toimineen Boardman-kehittämisfoorumin puheenjohtajana edisti väitöskirjan valmistelua merkittäväällä tavalla, minkä lisäksi kahdenväliset keskustelumme auttoivat minua oivaltamaan omien tutkimustulosteni merkitystä paremmin. Arton ohella haluan kiittää myös muita Boardman-osaamisverkoston jäseniä, partnereita ja avainhenkilöitä. Eriyisesti Boardman Oy:n kunniapuheenjohtaja Mikko Haapanen, toimitusjohtaja Taru Lindeman ja hallituksen puheenjohtaja Kim Karhu ovat antaneet täyden tukensa ja runsaasti myös omaa aikaansa tälle työlle. Kuten tämän väitöskirjan sivuilla totean, ilman Boardman-yhteistyötä tästä väitöskirjasta olisi tullut hyvin erilainen, ja uskoakseni huomattavasti huonompi.

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Tutkimustyön rinnalla tekemäni hallitustyö on ollut antoisaa, kehittäväää ja hauskaa, ja pitänyt tutkimuksen ja käytännön välisen vuoropuhelun tiiviinä tutkimusprosessin aikana. Kiitän Osuuskauppa Suur-Savon, Moilas Oy:n, Technobug Oy:n sekä Kuopion Talokeskus Oy:n omistajien, hallitusten ja johdon edustajia hyvästä yhteistyöstä sekä mahdollisuudesta oppia teiltä lisää tutkimukseni teemoista. Samoin kiitos kollegoilleni Boardman LJT:n ja Hallituspartnerit Itä-Suomi ry:n hallituksissa sekä OXIRM:in Advisory Boardissa kiinnostavista keskusteluista ja lisänäkökulmista tutkimukseni aihepiiriin.

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Omistan tämän väitöskirjan edesmenneelle isälleni, kauppaneuvos, kunniaohtori, toimitusjohtaja ja hallituksen puheenjohtaja Kalevi Liukkoselle. Hänen työuransa on erinomainen osoitus yhteistyön, luottamuksen rakentamisen ja vuorovaikutuksen taitojen merkityksestä johtajana menestymiselle. Hän oli myös aktiivinen koulutuksen ja jatkuvan osaamisen kehittämisen puolestapuhuja, ja itsekin loistava esimerkki elinikäisestä oppijasta. Niiden oppien henki elää vahvasti myös tämän väitöskirjan sivuilla.

Jyväskylässä 22.1.2019
Satu Koskinen

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1 INTRODUCTION

1.1 The topic under investigation

The Board of Directors is a highly influential internal mechanism of corporate governance in a company, due to its location between the two other key actors: management and shareholders (Aguilera, 2005). In recent decades, increasing attention has been paid to the work and influence in a company of the Board of Directors. This has been triggered by the corporate scandals that emerged at the beginning of the new millennium, such as Enron, as well as the rise in shareholder activism and the rising pressures on companies from issues of social and environmental responsibility (e.g. Aguilera, 2005; Huse et al., 2005). The debate on appropriate models of governance has accelerated the development of corporate governance codes that aim to increase the accountability of the Board through mechanisms of self-regulation (Aguilera & Cuervo-Cazurra, 2009). However, as noted by Seidl (2007), corporate governance codes can only specify and regulate matters that can be assessed at a distance. Roberts et al. (2005) argued that it is important to distinguish between the appearance of good governance and the substance of good governance, and McNulty et al. (2011) drew attention to the need to look at how Boards actually function instead of at mere structures.

The task and ability of the Board to create long-term value in the whole value chain has been increasingly discussed during the last few decades (e.g. Huse et al., 2005; Huse, 2007). It has been proposed that, in addition to structure and composition, the behavioural processes and dynamics of the Board and the interpersonal relationships that develop between members of the Board and management influence the Board's ability to perform its tasks and create value (e.g. Pettigrew & McNulty, 1995; Westphal, 1999; Forbes & Milliken, 1999; Finkelstein & Mooney, 2003; Huse et al., 2005; Roberts et al., 2005; Huse, 2007; Zona & Zattoni, 2007; Roberts, 2012; Bailey & Peck, 2013; Boivie et al., 2016; Crow & Lockhart, 2016). In order to meet expectations with regard to value creation, a fit between the company context, Board roles and members as well as

the inner working processes of the Board is necessary (Huse et al., 2005). Crow & Lockhart (2016) suggested that the Board's contribution to company performance is the result of its ongoing, active involvement in the company's strategic thinking and strategic management processes, such as the consideration of strategic options and making of strategic decisions. It has further been proposed that effective Board behaviour is contingent on processes of open information-sharing by the management as well as a culture of debate and challenge in the boardroom, and that a strong emphasis on formal compliance with the corporate governance codes may lead to a culture of defensiveness, rather than openness (Roberts, 2012).

As regards influencing the processes, roles and dynamics of the Board, the leader of the Board, i.e. the Chairperson, is in the key position (e.g. Pettigrew & McNulty, 1995; Huse et al., 2005; Leblanc, 2005; Gabrielsson et al., 2007; Bezemer et al., 2018), and the Chairperson's relationship with the Chief Executive Officer (CEO) has been argued to significantly affect the dynamics of the Board (e.g. Roberts, 2002; Kakabadse et al., 2006). Kakabadse et al. (2006) suggested that the CEO-Chair relationship is pivotal to the performance of the Board and the effective application of governance. Roberts (2002) proposed that a strong relationship between the CEO and the Chair is a condition for the effectiveness of a wider set of Board relationships and (Roberts, 2012) for the strategic role of the Board. The CEO and Chair have been argued to significantly influence Board culture and the ways in which governing, strategising and leading are conducted in a company (Pye, 2002).

The CEO-Chair relationship has been said to be the most important superior-subordinate relationship in a company (Kulla, 2011), the heart of a complementary Board (Roberts, 2002), and 'secret and sacred' (Kakabadse et al., 2006), with chemistry an influential element in the relationship (Kakabadse et al., 2010). Roberts and Stiles (1999) suggested that the way the CEO and Chair manage their relationship sends signals to the wider organisation, and is in a powerful position to set the leadership tone in the organisation. For a CEO, a good working relationship with the Chair can provide invaluable additional resources (Roberts, 2002) and ease the loneliness attached to the position (Stewart, 1991).

Huson et al. (2001) argued that the dismissal of the CEO is among the most important decisions a Board may take as it has long-term implications for the investment, financing and operating decisions of a company. CEO dismissal has also been described as the ultimate tool for the Board to exercise control over management, called by Mizruchi (1983) 'bottom-line control'. It has been proposed that forced top management turnover is more beneficial to the operating performance of a company than non-forced turnover such as retirement (Denis & Denis, 1995; cf. Wiersema, 2002). In the governance context of CEO non-duality, i.e. when the roles of CEO and Chair of the Board are separated, leading the process of CEO turnover is one of the most influential tasks of the Chair (Roberts, 2002; McNulty et al., 2011).

This academic dissertation examines the relational practices and processes of the Chief Executive Officer (CEO) and the Chairperson of the Board (Chair) by exploring the dyadic CEO-Chair relationship and the process leading to the dismissal of the CEO from the perspective of leadership. More precisely, the study focuses on dyadic practices and trust development in the relationship of the CEO and Chair, as well as on the CEO dismissal process from the perspective of the Chair and the Board. In addition, the researcher-practitioner collaboration during the research process of this study is examined in a separate, empirical case study.

1.2 The aim and research task of the study

The primary aim of this doctoral dissertation is to enhance our understanding of the relational practices and processes of CEO and Chair of the Board from the perspective of leadership. Above all, the study aims to develop a theoretical model of the construction of the CEO-Chair relationship. The study also aims to increase knowledge of the process which leads to CEO dismissal, and in particular, of the role of the Chair in leading this process. A further aim of the study is to make a methodological contribution by examining the collaboration conducted by the researcher with practitioners during the research process of this dissertation.

The study consists of four qualitative, empirical studies and this introductory essay. The first two studies of the dissertation explore the CEO-Chair relationship based on empirical, dyadic data on current, ongoing relationships. Study 1 focuses on the construction of the relationship through dyadic practices, and Study 2 explores how dyadic trust develops during the course of the relationship. Study 3 draws from retrospective narratives of Chairpersons and explores the attributional processes of the Chair and the Board in the process that leads to CEO dismissal, and the role of the Chair in this process. Study 4 presents an intensive single-case study focusing on the collaboration conducted by the researcher, i.e. myself, and a network of Board work practitioners. In Study 4 there is an analysis of the factors which contributed to the success of this collaboration as well as the benefits and drawbacks of the collaborative approach adopted. This introductory essay ties together these different parts and discusses the implications of the study as a whole.

1.3 Rationale for the study

This dissertation contributes to the literature on relational leadership (e.g. Uhl-Bien, 2006; Crevani et al., 2010; Uhl-Bien & Ospina, 2012) by examining the construction of leadership in the relational interaction and practices of CEO and Chair of the Board. Even if the topic of leadership has drawn substantial re-

search interest over several decades, it has mostly been viewed as a leader-centred phenomenon with the focus on an individual leader's traits and behaviour, isolated from context (e.g. Wood, 2005; Carroll et al., 2008; Raelin, 2016). More recently there has been increasing interest in leadership as a relational phenomenon. In relational leadership research, leadership is seen to emerge from social processes and relationships among people, and leadership is understood to be co-created in relational interaction and practices between people such as, for example, the CEO and Chair of the Board, as in this study (e.g. Uhl-Bien, 2006; Carroll et al., 2008; Crevani et al., 2010; Tourish & Barge, 2010; Raelin, 2011; Uhl-Bien & Ospina, 2012; Raelin, 2016).

In this study, the CEO-Chair relationship is understood as a dyadic leadership relationship that is, due to its location at the heart of the Board of Directors, an integral part of and embedded in the context of corporate governance. The CEO dismissal process is understood as a leadership process which ends with the Board's decision to dismiss the CEO. Despite the calls to study corporate governance as interactions between the key actors (e.g. Huse, 2007), such as CEOs and Chairpersons, the literature, ideas and concepts of relational leadership theory (Uhl-Bien, 2006; Uhl-Bien & Ospina, 2012) have very rarely been utilised in studies that have been conducted in the context of Board work or the CEO-Chair relationship. Still, the influential leadership role of the CEO and Chair both as individuals and as a dyad has been acknowledged in prior studies (e.g. Hambrick & Mason, 1984; Roberts & Stiles, 1999; Pye, 2002; Roberts, 2002; Kakabadse et al., 2006; Gabrielsson et al., 2007; Finkelstein et al., 2009; Huse & Gabrielsson, 2012).

Due to its empirical focus on two key actors of corporate governance and Board work, the study also contributes to the stream of research that aims to advance knowledge on the human side and processual dynamics of corporate governance and Board work (e.g. Huse et al., 2005; Roberts et al., 2005; Huse, 2007; Bailey & Peck, 2013). Specifically, the study increases understanding of the importance of the relational interaction and dynamics of the CEO and Chair of the Board (e.g. Stewart, 1991; Roberts & Stiles, 1999; Kakabadse et al., 2006; Kakabadse et al., 2010), and the role of the Chair of the Board (e.g. Huse, 1998; Roberts, 2002; Gabrielsson et al., 2007; Kakabadse & Kakabadse, 2007; McNulty et al., 2011; Krause, 2017; Bezemer et al., 2018). In addition, the study makes a methodological contribution by adding to the literature on researcher-practitioner relationships (e.g. Gulati, 2007; Jarzabkowski et al., 2010; Bartunek & Rynes, 2014) and research-practice collaboration (e.g. Amabile et al., 2001; Mohrman et al., 2001; Van de Ven & Johnson, 2006; Knights & Scarbrough, 2010) in the area of management studies and specifically, Board work and corporate governance studies.

Shleifer and Vishny (1997) noted that research on corporate governance has substantial practical relevance due to its direct relationship with company practice. However, Daily et al. (2003) argued that an overemphasis on the protection of shareholders from self-serving management in corporate governance research has, despite the large number of studies, resulted in inconclusive re-

sults. The study field of Board work and corporate governance has often been criticised for a 'black box' approach (e.g. Forbes & Milliken, 1999; Gabrielsson & Huse, 2004; Huse, 2007; Roberts, 2012), as critics have argued that studies in the field have remained too remote from the phenomena they have studied. The vast majority of studies on Board work, corporate governance and CEO dismissal have been quantitative studies conducted on the basis of publicly available data from major, US listed corporations (e.g. Huse, 2007; Finkelstein et al., 2009; Boyd et al., 2011; Hilger et al., 2013; McNulty et al., 2013; Cragun et al., 2016). For example, process studies focusing on the work of the Board are relatively rare (for exceptions, see e.g. Pye, 2002; Huse et al., 2005; Bailey & Peck, 2013; Crow & Lockhart, 2016). In many cases, the results of the different studies on the topics of corporate governance and Board work have failed to draw conclusive results (see e.g. Daily et al., 2003; Finkelstein et al., 2009; Krause et al., 2014). New perspectives, approaches and contexts for research in the field have therefore been called for (Pettigrew, 1992; Pettigrew & McNulty, 1995; Gabrielsson & Huse, 2004; Huse, 2005; Roberts et al., 2005; Huse, 2007; Finkelstein et al., 2009; Pugliese et al., 2009; Huse et al., 2011; Vigano et al., 2011; Zattoni et al., 2013; McNulty et al., 2013; Krause et al., 2014; Cragun et al., 2016).

In spite of the noted importance of the CEO-Chair relationship (e.g. Stewart, 1991; Roberts & Stiles, 1999; Roberts, 2002; Kakabadse et al., 2006), studies on the relationship are relatively rare. Several reasons for this scarcity have been raised in the literature. As noted by many researchers (e.g. Pettigrew, 1992; Laurila, 1997; Welch et al., 2002; Kakabadse et al., 2006; Mikecz, 2012), the difficulty of negotiating access is a significant constraint in the study of managerial elites, such as CEOs and Chairpersons. However, Huse (2007) found from his own experience that this may be less of a problem in the Nordic countries, such as Finland, which is the empirical context of this study.

Another major issue that may have contributed to the relative paucity of the literature on both the CEO-Chair relationship and the role of the Chair in the CEO dismissal process is CEO duality. This governance structure, in which the positions of the CEO and Chair are held by one and the same person, has historically been the dominant governance structure in the US, although more recently the roles have been separated in an increasing proportion of major US companies (e.g. Cullinan et al., 2012; Krause et al., 2014; Spencer Stuart, 2017). In Europe, the structure in which the roles of CEO and Chair are held by two separate persons has been more common (Huse, 2007). Obviously, the CEO-Chair relationship and the role of the non-CEO Chair can only be examined in contexts where the roles are separated. Based on their review of the antecedents and consequences of CEO duality or non-duality, Krause et al. (2014) raised the need for qualitative studies with multiple, in-depth interviews in order to reach a better understanding of this phenomenon, especially as regards the role of the Chair when she/he is not the CEO.

Kakabadse et al. (2006) list as further reasons for the limited amount of research on the CEO-Chair relationship the dominance of agency theory and rationalist models of organisational functioning in the field of corporate govern-

ance study, as well as the fact that intra-organisational relationships have been seen as a less important area of study, the focus having been rather on the role and contribution of the top leader and corporate strategy issues. As regards trust in the CEO-Chair relationship, its importance has been noted in the literature (e.g. Roberts & Stiles, 1999; Roberts, 2002; Kakabadse et al., 2010), but the focus in prior studies has been more on trust between the CEO and the Board (e.g. Westphal, 1999; Del Brio et al., 2013; Zhang, 2013) than on trust between the CEO and Chair. Also, despite some prior studies, such as Stewart (1991) and Huse (1998), more detailed examinations of the relational practices in the CEO-Chair relationship are relatively rare.

In CEO dismissal studies in particular, the 'black box' approach has been very dominant. The substantial literature on the topic has almost exclusively drawn from publicly available data, such as company performance in terms of profitability, share price or return on investment, and reasons for CEO turnover that have either been disclosed in public or can be observed from outside the company (e.g. Huson et al., 2001; Hilger et al., 2013; Cragun et al., 2016). However, as noted by several researchers (e.g. Fredrickson et al., 1988; Denis & Denis, 1995; Pitcher et al., 2000; Florou, 2005; Finkelstein et al., 2009), the reasons for CEO turnover and dismissal are, in general, not fully disclosed to the public. For this reason, it is not clear how well the studies on CEO dismissal have, in fact, been able to study actual dismissals, as opposed to CEO turnover resulting from other, non-disclosed reasons. Moreover, as the samples in the empirical studies of CEO dismissal have mostly been from large US companies with the governance structure of CEO duality, prior knowledge about the role of the Chair in the process of CEO dismissal is very limited (Hilger et al., 2013; Cragun et al., 2016).

Collaboration with practitioners during the research process has been proposed by various researchers as one way of enhancing access and generating rich and valuable empirical data in management studies (e.g. Amabile et al., 2001; Mohrman et al., 2001; Van de Ven & Johnson, 2006). The literature in the area of researcher-practitioner relationships and collaboration has grown substantially during recent decades, but empirical studies on the topic are still relatively rare (e.g. Jarzabkowski et al., 2010; Bartunek & Rynes, 2014). In addition to access, the potential benefits of researcher-practitioner collaboration include for example the framing of research questions and designs that are meaningful from the perspective of practitioners, as well as benefits related to interpreting data and disseminating the research results (Amabile et al., 2001; Mohrman et al., 2001; Van de Ven & Johnson, 2006). Governments, funders and other important stakeholders of academia are also paying increasing attention to the social impact and practical relevance of academic research (e.g. Jarzabkowski et al., 2010). However, the metaphor of a gap has very commonly been used in discussion of the relationship and collaborative initiatives between academic research and practice (e.g. Van de Ven & Johnson, 2006; Kieser & Leiner, 2009; Jarzabkowski et al., 2010; Bansal et al., 2012; Bartunek & Rynes, 2014; Carton & Ungureanu, 2017). In different studies, a range of factors have been put forward

to explain the tensions, dualities and difficulties that contribute to the gap between academic research and practitioners: different time spans, communication styles, interests, incentives and logics, as well as rigour and relevance (e.g. Gulati, 2007; Kieser & Leiner, 2009; Knights & Scarbrough, 2010; Bartunek & Rynes, 2014). On the other hand, it has been proposed that an appreciative and collaborative approach between research and practice may be generative and beneficial for both collaborative partners in several ways, and that rather than setting research and practice into opposing camps, the tensions can be utilised to generate new ideas for both research and practice (e.g. Van de Ven & Johnson, 2006; Gulati, 2007; Knights & Scarbrough, 2010; Bartunek & Rynes, 2014).

1.4 Key concepts of the study

In this section, I will briefly describe the key concepts used in this study. These include relational leadership and leadership practices, corporate governance, the Board of Directors, the CEO, the Chair, CEO dismissal, and interpersonal trust. As the roles and responsibilities of the Board, the CEO and the Chair to some degree differ across national contexts, as a result of, for example, legislation, corporate governance codes and cultural factors (Coombes & Wong, 2004; Huse, 2007; Kakabadse & Kakabadse, 2007), the roles and responsibilities of the Board, the CEO, and the Chair in Finland, which is the empirical context of this study, are described in more detail in Section 1.5. The national governance context has also been found to influence CEO dismissal, even if non-US literature on the topic is limited (Crossland & Chen, 2013).

As already mentioned above, the lenses of leadership are adopted to examine the relational processes of interest in this study. Leadership has been defined in various ways and from multiple perspectives, such as behaviour, role, interaction patterns, influence, traits, ability and skills, with most definitions reflecting the assumption of leadership as an intentional influence process by one person over others in order to guide, structure and facilitate activities and relationships in a group or organisation (Yukl, 2010). A widely adopted definition put forward by Yukl (2010, p. 26) defines leadership as 'the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives'. In this dissertation, I primarily draw on relational leadership theory (Uhl-Bien, 2006; Carroll et al., 2008; Crevani et al., 2010; Tourish & Barge, 2010; Raelin, 2011; Uhl-Bien & Ospina, 2012), and focus on the construction of leadership in relational interaction and practices. Relational leadership theory sees leadership as a collective capacity and as dynamic and changing; the aim of relational leadership theory is to increase knowledge of the relational processes and contexts through which leadership is constructed and outcomes are achieved (Uhl-Bien & Ospina, 2012). The definition of Uhl-Bien (2006, p. 668) of relational leadership as 'a social influence process through which emergent coordination (i.e. evolving social order) and change (i.e., new values,

attitudes, approaches, behaviours, ideologies, etc.) are constructed and produced' is adopted in this study. Of particular interest in this study are the leadership practices of CEO and Chair, i.e. how they 'do leadership' in the everyday activities of their dyadic relationship (cf. Whittington, 1996; Chia & Holt, 2006; Crevani et al., 2010; Denis et al., 2010).

In this dissertation, the primary focus is on the relational interaction of some of the key parties of corporate governance, i.e. the CEO and Chair, and in the CEO dismissal study, also the Board of Directors. In this study, corporate governance and the legislation, rules and codes that are the key elements of the corporate governance system are understood as an important part of the context in which the CEO-Chair relationship and the CEO dismissal process are embedded, a context which they, in turn, influence. Corporate governance can be viewed from many different perspectives. As an area of academic study, it is very interdisciplinary and has evolved into a wide variety of sub-literatures, such as economics, finance, law, marketing, management and accounting (e.g. Bebchuk & Weisbach, 2010; Brown et al., 2011). A variety of definitions of corporate governance have also been presented, which can be seen to reflect a struggle between the ideologies of the various actors in the field (Huse, 2007). For example, Daily et al. (2003, p. 371) define corporate governance as 'the determination of the broad uses to which organisational resources will be deployed and the resolution of conflicts among the myriad participants in organizations'. Adopting a stakeholder perspective, Demb and Neubauer (1992, p. 9) define corporate governance as 'the process by which corporations are made responsive to the rights and wishes of stakeholders', whereas the definition of Shleifer and Vishny (1997, p. 737) looks at corporate governance more narrowly as 'the way in which suppliers of finance assure themselves a return on their investment'. A widely used definition is the one presented in the Cadbury (1992) report, which defines corporate governance as 'the system by which companies are directed and controlled'.

The OECD document 'Principles of Corporate Governance' (OECD, 2015, p. 9) describes corporate governance as follows: 'Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.' In line with understanding corporate governance in terms of relationships and interaction, the perspective adopted in this study follows Huse (2007), who defines corporate governance as 'the interactions between various internal and external actors and the board members in directing a firm for value creation' (p. 15).

A company's Board of Directors is located between the owners and management in the corporate governance system, and it has wide-ranging responsibilities. The Board is a mandatory body which is responsible for the administration and proper organisation of the operations of the company. Several different ways to formulate the tasks and roles of the Board have been presented in the literature. In addition to the formal monitoring and controlling role, the Board

has been argued to have tasks related to strategy, networking as well as advising and supporting the management (e.g. Zahra & Pearce, 1989; Pye, 2002; Huse, 2007). Pye (2002) proposed that the concept of 'corporate directing' describes and integrates the highly interrelated and interwoven processes of governing, strategising and leading done by Directors. Pye (2002) also makes a distinction between governance and governing: governance refers to box ticking to ensure that the Board has done the right things, whereas governing is a social process and collective phenomenon which takes place in a complex network of relationships. Similarly, strategising is more about the process of dialogue and debate and the action constructed than about the words in the document called strategy (ibid.). In line with the definition of corporate governance as interactions presented above, in this study, the Board is understood to have other roles than just a control role, and rather than focusing on the diverse tasks of the Board as separate entities, the focus here is on the processes through which the various tasks are addressed.

The tasks of the Board also include the appointment and dismissal of the CEO, both of which are typically initiated and decided by the Board (e.g. Huson et al., 2001; Hilger et al., 2013). Fredrickson et al. (1988) defined CEO dismissal as a situation in which the CEO is forced against her/his will to leave the position. In the structure of CEO non-duality, the Chair of the Board is normally responsible for leading the process of CEO turnover (e.g. Roberts, 2002; Florou, 2005; McNulty et al., 2011).

The Board may be partly or totally composed of non-executive Directors, i.e. Directors who do not have a full-time employment contract with the company. In this study, the focus is on companies in which at least one, and in most cases, the majority or all of the Board Directors are non-executive. The CEO, who may also be called managing director (in Finnish: toimitusjohtaja), is defined as the executive who is responsible for the operative activities and daily administration of the company. In this study, the examination is limited to CEOs who are not simultaneously Chairpersons in the same company, although the CEO may or may not be a member of the company's Board of Directors. The (non-CEO) Chair is the person who has been elected to serve as the Chair of the Board of Directors, and her/his position can be full-time or part-time and executive or non-executive (e.g. McNulty et al., 2011). However, most of the Chairpersons who participated in this study have, as is typical in Finland, a part-time and non-executive role.

Trust, in this study, is examined as an interpersonal (McAllister, 1995; Whitener et al., 1998) phenomenon. The study adopts the definition of Mayer et al. (1995) of trust between two specific parties as 'the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party' (p. 712). Trust is understood as shaped by context, and dynamic: trust is always in the making and it can stay stable, increase or decline in a non-linear way (Wright & Ehnert, 2010) during the course of the CEO-Chair relationship.

1.5 The context of the study

The empirical context in which the CEO-Chair relationship and the CEO dismissal process are studied in this dissertation is limited liability companies in Finland. According to the Limited Liability Companies Act of Finland (624/2006), the purpose of a company is to generate a profit for its shareholders. Shareholders can exercise their decision-making rights in the General Meeting, which is a company's highest governing body. Matters that are within the decision-making power of the General Meeting include the remuneration and appointment of the Board of Directors and company auditors, adoption of the company's financial statements, and discharge from liability of the executives. (Osakeyhtiölaki, 624/2006).

Under the Finnish Companies Act, the Board of Directors is a mandatory corporate body with extensive general competence. The Board's responsibilities include the administration of the company, the appropriate organisation of the company's operations, the appropriate arrangements for controlling the company's accounts and finances, and the appointment and dismissal of the CEO (or managing director). It is the duty of the Board to promote the best interests of the company and all its shareholders, rather than only major shareholders, and favouring majority shareholders at the expense of minority shareholders is prohibited. The CEO is responsible for the executive management of the company as instructed and ordered by the Board, and for supplying the Board with the information it needs for the performance of its duties. Under the Finnish Companies Act, it is not mandatory for a company to have a CEO, but in practice it is very rare not to have one. Even if most, particularly larger, companies have nominated a management team to assist the CEO in managing the company, the top management team does not have a legal status as a corporate body under the Finnish Companies Act.

If the Board has several members, a Chairperson must be elected. The Chair is elected by the Board, unless the Articles of Association of the company provide otherwise, or a different decision is made when the Board is appointed. The Chair of the Board has the duty to see that the Board meets when necessary and to sign the minutes of the Board's meetings. In the decision-making of the Board, the Chairperson has a casting vote in the event of a tie, although otherwise her/his powers are no more extensive than those of other Board Directors. Still, in practice a Finnish Chair typically has a more influential role than the other Board Directors (e.g. Hirvonen et al., 2003; Lekvall et al., 2014; Arvopärimarkkinayhdistys ry, 2015).

In addition to the Companies Act and other relevant legislation, such as the Securities Markets Act, the Auditing Act and the Accounting Act, the work of the Board in Finnish listed companies is regulated by the Corporate Governance Code for listed companies. The Code is applied in accordance with the 'comply or explain' principle. CEO duality is allowed by the Finnish Companies Act, but separating the roles of CEO and Chair follows the recommendations of

the Code. The Code justifies the separation of the roles by the duty of the Board to supervise the CEO (or managing director), and states that decision-making powers should not be vested in a single individual. The structure of CEO non-duality has been adopted not only by listed companies but also by many unlisted companies, particularly larger ones. (Arvopaperimarkkinayhdistys ry, 2015)

The Boards in Finnish listed companies consist either mainly or entirely of non-executive Directors, i.e. Directors who are not employees of the company (Maury, 2006; Arvopaperimarkkinayhdistys ry, 2015). The Code also includes recommendations concerning the independence and diversity of the Board: the majority of Directors should be independent of the company, and at least two Directors must also be independent of the company's significant shareholders. Both genders must be represented in the Board. A nomination committee or shareholder's nomination board may be established to prepare the proposal for the composition of the Board. The CEO cannot be a member of the nomination committee. A company may also have a two-tier governance with a Supervisory Board in addition to the Board, but this structure is not currently common in Finnish listed companies (Arvopaperimarkkinayhdistys ry, 2015).

As regards the characteristics of Finnish leadership and management, Seeck (2008) argues that Finland has not been the source of any new, internationally distributed management models, practices or innovations, and notes that it seems as if the traditions of leadership and management in Finland and what characterises them have largely been unrecognised and unknown, both in Finland and internationally. A recent study that compared the quality of management practices, such as performance monitoring and target setting, in Finnish manufacturing establishments with survey results from US, German and Pakistani companies suggested that Finnish companies' practices are on an internationally competitive, high-quality level (Maliranta & Ohlsbom, 2017).

As a socio-cultural context, Finland can be said to be a high-trust society. In cross-country comparisons measuring generalised trust (for example, by the number of people answering yes to the question, 'In general, do you think that most people can be trusted?'), Finnish society ranks among the highest in the world (e.g. Bjørnskov, 2007). Moreover, the results of a study conducted in Finnish listed companies indicate that their Board members see themselves as primarily accountable to the owners of their firms, but also as being accountable to several stakeholders, society and the environment (Virtanen & Takala, 2016).

1.6 An overview of the research process

In what follows, I provide a general overview of the research process. A more detailed description of the methodology of the dissertation is presented in Section 3, and the researcher-practitioner collaboration during the research process of this dissertation is described and examined in Study 4.

A qualitative research approach was chosen for this study. The relatively small amount of prior knowledge on the topic of study particularly advocates a

flexible and explorative approach (e.g. Eriksson & Kovalainen, 2008; Klenke, 2008). Throughout the iterative research process, the theoretical literature and the empirical data from the interviews and focus group discussions were used simultaneously. In total, 44 interviews and 15 focus group discussions were conducted during the research process, which lasted around five years. The interview data include three pilot interviews, 32 dyadic interviews, seven CEO dismissal interviews and two case study interviews. Narrative, in-depth, open-ended interviews (e.g. Eriksson & Kovalainen, 2008) were the primary method used to generate empirical data on the topics of the study. The advantage of this kind of interview, compared to interviews using strictly pre-defined questions that can be analysed with statistical methods, is that it allows the respondents to use their own words and talk about issues that are important or meaningful to them (Klenke, 2008). Another advantage of the approach is that it enables the exploration of the evolving nature and processual dynamics of the relationships, practices and processes of interest in this study (e.g. Polkinghorne, 1995; Rhodes & Brown, 2005).

The research process can be described as both carefully planned, and emergent and evolving. In order to secure access, I had to plan the generation of empirical data and negotiate access well in advance, but I also utilised the knowledge accumulated during the earlier phases of study in the later stages of the process. During the first year of the research process, three pilot interviews were conducted with persons who had substantial experience in the positions of both CEO and Chair with the aim of generating basic knowledge on the topic of study. A focus group (Kitzinger, 1995; Eriksson & Kovalainen, 2008) was used throughout the research process to generate additional knowledge on the topic. The pilot interviews and focus group discussions were primarily used to support the process and for triangulation (e.g. Flick, 2004; Klenke, 2008). In addition, empirical material generated in the focus group discussions and other forms of collaboration with the practitioner network was utilised in the case study (Study 4), but these data have not been included in the analysis of Studies 1-3 of the dissertation. The main reasons for this are the requirements of focus and a limited word count in journal articles: I found that these could only be met by limiting the empirical focus to the primary interviews.

32 of the primary interviews were conducted in a dyadic setting by interviewing both the current CEO and the Chair in 16 Finnish limited liability companies. The interviews of the dyadic partners were conducted separately and under an agreement of confidentiality regarding the comments of the other partner. In addition, seven Chairpersons were interviewed about their experiences in the CEO dismissal processes in which they had participated in the role of Chair.

The final decision about the specific focus of the three journal articles was made after the interviews. However, as the topics of CEO-Chair practices and dyadic trust emerged as important and interesting in the focus group discussions and pilot interviews in the early stages of the study, these themes were thoroughly addressed in the dyadic interviews. I found during the first rounds

of reading the empirical materials that the data on the practices were rich and interesting, and decided that the topic of dyadic practices would address an important gap in the literature. Then, as the findings of the first study shed light on the importance of trust in the relationship, this led me to explore trust development in the second article. The idea of also looking at the other side, i.e. at relationships that have ended in CEO dismissal, emerged relatively early on, as I assumed that interviewing CEOs and Chairpersons engaged in current, ongoing relationships would not generate much knowledge about difficulties and the reasons for giving up these relationships. In addition, success in access negotiations for the dyadic interviews and the practitioner collaboration encouraged me to test if it would be possible to generate empirical data on the CEO dismissal process despite the sensitive nature of the topic. Also in the CEO dismissal study, the exact research questions were defined after the interviews.

After finishing all the three journal articles, I conducted a case study (Study 4) focusing on my collaboration with a practitioner network during my PhD studies. This study made use of the empirical materials on the collaboration that had been generated throughout the study process, i.e. my lived experience, research notes, monthly e-mails to the Chair of the focus group, as well as recordings, presentations and memos of the focus group meetings. Additionally, I interviewed two key practitioner participants in the collaboration for the purposes of the case study. A summary of the publications in this dissertation is presented in Table 1.

Throughout the research process I attended seminars and conferences in Finland and abroad, and had various opportunities to present my research to both academic and practitioner audiences. The discussions and feedback received in these events were not only very valuable for developing my understanding of the topics of the study but also extremely interesting and motivating in their own right.

TABLE 1 Summary of the original publications

Publication	Focus of study	Research material	Main findings
Koskinen, S. & Lämsä, A. M. 2016. The CEO-Chair relationship from a relational leadership perspective. <i>Leadership & Organization Development Journal</i> 37 (8), 1135-1146.	The meaning of dyadic leadership practices in the CEO-Chair relationship.	Open, in-depth interviews with 16 CEOs and 16 Chairpersons from the same companies conducted separately.	Based on the dimensions of scheduling and theme of practice, four types of dyadic practices were found to be significant.
Koskinen, S. & Lämsä, A. M. 2017. Development of trust in the CEO-chair relationship. <i>Baltic Journal of Management</i> 12 (3), 1-19.	Development of interpersonal trust in the dyadic relationship of the CEO and Chair.	Open, in-depth interviews with 16 CEOs and 16 Chairpersons from the same companies conducted separately.	Four different groups of trust development were formed: The successful development of trust; A stable, adequate level of trust; Differing views, diverging directions; The Chair's ability as a promoter of trust.
Koskinen, S. 2018. The process of CEO dismissal: an exploratory study. <i>Electronic Journal of Business Ethics and Organization Studies EJBO</i> 23 (2), 4-12.	The meaning of attributions and the role of the Chair in the process of CEO dismissal.	Narrative, open-ended interviews with 7 Chairpersons concerning 9 CEO dismissal processes.	The results increase understanding of the influential role of the Chair and of the impact of social forces and changing dynamics of social relationships on the Board's attribution process and CEO dismissal.
Koskinen, S. 2019. Researcher-practitioner collaboration during a PhD study: a single-case study. In Dey, A. K. & Lehtimäki, H. (Eds) <i>Evolving business models in ecosystem of disruptive technologies and social media</i> . New Delhi: Bloomsbury Publishing India, 246-256.	A long-lasting, successful collaboration between the researcher and senior practitioners in the field of Board work.	Lived experience, research notes and monthly e-mails; focus group discussion materials; 2 interviews	A common interest in the topic of study, strong commitment to the collaboration and success factors related to the team, processes and environmental characteristics were identified as significant.

2 THEORETICAL FOUNDATIONS

2.1 Leadership

2.1.1 A relational and practice perspective on leadership

As already noted above, the lenses of relational leadership (e.g. Wood, 2005; Uhl-Bien, 2006; Crevani et al., 2010; Cunliffe & Eriksen, 2011; Uhl-Bien & Ospina, 2012) were adopted to examine the CEO-Chair relationship in this study. According to Uhl-Bien (2006), relational leadership theory aims to address such questions as, 'How are leadership relationships produced?' and 'How do people work together to define their relationship?'. In the literature of relational leadership, two different approaches can be distinguished: the entity perspective focuses on the attributes of individuals engaged in interpersonal relationships, whereas the relational perspective focuses on leadership as a process of social construction (Uhl-Bien, 2006; Ospina & Uhl-Bien, 2012). In this study I draw upon the perspective of relational leadership as a socially constructed, emergent and context-embedded phenomenon (e.g. Uhl-Bien, 2006; Crevani et al., 2010; Fairhurst & Grant, 2010; Tourish & Barge, 2010). In this approach, leadership is not understood as fixed and static, but as dynamic and constantly changing, and the focus of attention is on leadership as it is constructed in social interaction and in ordinary, everyday practices (e.g. Wood, 2005; Chia & Holt, 2006; Uhl-Bien, 2006; Carroll et al., 2008; Crevani et al., 2010; Denis et al., 2010; Raelin, 2016). Moreover, leadership is seen to largely depend on the constellation of co-leaders in complementary roles, which are constantly adjusted and re-constructed (Denis et al., 2010).

As a result of a study that adopted an every-day approach to leadership, Holmberg and Tyrstrup (2010) propose that leadership is largely event-driven, rather than intention-driven, and that interpretative processes, which deal with unplanned or unforeseen events, are an important part of leadership work and practices. In the flow of events, leaders try to understand and interpret what has happened, or has not happened when it was expected to happen, and to

develop an explanation. After this, based on these interpretations, which will point in a certain direction, decisions on constant adjustments and temporary solutions can be made: 'You have to draw the map while orienteering' (ibid., p. 366).

This dissertation draws upon the literature of relational leadership as a socially constructed phenomenon to examine how CEOs and Chairpersons construct their dyadic relationship through relational practices, and how interpersonal trust develops in their relational interaction. In order to empirically examine the construction of leadership in the practices and interaction of CEO and Chair, I draw on the idea of Crevani et al. (2010) to conceptualise leadership through the notions of direction, co-orientation and action space. In this conceptualisation, direction refers to the construction of organisational paths, overall goals and mission; co-orientation to enhanced understandings of the possibly diverging arguments, interpretations and decisions of all the parties involved; and action space to the construction of possibilities, potentials, opportunities and limitations for individual and collective action within the local-cultural organisational context (Crevani et al., 2010). When applying this conceptualisation of Crevani et al. (2010) to study distributed leadership in a project leadership setting, Lindgren and Packendorff (2011) found that leadership practices in that kind of context evolved around the ongoing construction of issues, responsibilities and identities. Their results highlight the importance of the ongoing processing of ambiguities as they arose, rather than formal decision making, for the project to proceed (ibid.). In another study by Lindgren et al. (2011) focusing on dysfunctional leadership, the results suggest that as regards direction, dysfunctionality may be related to the ways in which a sense of direction is fostered, negotiated and maintained in organisational interaction. In terms of co-orientation, diverging interpretations or opinions are not proposed to be dysfunctional *per se*, but they may become dysfunctional if they are not acknowledged. In the construction of action space, dysfunctionality may be, for example, about the actors' experiences of a more limited space of action than they expect (Lindgren et al., 2011). Moreover, as argued by Alvesson and Sveningsson (2012), the constructionist view of leadership as emerging and dynamic social processes also includes the possibility of ambiguity and divergence. So direction is not only about shared, unified meanings, but is an emerging and multiple practice in which the objectives and means to achieve them are under constant negotiation between the leadership partners, and may not always be fully agreed upon (ibid.).

2.1.2 Relational trust in organisational contexts

In the context of leadership relationships, trust has been argued to need constant attention to be sustained, particularly on the leader's side, and to be vulnerable even in high-quality relationships (Scandura & Pellegrini, 2008). Flores and Solomon (1998) suggested that trust is created through dialogue and interactions within relationships, defined by choices, and in an ongoing process that must be initiated and continuously authenticated. It has been proposed that

trust development in the relationship of a subordinate and a leader is a reciprocal and complementary process (Serva et al., 2005), and that when the leader shows trust by giving autonomy to the subordinate, this further promotes the subordinate's trust in the supervisor (Seppälä et al., 2011). Lämsä and Pucetaite (2006) suggested that the socio-cultural context also has an influence on the development of trust.

As mentioned above, the model of trust developed by Mayer et al. (1995) is adopted in this study. This model, which is applicable to the relationships of two specific parties, such as CEO and Chair in this study, proposes that the three main components that contribute to dyadic trust are ability, benevolence and integrity. Ability refers here to a group of skills, competencies and characteristics that enable a party to have influence within some specific domain, benevolence refers to the extent to which a trustee is believed to want to do good to the trustor, and integrity refers to the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable (*ibid.*, p. 717-719). In this model, trust is understood to be dynamic, and a feedback loop is included: the outcomes of previous vulnerability in the relationship impact the perceptions of ability, benevolence and integrity. It has been proposed that the need for trust (Mayer et al., 1995) and the relative importance of the three components of trust differ across contexts (Serva & Fuller, 2004; Colquitt et al., 2011) and have unique, significant relationships with trust (Colquitt et al., 2007). Moreover, the general willingness of a trustor to trust others, i.e. the propensity to trust, influences the level of trust, especially at the start of the relationship (Mayer et al., 1995).

In addition to interpersonal leadership relationships, trust has been increasingly acknowledged as a key mechanism within organisational relations and governance. The importance of trust has been noted in the literature of Board work (e.g. Huse, 1998; Huse et al., 2005; Roberts et al., 2005; Huse, 2007; Huse & Zattoni 2008; Van Ees et al., 2008; Bailey & Peck, 2013), the CEO-Board relationship (e.g. Gulati & Westphal, 1999; Westphal, 1999; Sundaramurthy & Lewis, 2003; Del Brio et al., 2013; Zhang, 2013) and the CEO-Chair relationship (e.g. Roberts & Stiles, 1999; Roberts, 2002; Kakabadse et al., 2010). For example, Huse (1998) found that although trust played an important part in relationships between the Chair and CEO, among Board Directors, and between Board Directors, managers and stakeholders, it cannot be taken for granted in these relationships. It has been argued that trust between the CEO and the Board is particularly important owing to the unique information asymmetry between the two parties (Bailey & Peck, 2013).

It has been proposed that trust between the CEO and Board develops in a cumulative and reinforcing way (Davis et al., 1997; Sundaramurthy & Lewis, 2003). Trust, openness, information sharing and debate have been argued to be pivotal for the development of the Board's strategic role (McNulty & Pettigrew, 1999; Huse et al., 2005; Roberts et al., 2005; Roberts, 2012; Bailey & Peck, 2013). On the other hand, it has also been suggested that trust might have negative effects on Board performance. For example, Van Ees et al. (2008) proposed that

even if trust may facilitate the sharing of information between the Board and the CEO, it may also lead to complacency and have detrimental effects on the monitoring performance of the Board. Sundaramurthy and Lewis (2003) argued that when mutual trust and strong ties are built in intensive collaboration between directors and executives, this may lead them to make faulty attributions and stick to a chosen strategy too persistently.

2.1.3 Attribution theory in the context of leadership

Study 3 draws on attribution theory to explore the process that leads to the dismissal of the CEO under conditions of poor performance. It has been argued that attributions, defined as causal ascriptions applied to a positive or negative outcome (Martinko et al., 2007), have a significant role in understanding the causes of leader behaviour, such as how a leader will respond to her/his subordinate's poor performance (e.g. Green & Mitchell, 1979; Martinko et al., 2007). In their model of the attributional process of leaders when interacting with their subordinates, Green and Mitchell (1979) propose that the process by which a leader reacts to a subordinate's poor performance has two stages. In the first stage, the leader aims to understand the reason for the poor performance and makes attributions primarily to something either external (e.g. difficult market conditions, bad luck) or internal (e.g. lack of subordinate's ability or effort). The attribution made at the first stage influences the second stage of the process, in which an appropriate response to the issue is chosen. In the case of an internal attribution, the leader will focus her/his action on the subordinate, whereas an external attribution will lead her/him to focus possible action on situational factors (*ibid.*). It has also been proposed that when the leader attributes poor performance to the subordinate's lack of effort, her/his response may be more negative than when attribution is made to the subordinate's insufficient ability (Weiner & Kukla, 1970; Green & Mitchell, 1979).

It has been suggested that the relationship of a leader and a subordinate impact on the attributional process of the leader, and that attributional biases affect the evaluation of performance made by the leader (e.g. Green & Mitchell, 1979; Heneman et al., 1989; Martinko et al., 2007). The actor-observer bias refers to the tendency of a leader to attribute the poor performance of their subordinate to internal reasons when they perceive their own role as an observer, and to external reasons when they perceive their own role as an actor (Green & Mitchell, 1979; Martinko et al., 2007). In a study by Heneman et al. (1989), leaders were found to be more favourable (e.g. make an internal attribution in the case of good performance) when evaluating the performance of subordinates with whom they had established a high-quality, trusting relationship. Sedikides et al. (1998), who examined dyads working on interdependent-outcome tasks, found a self-serving bias (i.e., the partner takes credit for themselves for success and blames the other partner for failure) in relationally distant dyads, whereas partners in dyads with a close relationship showed no difference in the personal responsibility they took for success or failure.

The leader's attributional process may also be influenced by several contextual factors, such as organisational policies, leader expectations, level of uncertainty, or the perceived responsibility of the subordinate (Green & Mitchell, 1979). Additionally, as noted by Yukl (2010), it is likely that subordinates with a high-quality relationship with their leader get a high level of support and praise, whereas subordinates with a lower-quality relationship are more likely to be criticised for their mistakes. This may lead to a self-fulfilling prophecy, highlighting the need for leaders to pay particular attention when evaluating subordinates' performance.

2.2 Corporate governance and Board work

2.2.1 The Board's tasks and the CEO-Board relationship

Agency theory (Jensen & Meckling, 1976) has been highly influential and widely used in academic research on corporate governance and the CEO-Board relationship, as well as in the development of corporate governance codes (e.g. Shleifer & Vishny, 1997; Roberts et al., 2005; Vigano et al., 2011; Boyd et al., 2011; Roberts, 2012). Agency theory is based on the assumptions of low trust and of opportunistic individuals who aim to serve their own interests, which means that shareholder returns will be maximised only if appropriate governance and controlling structures are implemented. The research on Boards conducted from this perspective has largely focused on the implications of Board structure (e.g. CEO duality or the use of Board committees) and Board composition (e.g. the number of independent, non-executive Directors) on the ability of the Board to perform its monitoring task (e.g. Daily et al., 2003; Finkelstein et al., 2009; Huse, 2007; Boyd et al., 2011). Stewardship theory, in contrast, assumes that the steward, for example a CEO, can be trusted to try to achieve the objectives of the organisation, and that the steward's and principals' interests are aligned (Donaldson & Davis, 1991; Davis et al., 1997). Kulla (2011) argues in his study on CEOs in major Finnish companies that most Boards apply agency theory and its assumptions of conflicting objectives, and that this results in the need for high levels of both control and rewards. Still, according to the study, CEOs are best motivated by a challenging job, getting results, and self-fulfilment, which is in line with stewardship theory (*ibid.*). Both agency theory and stewardship theory focus on interests, incentives and structures, rather than the ability of the agent or steward in the specific domain (Donaldson & Davis, 1991; Davis et al., 1997; cf. Mayer et al., 1995). On the other hand, Boivie et al. (2016) propose that there are several barriers to effective monitoring that are related to the Board's information processing, such as the Board's group dynamics and meeting frequency, information asymmetry, complexity of the company, as well as the Directors' cognitive limitations and outside (i.e. main) job demands.

In addition to the control task, Zahra and Pearce (1989) argued, Boards have other tasks, such as service and strategy. Value creation theories (Huse, 2007), such as resource dependency theory (Pfeffer & Salancik, 1978), argue that Boards are strategic resources or instruments for the company. It has been suggested that the Board's strategic influence and involvement are particularly important for the effectiveness and accountability of the Board (e.g. Finkelstein & Mooney, 2003; Roberts et al., 2005; Crow & Lockhart, 2016). As Boards are not involved in the operative implementation of strategy, their contribution is cognitive in nature (Forbes & Milliken, 1999). A similar point was made by Rindova (1999), who proposed that Board Directors are strategic resources who can contribute to strategic decision-making by using their expertise in the cognitive tasks of scanning, interpreting and choice.

The 'will and skill' of the Board Directors as well as the dynamics of the relationships between them have also been argued to impact the performance of the Board in many ways (Pettigrew & McNulty, 1995). In their study, McNulty and Pettigrew (1999) conceptualised the strategic involvement of part-time Board Directors and Chairpersons on three different levels: taking strategic decisions, shaping strategic decisions, and shaping the context, content and conduct of strategy. At the lowest and most common level, the involvement of the Board is limited to merely taking strategic decisions based on proposals made by the management. At the middle level, Board Directors shape strategic decisions at an earlier phase by influencing the preparation of investment proposals. At the third level, the influence of the Board does not take place on separate occasions, but takes the form of continuous strategic debate with the management, and also of influencing the process by which strategy is developed. However, prior studies have indicated that only a minority of Boards work at the third level of involvement, and the stream studies of Pettigrew and McNulty focusing on the role, power and influence of non-executive, part-time Board Directors in the UK (e.g. McNulty & Pettigrew, 1996; Pettigrew & McNulty, 1995; 1998) suggested that it may be easier for non-executive Directors to influence the turnover and remuneration of senior management than company strategy.

A major issue influencing the work of a Board largely or totally composed of non-executive Directors is information asymmetry between the CEO and the Directors: the company-specific information that is the basis for the Board's decision-making is largely received from the management of the company (e.g. Pettigrew & McNulty, 1995; Hooghiemstra & Van Manen, 2004; Adams & Ferreira, 2007; Bebchuk & Weisbach, 2010; Bailey & Peck, 2013). In order for the Board to influence strategy, company-specific knowledge is necessary (e.g. Forbes & Milliken, 1999; McNulty & Pettigrew, 1999; Stiles, 2001; Barroso-Castro et al., 2017). It has been argued (e.g. Huse et al., 2005; Crow & Lockhart, 2016) that the Board's contribution to strategy is dependent on the nature of the interaction among the Board members and with the management. It has also been argued that particularly at the highest level of the Board's strategic in-

involvement, this is an ongoing process, rather than separate occasions of decision-making (McNulty & Pettigrew, 1999).

The Board must continuously balance between its different tasks, and an understanding of the various tasks is significant in terms of the effectiveness and value creation of the Board (Huse, 2007). It has been suggested in prior studies that there is a conflict between the different tasks of the Board: the control task is facilitated by Board independence, but the task of service benefits from a close relationship between the Board and the management (e.g. Westphal, 1999; Zhang, 2013). Sundaramurthy and Lewis (2003) argue that when company performance is strong, a collaborative approach between the Board and management can lead to groupthink, which may make it difficult for the Board to recognise the need for change and control. Forbes and Milliken (1999) suggested that particularly long-tenured Boards can develop a high level of company-specific knowledge, a shared understanding on the issues faced by the company, and high cohesiveness which, again, may result in groupthink and lower levels of cognitive conflict. Also, a Board Director might not express opposing views in the boardroom if their social identification with the company is strong (Veltrop et al., 2015) or they think their concerns about strategy are not shared by other Board Directors (Westphal & Bednar, 2005).

In sum, it can be proposed that the CEO-Board relationship is more complex, dynamic and multiple than a static control relationship suggested by agency theory (Jensen & Meckling, 1976). As argued by Roberts et al. (2005), in order to address the various roles of the Board, non-executive directors must at the same time be 'engaged but non-executive', 'challenging but supportive' and 'independent but involved'. Moreover, the dynamics of the CEO-Board relationship have been proposed to change during the tenure of the CEO (Hambrick & Fukutomi, 1991; Shen, 2003).

2.2.2 CEO duality

The separation of the roles of CEO and Chair is in line with agency theory (Jensen & Meckling, 1976), which emphasises the need to separate these roles in order to effectively monitor the management. In contrast, stewardship theory proposes that as the CEO can be trusted to try to achieve the shareholders' objectives, combining the roles of CEO and Chair is a more efficient governance structure, which prevents the ambiguities and conflicts that might result from separating them (Donaldson & Davis, 1991).

As mentioned above, empirical research on corporate governance has been strongly dominated by samples from major, US listed companies. As CEO duality has been the dominant governance structure in that kind of company (e.g. Spencer Stuart, 2017), the vast majority of research in the area of corporate governance has been conducted under the conditions of CEO duality. However, more recently, the structure of CEO non-duality has increasingly been adopted by US companies, and even if the Sarbanes - Oxley Act (SOX) does not restrict CEO duality, the likelihood of combining the roles in new CEO appointments has significantly decreased since the passage of SOX in 2002 (Cullinan et al.,

2012). According to the Spencer Stuart Board Index, 2017 was the first year when the majority of S&P 500 companies split the roles of the CEO and Chair: the CEO was also the Chair in 49 percent of companies, whereas in 2007, this figure was 65 percent (Spencer Stuart, 2017). During the same period, the number of independent Chairpersons in S&P 500 companies also increased, from 13 percent in 2007 to 28 percent in 2017 (*ibid.*).

In Europe, separating the roles of CEO and Chair has been more common. For example in the UK, probably partly due to the recommendations of the Cadbury committee (1992) to split the roles, CEO duality has been rare: only one company, i.e. 0.7 percent of the top 150 FSTE companies, had the combined roles in 2017, whereas in 2007, this figure was 2 percent (Spencer Stuart, 2017b). At the same time, the number of full-time Chairpersons in the UK declined from 11.3 percent in 2007 to 1.9 percent in 2017 (*ibid.*). Some other European countries, such as Germany, have adopted a two-tier system, with an Executive Board and a Supervisory Board; in this kind of governance system, it is mandatory to separate the roles of CEO and Chair (Huse, 2007).

CEO duality and its effect on company performance has been one of the most debated and popular topics in the literature of corporate governance during the last few decades (see e.g. Dalton et al., 1998; Finkelstein et al., 2009; Krause et al., 2014). However, a recent review by Krause et al. (2014) concluded that the only consistent finding of duality studies is that the separation of the roles of CEO and Chair does not, on its own, improve company performance. Still, CEO duality has been found to impact CEO dismissal: when the CEO is also the Chair, the sensitivity of CEO dismissal to poor performance is significantly lower than when there is a separate Chair (Goyal & Park, 2002; Maury, 2006). Krause and Semanedi (2013) argue that the relevant question is not whether the roles should be separated, but rather when and how this should happen. They propose that the consequences of the separation are different, depending on the circumstances: when current performance is poor, the impact of the separation of roles on company performance is positive, but when current performance is high, the impact of the separation is negative (*ibid.*).

2.3 The role of the Chair and the CEO-Chair relationship

Probably partly due to the common structure of CEO duality in the US, neither Chairpersons nor the CEO-Chair relationship has received substantial research attention in the past, particularly in the US. However, as described above, in recent years the separation of roles has become more common there (e.g. Spencer Stuart, 2017), and more research focusing on the role and influence of US Chairpersons has recently emerged (e.g. Krause et al., 2016; Krause, 2017; Withers & Fitza, 2017). These studies challenge the agency theory based idea of the separation of roles as being only about monitoring and controlling the CEO, and it is argued that the Chair can also be oriented towards collaboration (Krause, 2017), can be viewed by the Board as a resource (Krause et al., 2016),

and can have a substantial effect on company performance (Withers & Fitza, 2017). The studies in this stream have mostly relied on publicly available data, such as corporate proxy statements, in which Boards disclose the rationale behind their choice of Chair of the Board.

As the separation of the roles of CEO and Chair has been more common in Europe than in the US, the role of the Chair and the CEO-Chair relationship have been more widely studied in European contexts, and a variety of methodological approaches, data sets and organisational contexts have been incorporated into European studies on the topic (see e.g. Stewart, 1991; Huse, 1998; Roberts & Stiles, 1999; Huse et al., 2005; Gabrielsson et al., 2007; Kakabadse et al., 2010; McNulty et al., 2011; Cornforth & Macmillan, 2016). Prior research has shown a lot of heterogeneity in the role of the Chair across individuals, companies and national contexts (e.g. Stewart, 1991; Huse, 1998; Roberts, 2002; Kakabadse et al. 2006; Kakabadse & Kakabadse, 2007; McNulty et al., 2011). For example, the study of Stewart (1991) of CEOs and Chairpersons in UK National Health Service district organisations identified five different roles for the Chair in her/his relationship with the CEO: partner, executive, mentor, distant and consultant. A study conducted in Norwegian companies suggested that of the various roles of the Chair, such as a moderator, figurehead, mentor, decision-maker and strategist, the roles of team leader and coach are particularly important for Board effectiveness (Gabrielsson et al., 2007). The time used by the Chair for the role has been found to vary considerably (e.g. Stewart, 1991; McNulty et al., 2011). Some other aspects that have been proposed as influences on the role of the Chair include the Chairperson's personal ownership in the company, her/his expertise, origin as an insider or outsider, and executive versus non-executive role (McNulty et al., 2011). For example, in studies conducted in the UK, full-time executive Chairpersons have been found to exert greater influence over strategy and service tasks than do part-time non-executive Chairpersons, who exert more influence over control tasks (McNulty et al., 2011). It has also been suggested that part-time Chairpersons mostly influence by assertiveness and by using the authority of the position (McNulty & Pettigrew, 1996).

When viewed from the perspective of leadership, as in this dissertation, it can be argued that the CEO-Chair relationship provides a specially interesting setting, and differs from typical leader-subordinate relationships in a number of ways. Information asymmetry may influence the CEO-Chair relationship, as it is not only the Board (e.g. Hooghiemstra & Van Manen, 2004; Adams & Ferreira, 2007; Bailey & Peck, 2013), but also the Chair, particularly when she/he is non-executive and part-time (McNulty et al., 2011), who has less company-specific information than the CEO. This means that in contrast to typical leadership relationships, in which the supervisor is normally assumed to be an important source of information for her/his subordinates, the Chair is, in most cases, largely dependent on the CEO for the company-specific information that she/he needs to perform in the role. In addition, the Chair's leadership role can be said to differ from the CEO's leadership with her/his subordinates in that,

rather than being at the top of the hierarchy, like the CEO, the Chair leads a collective of equals, which meets infrequently (Gabrielsson et al., 2007). On the other hand, even if it is the Board as a collective, rather than only the Chair, which has the duty to supervise the CEO, in practice the Chair typically works more closely with the CEO (e.g. Huse, 1998; Hirvonen et al., 2003) and takes care of the one-to-one type of tasks of the CEO's supervisor on behalf of the rest of the Board (Lekvall et al., 2014). Moreover, the Chairperson's role in driving the Board's agenda and in ensuring that correct information is provided to the Board has been argued to be significant (Bezemer et al., 2018). In short, even if the Chair has additional responsibilities compared to those of other Board Directors, she/he does not have greater formal authority (Huse & Gabrielsson, 2012). It has been argued that the Chairperson's role is paradoxical, as it requires strong leadership in order to counter managerial power, but also an orientation to the other Board Directors as peers (Bezemer et al., 2018).

Previous studies have suggested a strong interdependency and intertwined destinies between the CEO and Chair (e.g. Stewart, 1991; Roberts & Stiles, 1999; Eriksson et al., 2001; Florou, 2005). In fact, Stewart (1991) proposed that due to the mutual dependency of the dyadic partners, to see this relationship solely or primarily as the relationship of a boss and a subordinate would be misleading, and that a more appropriate analogy would be that of a marriage. Stewart (*ibid.*) also pointed out that a new Chair may evaluate the CEO differently compared to her/his predecessor.

The significant role of trust and the emotions in the interaction between the Chair and the CEO has been noted in previous studies (e.g. Huse, 1998; Roberts & Stiles, 1999; Kakabadse et al., 2006; Kakabadse et al., 2010; Cornforth & Macmillan, 2016). Roberts and Stiles (1999) drew particular attention to the importance of what happens and the dynamics of the dyadic relationship during its early stages for the development of trust, and suggested that the effects of these are often cumulative. What have been found in earlier studies to be significant for the formation of a successful, trusting CEO-Chair relationship are clear roles, the sharing of knowledge, mutual complementarity for example in terms of skills, experience and temperament, as well as chemistry, respect and liking (e.g. Roberts & Stiles, 1999; Kakabadse et al., 2006; Kakabadse et al., 2010). On the other hand, partly due to the controlling role of the Board, there is at the same time a need for the Chair to remain at a certain distance from the CEO (e.g. Stewart, 1991; Roberts et al., 2005; Kakabadse et al., 2006; Huse, 2007).

2.4 CEO dismissal

In contrast to the CEO-Chair relationship and the role of the Chair, the topics of CEO turnover and dismissal have attracted substantial research interest over several decades (see e.g. Hilger et al., 2013; Cragun et al., 2016 for recent reviews). CEO dismissal is considered to be among the Board's control tasks (e.g. Mizruchi, 1983; Forbes & Milliken, 1999; McNulty et al., 2011), but it has also

been described as the Board's ultimate means of impacting on company strategy (McNulty & Pettigrew, 1999). The Board's task of dismissal has been found to be a particularly challenging task for a number of reasons, such as the lack of independence of the Board, unclear performance evaluation standards, and the pressures involved in the dismissal decision process (Hilger et al., 2013). In the governance structure of CEO non-duality, it has been argued that it is the Chairperson's responsibility to lead the CEO turnover process (Roberts, 2002; McNulty et al., 2011).

The majority of empirical studies on CEO dismissal have focused on the possible antecedents of dismissal, and a number of studies (see e.g. Finkelstein et al., 2009; Hilger et al., 2013; Cragun et al., 2016) have found a link between poor company performance and the increased likelihood of CEO dismissal. Still, the explanatory power of company performance in prior empirical studies has not been very strong (Finkelstein et al., 2009), and several additional factors have been proposed to influence CEO dismissal, i.e. either to increase or decrease the possibility of CEO dismissal under conditions of poor performance. As noted by Pettigrew and McNulty (1998, p. 206), poor performance is assumed in the literature to be 'a necessary, if not a sufficient, condition for CEO dismissal'.

It has been proposed that the conditions of agency and relative power between the Board and the CEO have an impact on CEO dismissal. For example, in addition to the CEO duality issue discussed above, Board independence (e.g. Boeker, 1992; Hermalin & Weisbach, 1998) and company ownership structure (e.g. Boeker, 1992; Denis et al., 1997; Pitcher et al., 2000; Maury, 2006) have been argued to influence CEO dismissal. It has also been proposed that the CEO's personal ownership in the company (Boeker, 1992; Denis et al., 1997; Maury, 2006) and long tenure in the position (e.g. Fredrickson et al., 1988; Dikolli et al., 2014) increase her/his power and provide protection from dismissal despite poor performance, possibly partly due to the ability they give for the CEO to influence the nomination of Board Directors.

It has also been proposed that rather than being a totally rational decision with poor performance directly leading to CEO dismissal, the dismissal decision is impacted by Board expectations, perceptions, interpretations, attributions and political and social forces (e.g. Fredrickson et al., 1988; Schaffer, 2002; Haleblian & Rajagopalan, 2006; He & Fang, 2016). It has been argued that specific performance-related events, such as financial restatements (Arthaud-Day et al., 2006) or deviations from forecasts (e.g. Farrel & Whidbee, 2003; Lee et al., 2012) increase the probability of CEO dismissal. Bruton et al. (1997) suggested that in addition to financial performance, CEO dismissal takes place as a result of failure in strategic leadership.

Not only has it been suggested that poor performance affects CEO dismissal, but also that the turnover of Board Directors and top management team members increases around and after CEO dismissal (Fee & Hadlock, 2004; Maury, 2006). Fee and Hadlock (2004) proposed that in part this may be because in addition to performance, executives are evaluated according to their degree of

fit with other team members. Boeker (1992) suggested that powerful CEOs may dismiss members of their management team in order to protect themselves. The failure of the CEO may also be seen as the failure of the Chair, who is more likely to be changed if the CEO is dismissed (Eriksson et al., 2001; Florou, 2005).

In a rare, interview-based study concerning two processes of full-time Chairperson dismissals, Pettigrew and McNulty (1998) highlight the influence of context, structure, pre-history, power and willingness to take risk of the non-executive Directors in the process of Chair dismissal: they point out that challenging the Chairperson requires not only weak company performance, strong leadership, and organisation on the part of the non-executive Directors, but also that they are able to act together on the issue.

It has been argued that the consequences of CEO dismissal depend on the degree of fit of the successor CEO compared to the degree of misfit of the dismissed CEO (e.g. Wiersema, 2002; Finkelstein et al., 2009; Chen & Hambrick, 2012). Finkelstein et al. (2009) present the idea of fit as 'fit-drift/shift-refit', proposing that even if the Board has originally chosen a CEO who is a good fit in the conditions facing the company at the time, during the tenure of the CEO the environment of the company may gradually have drifted or more radically shifted in a way that calls for a different kind of ability on the part of the CEO in the new circumstances. In other words, a CEO who was initially a good fit may turn into a misfit, and consequently a succession may be necessary and lead to performance improvement. Besides, as proposed by Hambrick and Fukutomi (1991), a CEO with a long tenure may be committed to a chosen strategy and may resist major strategic change.

3 METHODOLOGY

In scientific research, the researcher's philosophical assumptions form the foundation of a study, and also influence the definition of objectives and methods used (Puusa & Juuti, 2011). Since the philosophical assumptions have a critical role in the framing of the research process, they require transparency (Klenke, 2008). In this section, I discuss my research approach, methodological choices as well as epistemological and ontological assumptions. In addition, I describe the methods used to generate and analyse the empirical data in this study.

3.1 The research approach and philosophical assumptions

As already mentioned above, a qualitative research approach was chosen in this study. The strengths of a qualitative approach include the fact that the relationships and processes that are of interest in the study can be examined in their context, it gives space for multiple voices, and the participants are able to bring out the issues that they perceive as relevant (e.g. Eriksson & Kovalainen, 2008; Klenke, 2008; Puusa & Juuti, 2011b). Pettigrew (2013, p. 124) describes the role of the qualitative researcher as follows: 'Above all, the qualitative researcher is the carrier and interpreter of the lived meanings of the key people in the study. Whereas the quantitative researcher may lean towards prevalence, generalizability, and calibration, the qualitative researcher gives greater emphasis to narration, description, interpretation, and explanation.' In part, the exploratory approach adopted here is motivated and justified by the relatively small amount of prior knowledge on the topics of this study.

As mentioned above, this study primarily draws upon the social constructionist (Berger & Luckmann, 1966) perspective to relational leadership, and focuses on how leadership is constructed in the social interaction and practices of the CEO and Chair (e.g. Uhl-Bien, 2006; Crevani et al., 2010; Uhl-Bien & Ospina, 2012). As regards the ontological assumptions, i.e. the researcher's understand-

ing of the nature of reality (e.g. Burrell & Morgan, 1979), reality is understood as subjective. This means that reality is assumed to be based on an individual's perceptions and experiences, and is consequently different for each person; and as it is socially constructed in people's interactions, reality may also be subject to change over time and context (e.g. Berger & Luckmann, 1966; Eriksson & Kovalainen, 2008). In the context of this study, this means that the CEO-Chair relationship and the CEO dismissal process are understood as emergent, evolving, context-embedded and as resulting from people's interactions and social practices.

Epistemological assumptions concern the nature of scientific knowledge (e.g. Burrell & Morgan, 1979). Epistemology is closely related to ontology, and it defines how knowledge can be produced and the criteria by which knowledge is possible (Eriksson & Kovalainen, 2008). In this study, the underlying assumption is that there is no single, objective 'truth' to be discovered as regards the relationships and processes under examination. Instead, I am interested in the perceptions and meanings that the participants attach to the relationships and processes that are in focus in this study. The paradigmatic stance adopted in this study is illustrated by Ospina and Uhl-Bien (2012) in the metaphor of a lantern: the aim is to shed light on and increase understanding of the relational processes and practices of CEO and Chair, and additionally, of researcher-practitioner collaboration.

It has been proposed that to increase our understanding of Board work and corporate governance, it would be valuable to open the 'black box' and, instead of focusing on the composition and structure of Boards, to study actual Board practices and processes (e.g. Forbes & Milliken, 1999; Gabrielsson & Huse, 2004; Huse, 2007). A growing stream of research has emerged that aims to enhance knowledge of the actual practice, processual dynamics and human side of corporate governance and Board work (e.g. Huse, 1998; Pye, 2002; Huse et al., 2005; Roberts et al., 2005; Huse, 2007; Bailey & Peck, 2013). However, as noted in prior literature, studying Board processes 'live' in real time is very time-consuming, particularly difficult in terms of access (Pye & Pettigrew, 2005), and may consequently require unusual approaches, such as working as the Chair in order to conduct the research (Huse, 1998) or 'fly on the wall' observation (Huse et al., 2005). For some of the topics of interest in this study, such as trust development during the course of the CEO-Chair relationship or the actions of the Chair in the process leading to CEO dismissal, it can be said that observation would be very challenging. This is because - as shown by the results of this study - not all interaction in the CEO-Chair relationship takes place on planned occasions, such as meetings, but importantly also in ad hoc situations such as phone calls, for example, in response to unexpected events in the company environment. Moreover, Boards do not typically inform outsiders when they start to question if the current CEO is the best possible one in the circumstances, and therefore, being in the right place at the right time to observe how the dismissal process emerges and develops would, in addition to requiring extraordinary access, also need very good fortune.

To overcome these limits of access and time, a narrative approach was utilised to study the processual characteristics and changing dynamics of the topics of interest in this study (Polkinghorne, 1995; Rhodes & Brown, 2005). Following several authors (e.g. Polkinghorne, 1995; Söderberg 2003; Rhodes & Brown, 2005; Heikkinen et al., 2014), a narrative is understood in this study as a contextual account of a sequence of events happening over time, described by those involved – in this case by CEOs and Chairpersons – as they understood and experienced them. The stories told and the use of the narrative methodology offer the possibility of understanding the meanings given to the different events and issues by the respondents of this study (Gergen & Gergen, 1988; Riessman, 2008). Additionally, as described in Study 4, a collaborative approach with practitioners was utilised to generate empirical data in the study.

3.2 Generation of empirical data

This dissertation consists of four empirical studies. Studies 1 and 2 are based on the same set of empirical data: open-ended, in-depth interviews (Eriksson & Kovalainen, 2008) with 16 CEOs and 16 Chairpersons from the same companies. Study 3 is based on another set of data that were generated by interviewing seven Chairpersons. In addition to this primary interview data, the research process was supported by three pilot interviews as well as 15 focus group discussions and other forms of collaboration with the practitioner network. The empirical data generated in the researcher-practitioner collaboration are also part of the empirical data of Study 4, which examines the collaboration with practitioners during the research process of this dissertation. Two case study interviews were additionally conducted for the purposes of Study 4. As some participants took part in this study in more than just one role (i.e. participated for example both in the focus group and pilot interviews, or both dyadic interviews and dismissal interviews), there is some overlap in the different groups of respondents. In this section, I describe the methods and process adopted to generate the empirical materials of this dissertation.

3.2.1 Addressing the challenges of interviewing business elites

It has been argued in prior literature that studying business elites, such as CEOs and Chairpersons, may involve some specific methodological challenges, such as access, power, openness and feedback (Welch et al., 2002). In particular, access difficulties are a well-recognised challenge and constraint in the study of senior executives (e.g. Pettigrew, 1992; Laurila, 1997; Welch et al., 2002; Mikecz, 2012). In general, it can be said that in this study, the access negotiations were successful, as only very few of the potential participants who were asked to join the study refused. In terms of the dyadic interviews for Studies 1 and 2, of the 18 dyads asked to join the study only two dyads refused. In retrospect, I am aware that the likely reason for this was that these companies were considering

a forthcoming CEO turnover, as it was announced by both companies soon after they had declined to join the study that the CEO would step down from the position. As these were listed companies, it is very understandable that they were not in a position to invite a researcher to do interviews at such a time. As regards the pilot interviews, CEO dismissal interviews and case study interviews, everyone who was asked to join agreed. In this section, I describe in detail how I addressed the challenge of access in this dissertation. The e-mails that I sent out in connection with this study and that are described in the following paragraphs can be found in their basic, non-personalised, Finnish form in Appendix 1.

Due to the sensitivity of the dyadic setting of Studies 1 and 2, I carefully planned the access negotiations to overcome the challenge of access, and considered in detail how to word the e-mail I sent to the CEOs and Chairpersons to ask for permission to interview them. The e-mail was sent directly to the CEOs and Chairpersons, rather than for example to their assistants, and the title of the e-mail was personalised to include the name of the company and the topic, like this: The co-operation of the CEO and Chair in company XX. In the e-mail, I briefly described the basic facts and the purpose of the study, and my professional background. The respondents were also informed that the interview would be totally anonymous and confidential. I asked for an interview that would last around 90 minutes, and promised that the respondent would be allowed to choose the time and place for the interview. Most interviews were conducted in the office of the respondent, but some respondents were interviewed in a meeting room of the practitioner network I collaborated with, or in a hotel or restaurant and, in one case, by invitation, in the Chairperson's home.

I deliberately suggested in the e-mail that the interview could be arranged for example in the following month or the month after that, rather than for example the following week. This is because I assumed that asking for an early slot in a CEO's or Chairperson's calendar would be much more difficult than, for example, a slot six weeks or so later. In most cases, I sent the same e-mail simultaneously to both of the dyadic partners. However, if I knew that the recipient was already familiar with this research project, e.g. had been present on any of the occasions when I had presented the research plan, I mentioned this in the e-mail. In these cases, I sent separate, personalised e-mails to both of the dyadic partners, but informed them that the other partner had also been asked to join. Typically, I received a relatively quick and positive reply – the fastest respondents answered in a couple of minutes! - but if not, I sent another e-mail around two weeks after the first one. In this e-mail, I referred to the previous e-mail (which was enclosed), and wrote that I would only need an affirmative answer at this point, and could then agree on the details with the person's assistant (when applicable). If I did not get an answer to this e-mail within some weeks, then I phoned the potential participant. If I had already received a positive answer from the other dyadic partner by this time, I mentioned this and explained again that I would need both partners' acceptance due to the dyadic setting of the study.

As regards the CEO dismissal study (Study 3), it has generally been assumed in prior research that it is not possible to acquire information regarding the process of dismissal directly from the actors in the process (e.g. Finkelstein et al., 2009). In other words, the kind of first-hand empirical data on CEO dismissals as generated in this study is extremely rare. Because of this, and because of the sensitivity of the research topic, I was very discreet when asking for the Chairpersons' permission to interview them about the process of CEO dismissal. In most cases, I contacted these participants personally by phone or face-to-face to ask for permission to interview them, but some participants who had been previously informed about the study were contacted by e-mail.

It has been argued that due to the power difference between the elite participant and the researcher, it may be difficult for the researcher to achieve the aims of the study and that the participant may aim to control the interview situation and limit openness (e.g. Laurila, 1997; Welch et al., 2002). In this study, I found that being very clear about the aims and style of the interview both in the pre-information sent to the participants and in the actual interview helped me with this issue. In fact, it appeared that the informants expected me to be in charge of running the interview, and to tell them what I wanted them to talk about. Many of them also asked at the end of the interview if I was satisfied with the outcome, and said that I could always contact them afterwards for additional information if necessary. It was also agreed that if applicable, I would ask for their permission to use any quotations that might contain information that could possibly be recognised by other people. However, as I have not used such quotations in the articles, I did not contact any of the respondents afterwards. Also, as it was agreed that the results would not be presented as separate cases, I did not send any materials back to the respondents to ask for feedback on them (cf. Welch et al., 2002).

It is likely that any difficulties over the issue of access were to some extent eased by my collaboration with the network for Board Directors (see Section 3.2.2.), as the network members were informed of the study by e-mail and I had the opportunity to inform potential participants about my study plan by presenting it in events organised by the network and, for example, in a seminar for Board Directors. The issue of access was also discussed in the early focus group discussions. Additionally, in the e-mail to potential participants I mentioned that the study was supported by the practitioner network, and I included the contact details of the Chair of the focus group and a partner in the network, as well as of the supervisor of my dissertation. However, neither of these possible contacts knew which CEOs and Chairpersons I asked to join the study, and so far as I know, none of the recipients of these e-mails made use of the contact details I had given them.

3.2.2 Researcher-practitioner collaboration and focus group discussions

As already mentioned above, the study process was supported by a long-lasting collaboration I had with a network of Board Directors. The primary form of collaboration was focus group discussions, and throughout the research process,

i.e. during the years 2013-2018, a total of 15 focus group discussions were conducted. In this study, a focus group is understood as a form of group interview that draws on the communication between the group participants in order to generate data (e.g. Kitzinger, 1995; Eriksson & Kovalainen, 2008; Valtonen, 2011). The primary aim of the focus group discussions in this study was to support the research process and to serve as a mechanism of triangulation by providing additional data and perspectives to the topics of interest in the study (e.g. Flick, 2004; Klenke, 2008). The idea of utilising the data generated during the study process to empirically examine researcher-practitioner collaboration (Study 4) only emerged after the last focus group discussion, which was held at the end of February, 2018.

Amabile et al. (2001) proposed that the success of collaboration between academic researchers and practitioners is influenced by the characteristics of the collaborative team and collaboration processes as well as the organisational support given to the members of the collaborative team. In the practitioner collaboration of this study, the focus group was formed of partners and other network members of Boardman. Boardman is a non-profit competence network of Finnish Board Directors, which aims to create and share new knowledge to support owners, Board Directors and management in their mutual co-operation and decision-making. Typically around 15 people, including Board Directors, Chairpersons, CEOs and other senior executives, participated each session. Even if the seniority of the members varied to some extent, the group can be said to have been very well informed about the topics of the study. Several of the participants also had prior experience, relationships and knowledge of academia. In total, 64 different persons (including myself) participated in the discussions during the research process; some of them many times and some others, only once. The meeting arrangements in terms of sending the invitations and organising the facilities were made by Boardman staff, and the preparation of the meetings was done in the dyadic co-operation of myself and the Chair of the group, who is a partner of Boardman. The arrangement to have a separate Chair left me as a researcher more room to observe and listen to the discussion. I gave a presentation on the current status of my study in every meeting, and sometimes I prepared some more specific discussion topics for the group to focus and facilitate the discussion on topics that were of interest at the current phase of the study. In addition to my presentation, a visiting speaker was invited to most meetings to give a presentation on a chosen topic, and this was followed by a discussion. A list of the topics and presenters is provided in Appendix 2. Each discussion lasted two hours, and it was agreed with the participants from the third meeting onwards that I could record the discussion for the purposes of the study. I wrote a memo of the key points of the discussions to the participants. However, to enable open discussion on sensitive topics, the comments were not personalised in the memo, and Chatham House rule was applied in the group. In other words, it was agreed that both I and the participants could use the information generated in the discussions, but without revealing who had made a particular comment.

In the early stages of the study, the discussions served to increase my general knowledge on the topic and helped me to focus the study better. Listening to the discussions on emerging topics also gave me ideas about the questions to be addressed in the interviews, for example concerning dyadic practices in the CEO-Chair relationship. I also used the group to discuss possible ways of conducting the sampling for the generation of primary empirical data of this study. Later on, the focus group discussed more specific themes that are of interest in this study, such as the roles and tasks of CEOs and Chairpersons, dyadic practices, trust, and CEO dismissal. For myself as a researcher, the group provided a platform where we could discuss emerging ideas and the preliminary findings of the study, and where I could test and deepen the understandings I reached based on the primary sources of the empirical data. The group also gave me a good opportunity to reflect on my findings from a practitioner perspective. Overall, I found this way of working both useful and fun, and it was extremely motivating to recognise the interest of the focus group participants in my research topic and findings. Additionally, presenting my preliminary findings in Finnish several times a year to practitioners helped me to understand the essence of the results, and especially their practical relevance and implications. I also took part in various other events and seminars organised by Boardman, and therefore had the opportunity to discuss my research and related topics with senior practitioners on several occasions. Moreover, on my own initiative I wrote informal, monthly e-mails to the Chair of the focus group, telling him of the progress of my studies and describing and reflecting on my current ideas and feelings about my doctoral studies more generally than just concerning the Boardman collaboration.

A more detailed description of this researcher-practitioner collaboration is given in an intensive, single-case study (Study 4) of this dissertation. The empirical data for the case study were generated throughout the research process, from January 2013 until May 2018 and in total included:

- My lived experience, research notes and monthly e-mails to the Chair of the focus group (31.1.2013-28.2.2018)
- Presentations, recordings and memos of the focus group meetings held 11.3.2013-28.2.2018
- Interviews with co-founder/Chair/Honorary Chair of the Board and Managing Director of Boardman Oy, conducted in April and May, 2018.

3.2.3 Pilot interviews

During the first year of the research process, three pilot interviews were conducted. As these interviews only served to generate basic knowledge about the topic of study, convenience sampling (Eriksson & Kovalainen, 2008) was used: senior Directors with wide experience in both CEO and Chair positions who had shown interest in the project were interviewed. Two of these pilot interviews focused mainly on the CEO-Chair relationship, and in the third, the focus was more on

issues concerning the CEO dismissal process. A list of questions was sent beforehand to the two respondents focusing on CEO-Chair relationships, but there was no such list of questions for the interview on dismissal processes. The pilot interviews lasted between one and two hours, and they were audio-recorded and transcribed word for word. These interviews helped me to familiarise myself with the topics of study, practise interviewing, and better plan and orientate to the primary interviews of the study. The topics and ideas about the dissertation were also discussed in these interviews, and the respondents were able to give their views on what kind of topics and issues might be of particular interest.

3.2.4 Dyadic interviews

The largest and primary set of data in this study was generated in interviews with a dyadic setting, i.e., where both the current CEO and the Chair from the same company were interviewed. Studies 1 and 2 are based on the data generated in these interviews. In the sampling of the dyads, purposeful sampling (Patton, 2002; Eriksson & Kovalainen, 2008) was used to select a variety of information-rich cases for the study. The aim with this kind of sampling is to gain in-depth understanding of the topic of study rather than empirical generalisations. In this study, this means that the aim was to pick dyads that were different from each other in regard to some of the factors that have been found in previous studies to influence Board work (Huse, 2005; 2007). As publicly available information concerning for example the perceived quality or practices of the CEO-Chair relationship is very limited, the sampling had to be conducted on the basis of issues that are public and can be known from the outside, such as company size or the gender of the respondent.

TABLE 2 Summary of the respondents in the dyadic interviews (Koskinen & Lämsä, 2017, p. 278)

	Listed company	Family-owned	Other type of ownership	Total
<200 employees	0	2	3	5
200–1000 employees	1	1	3	5
>1000 employees	4	1	1	6
<i>Total number of companies</i>	5	4	7	16
<i>Relationship length</i>	1–2 years	2–5 years	> 5 years	
<i>Total number of dyads</i>	5	4	7	16
	Men	Women	Major ownership	
<i>Chairpersons</i>	14	2	3	
<i>CEOs</i>	14	2	3	
<i>Total number of interviews</i>	28	4		32

Both primary and secondary selection criteria were used in the sampling. More specific information on the division of the dyads and respondents in the different categories is presented in Table 2. The primary criteria used included company size in terms of employees and ownership type, and the length of the CEO-Chair relationship. All the dyads had worked together for at least one year before the interview. In terms of ownership, in addition to listed and family-owned companies, the sample included companies owned by a foundation, founder-entrepreneurs, private investors and other companies (the category 'other type of ownership' in Table 2.). As secondary criteria, attention was paid to the gender and personal ownership of the respondents in order to include all combinations of gender or of major personal ownership in the CEO-Chair dyads. The age of the dyadic interview participants ranged from 42 years to 70 years, and most interviewees held an academic degree. Nine of the 16 interviewed CEOs had membership in the Board of Directors in the company. As one respondent was interviewed twice - in the role of the CEO of one company, and as the Chair of another - the number of persons interviewed was 31.

The sample was controlled to include CEOs and Chairpersons of companies from a variety of industries, stages of company life cycle and level of ownership dispersion. In addition, some excluding criteria were adopted: companies that were totally owned by one or both of the dyadic partners were excluded, as were companies that did not have any independent, non-executive Board Directors (i.e. persons who are neither major owners nor employed by the company). These exclusions were made because I assumed that the existence of other shareholders than the CEO and Chair, and the existence of independent Board Directors might result in the need to pay more attention to Board work and governance issues than if all the Board Directors were major owners and worked full-time in the company, and could therefore address most issues as they emerged rather than having to organise a Board meeting to do this. Besides, in contrast to the situation in which all the shares are owned by the CEO and/or the Chair, the CEO and Chair are responsible for considering the rights of all shareholders, and are accountable to other shareholders in addition to themselves.

Before the interview, I familiarised myself with basic, publicly available information about the company and the interviewee (Welch et al., 2002; Mikecz, 2012). This knowledge about basic facts and recent developments in the company helped me to follow what the respondents were talking about in the interviews and to assume the role of an informed outsider, as proposed by Welch et al. (2002). The amount and quality of this information, however, varied a great deal, as public information on a listed company and its management is generally much more detailed than, for example, what is available on small, family-owned companies.

I sent an e-mail to the respondents exactly a week before the scheduled interview. In this e-mail, I explained again the purpose of the study, informed the respondents about the themes of interest in the interview, and reminded them that the interview would be anonymous and confidential (see Appendix 1.).

Also, I mentioned in the e-mail that in order to make the interview go more smoothly, it would be audio-recorded, if they had no objection. The interviews of the dyadic partners were conducted separately, and it was clearly agreed that I would not disclose the views of one dyadic partner to the other partner. It was also agreed that the results of the study would not be presented in such a form that either partner would be able to directly identify what the other partner had said about her/him. The interviews of the dyadic partners were scheduled to take place within two weeks of each other in order to reduce the possibility of any major changes in the relationship or even of CEO or Chair turnover happening between the interviews. However, the interview with one CEO had to be postponed several times due to her/his very tight schedule, and this resulted in a gap of around three months between the interviews of these partners. However, the CEO said that no particular changes had happened in the relationship during that time.

Before the interview, my knowledge of both the respondent and particularly her/his relationship with the CEO or Chair was obviously limited, since it was based solely on publicly available information. In other words, when I began the interview, I did not know how the interview and the story of the relationship would unfold. I also quickly learned that after interviewing one partner I was still not in a position to know how the other interview would turn out, as the views of the dyadic partners about their relationship could vary considerably.

In the interview, the respondents were given a lot of space and were encouraged to reflect on and discuss any issues that they perceived as important in their current relationship with the CEO or Chair. In order to ensure a smooth start, the very first questions in every interview concerned the way the respondent had reached her/his current position as CEO or Chair, and the start of the dyadic relationship with the CEO or Chair. Some other major topics that were addressed during the interview were dyadic practices, trust development, the perceived quality of the relationship, and any particularly important events that had happened in the course of the relationship, as perceived by the respondent. Even if I had prepared a written list of topics to be addressed in the interview, I did not use it as such, but asked questions in response to what the respondents had already said (Rapley, 2004; Eriksson & Kovalainen, 2008). In fact, after the first couple of interviews, when I became confident that I would remember the main topics well enough, I decided to not take the list out of my bag at all. In this way I found it easier to create a more relaxed atmosphere in the interview and to give the respondent space to talk at length (Rapley, 2004). For the most part, the respondents seemed to appreciate the fact that they could speak and reflect freely, rather than having to answer a specific set of narrowly defined questions.

3.2.5 CEO dismissal interviews

The empirical data of Study 3 consist of interviews with seven Chairpersons, and the nine performance-related dismissal processes described in these

interviews. The respondents were between 53 and 69 years of age, held an academic degree, and all had extensive experience both in Board work and as senior executives. The sample included one woman - all the others were men. The companies in which the dismissal of the CEO had occurred were of several sizes, and included family-owned, listed, state-owned and private equity companies. None of the respondents had a majority ownership in the company, or was a previous CEO of the company in which the dismissal had taken place.

A week before the scheduled interview, I sent an e-mail to the Chair to confirm the time and the place, to clarify my objectives, to inform them of the open-ended, narrative style of the interview and to tell them that they would be able to describe either one or several dismissal cases in the interview. I reminded the respondents that the interview would be anonymous and confidential, and told them that I would use an audio-recorder in the interview, when acceptable. I also informed the participants that it would not be necessary to use company or personal names in the interview, and that to ensure anonymity, the results of the study would not be presented as separate cases. Company names were in fact used in most of the interviews, but typically the name of the dismissed CEO was not mentioned but she/he was referred to as 'the CEO'.

The total length of a dismissal interview varied between 40 and 85 minutes. In the interview, the Chairperson was encouraged to describe the course of events as she/he had experienced it and was asked further questions when appropriate to elicit more detailed information about the events and organisational contexts in which the dismissal had occurred. Since the respondents had a lot of experience, in addition to the specific cases covered they were invited to share their more general experience of CEO dismissal.

3.3 Data analysis

All the interviews and 13 of the 15 focus group discussions were audio-recorded, and I myself transcribed word for word the recordings of the pilot interviews, dyadic interviews and CEO dismissal interviews. Even if the transcribing of the interviews was very time-consuming, I wanted to do it myself as at the same time this gave me the opportunity to 'relive' the interview occasions, to learn from my own role in them, and to familiarise myself further with the data. All the empirical data of this dissertation were generated in Finnish, which is my mother tongue. Finnish is also the mother tongue of the majority of participants in this study, and even those who speak Swedish as their mother tongue are very fluent and accustomed to working in Finnish. The analysis of the data was conducted in Finnish. The quotations presented in the original articles of this dissertation were translated in co-operation with native English-speaking academic professionals with thorough discussions of their meaning and context in order to preserve as closely as possible the idea and tone of the original quotation.

The analysis for each of the four studies of this dissertation was done separately, and it started with reading through the empirical materials many times. As I did all the interviewing and transcribing myself, I became very familiar with the data, despite the quantity. The analysis process in all studies was iterative, and theoretical literature and empirical data were simultaneously used together (Eriksson & Kovalainen, 2008).

In Study 1, I used Atlas.ti, which is a software suitable for the analysis of qualitative data, to first extract those sentences and phrases in which the dyadic practices of the CEO and Chair were described. Then these extracts were subjected to a content analysis (Krippendorff, 2013), and they were arranged into categories, which were formed and re-formed during the analysis process based on the data. With the aim of finding common and differing themes and patterns, the analysis focused on contents and meanings: what was said by the CEOs and Chairpersons about their dyadic practices (e.g. Eriksson & Kovalainen, 2008; Klenke, 2008). The conceptualisation of Crevani et al. (2010) for the empirical examination of leadership was used in the analysis, which aimed to identify how direction, co-orientation and action space were constructed in the practices of CEO-Chair dyads.

In Study 2, the narrative framework put forward by Gergen and Gergen (1988) was followed to analyse the story line with regard to trust development during the relationship. This framework is based on the idea that when respondents - CEOs and Chairpersons in this study - talk about their experiences, they express a valued outcome. When this outcome is positive, such as a satisfactory relationship, the story line is more positive, but when the respondent is, for example, disappointed in the current level of trust in the relationship, she/he will talk about events that have reduced trust along the course of the relationship. According to Gergen and Gergen (1988), the story lines of narratives always follow certain patterns: in terms of their evaluative shifts over time, the narratives take either a regressive, progressive or stable form and, building on these basic forms, it is possible to identify more variations in the plots. These include for example the happily-ever-after narrative, which is a story of a successful, progressive development and a positive end; the narrative of a tragedy, on the other hand, describes a rapid downfall (*ibid.*). In order for the story line to be coherent and plausible, it has to be constructed by selecting certain events from the whole experience (Bruner, 1991; Polkinghorne, 1995). Additionally, the analysis of Study 2 draws upon the model of trust between two specific parties proposed by Mayer et al. (1995), according to which the main components of trust are ability, benevolence and integrity. The meaning of these three components of trust during the course of the CEO-Chair relationship was analysed on the basis of how the respondents described the current level of trust in the relationship and what they said about events and issues that had contributed to this level of trust during the existence of the relationship.

The analysis of Study 3 draws on Green and Mitchell (1979), who proposed the model of attributional process of leaders as a two-stage process. The interview data were first coded using Atlas.ti in order to extract phrases, sen-

tences and sections in which the interviewee described and evaluated the situation and the CEO as well as the Chairperson's and the Board's responses to poor performance. Additionally, the sections in which the respondents discussed their own role and the constraints and problems they and the Board had faced during the dismissal process were extracted. These extracts were then subjected to a content analysis (Krippendorff, 2013). The analysis largely focused on the common themes between the cases that emerged from the data, but some key differences between the dismissal cases studied were also highlighted (Eriksson & Kovalainen, 2008; Klenke, 2008).

As regards Study 4, an intensive, single-case study (Eriksson & Kovalainen, 2008) was conducted. Rather than aiming for generalisable results, this approach focuses on what is unique and specific in the case chosen for examination. The process of analysis was started by reading or listening to all the empirical materials, making notes and organising the data. Next, I wrote the first, preliminary description of the case and after this specified the research questions. More specifically, the decision was made at this point to particularly focus on the success factors of the case, as the data supported the view that the collaboration was perceived as successful. The analysis was then continued to answer the research questions, and the case was developed and finalised accordingly. During the analysis process, empirical data, prior studies and theoretical ideas on researcher-practitioner relationships and collaboration were constantly used together (Eriksson & Kovalainen, 2008).

4 OVERVIEW OF THE ORIGINAL STUDIES

In what follows, I give an overview of the results of the original publications, i.e. the three journal articles and a book chapter of this dissertation. The co-author in articles 1 and 2 was the supervisor of my dissertation, Professor Anna-Maija Lämsä. In these articles, I was responsible for formulating the objectives of the study and the research process, for generating the empirical data of the study, and for analysing the data. The selection of the theoretical frameworks and methods of analysis was considered and discussed together with my co-author, and we both participated in the editing of the articles. I was the first author in the articles, and responsible for their publishing processes. In Studies 3 and 4, I was the only author. During the writing process of all publications of this dissertation, I received constructive and valuable feedback from my supervisor to develop them further. The order of the articles is the same as the order in which the research was conducted. The topics of all three journal articles are closely related to each other, as illustrated in Figure 1, whereas Study 4 describes the process of collaboration with the Boardman practitioner network while I was working on Studies 1-3.

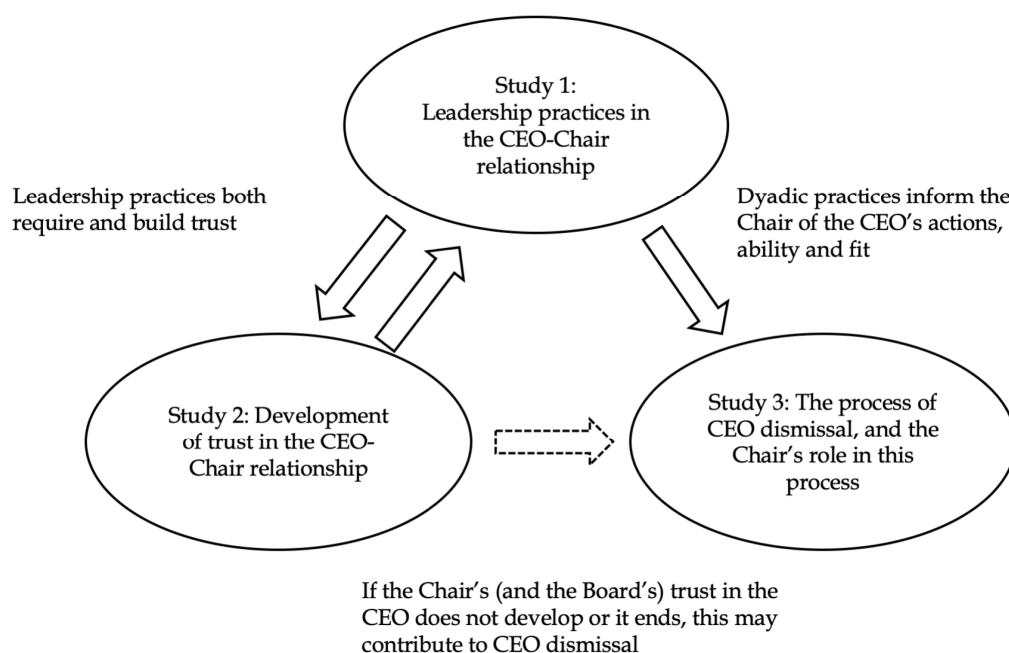


FIGURE 1 How the Studies 1-3 of the dissertation are related

As depicted in Figure 1., the topic of Study 1, i.e. leadership practices between the CEO and Chair, impact on the issues that were examined in Studies 2 and 3, i.e. trust development in the relationship and the CEO dismissal process. More specifically, dyadic practices and trust development in the CEO-Chair relationship were found to be closely intertwined, as will be described in more detail in what follows. In addition, the Chairperson's dyadic practices with the CEO place her/him in a better position than the rest of the Board to evaluate the CEO, which, in part, contributes to the pivotal role of the Chair in the process of CEO dismissal. Moreover, the CEO dismissal process is likely to be impacted by the level of the Chairperson's trust in the CEO. In particular, under conditions of poor performance, the perception of the Chair and the rest of the Board Directors on the CEO's ability to improve company performance is crucial.

4.1 Study 1. The CEO-Chair relationship from a relational leadership perspective

Study 1 conceptualises how CEOs and Chairpersons construct their dyadic relationship through leadership practices, and analyses the meaning of these practices to the relationship. The study draws upon relational leadership theory (e.g. Uhl-Bien, 2006; Uhl-Bien & Ospina, 2012) and adopts the conceptualisation of leadership through the notions of direction, co-orientation and action space (Crevani et al., 2010). Based on the dimensions of the scheduling and theme of

practice, four types of leadership practices were found to be significant in this study. These are emergent practices on company-related issues, emergent practices on person-related issues, scheduled practices on company-related issues, and scheduled practices on person-related issues. The different forms of practices are not isolated entities, but they dynamically influence each other (Lindgren & Packendorff, 2011).

The results of the study shed light on the dynamic and constantly evolving, socially constructed nature of a leadership relationship (e.g. Denis et al., 2010). It can be said that emergent, company-related practices are most important for the construction of an effective CEO-Chair relationship and dyadic trust. These practices are also the most frequent practices, and they can be described as operating as the 'engine' of an effective relationship. Due to the information asymmetry (e.g. Hooghiemstra & Van Manen, 2004; Bailey & Peck, 2013) that works in favour of the CEO, emergent company-related practices are largely initiated by the CEO, and 'no surprises' was highlighted to be an important principle in the relationship. Direction, co-orientation and action space (Crevani et al., 2010) are proposed to be constantly constructed in emergent, company-related practices, as in these practices the dyadic partners discuss for example unforeseen events, challenges and opportunities as they emerge, make interpretations of their meaning for the company, and consider possible responses to them. Even if, as the respondents described it, these practices are not about making decisions, but about sharing information and jointly interpreting the meaning of the events, they can, in addition to co-orientation, be considered to be significant to the construction of direction. The common ground of thinking that may be established in this dyadic co-orientation may contribute to the alignment of strategic thinking between the partners, and this ongoing interaction was also described as building the company's preparedness to take advantage of future opportunities. However, even if the company-specific information received in this interaction constructs more action space (Crevani et al., 2010) for the Chair, it was highlighted that in order to be open, the CEO needs to trust that this will not result in more limited action space for her/himself.

Company-related emergent practices can also be said to 'feed' the other forms of practice, as the issues discussed may (or may not) be addressed later on and more formally in the scheduled practices. When the relational interaction on company-related issues operates smoothly and builds mutual trust, this may encourage the dyadic partners to expand the discussion to more personal matters. Five of the dyads interviewed told about emergent practices on person-related issues, concerning, for example, the personal well-being of either of the partners, typically of the CEO; these included talking about feelings in difficult personal or work-related situations as well as discussing work-life balance. Even if this kind of discussion was described as making the emotional bond between the partners stronger, the respondents also said that they preferred to create and maintain professional, rather than personal proximity. In particular, Chairpersons said that in their opinion a close friendship with the CEO might make things difficult, especially if the need to dismiss the CEO arose.

In contrast to the emergent practices that are largely initiated by the CEO, the scheduled practices typically follow a pattern initiated by the Chair. The most common company-related scheduled practice, adopted by all but one of the dyads interviewed in this study, was the advance preparation for Board meetings. However, the depth of this preparation varied a great deal, ranging from only agreeing on the agenda of the Board meeting to a detailed review and discussion of the materials and proposals. In addition, ten dyads discussed strategic issues a couple of times a year in a pre-planned meeting. The meaning of company-related scheduled practices to the relationship was to reduce uncertainty and increase predictability. For the Chair, these practices provided necessary information for the planning and chairing of Board meetings, and they also served to control for example possible conflicting views of the dyadic partners in front of the Board. The vast majority of dyads said that they would not take forward to the Board a decision proposal that they disagreed about, and these practices served as a mechanism for co-orientation and for finding a common direction with regard to the Board's agenda.

The fourth form of dyadic practices conceptualised in Study 1 is scheduled practices on person-related issues. Seven dyads reported that, mostly on the initiative of the Chair, they had a pre-planned, face-to-face development or performance evaluation discussion once or twice a year. Direction, co-orientation and the CEO's action space were further clarified in these practices, which largely focused on the CEO's objectives, performance, remuneration and development needs.

In studies on the CEO-Board relationship, agency theory (Jensen & Meckling, 1976) has been the dominant framework (Boyd et al., 2011), resulting in an emphasis on the control task of the Board and the economic nature of the relationship. However, the results of this study indicate that the CEO-Chair relationship is more multifaceted than merely financial, and that tasks related to strategy and service (Zahra & Pearce, 1989) are meaningful to the relationship. The results also show that there are several ways to construct a CEO-Chair relationship: the combination and intensity of the practices adopted by the dyads that participated in this study varied considerably. In addition, it is proposed that dyadic trust is an important aspect in the CEO-Chair relationship, and that it is necessary for the construction of direction, co-orientation and action space. Moreover, the emotional bond in the relationship is proposed to be related to the dynamics of proximity and distance (Huse, 2007): even if proximity contributes to co-orientation, in this study conscious distancing also occurred, as the partners considered that a close friendship (cf. Kakabadse et al., 2010) would not be appropriate for the effectiveness of the professional relationship.

4.2 Study 2. Development of trust in the CEO-Chair relationship

The second study of this dissertation explores interpersonal trust development in the dyadic relationship of CEO and Chair. The study challenges the idea pre-

sented in prior studies (e.g. Lewicki & Bunker, 1996; Lämsä & Pucetaite, 2006) of trust development as a single, progressive, stage-by-stage process, and explores trust as an evolving phenomenon that can increase or decline during the course of the relationship. A narrative approach is adopted to examine what kind of meanings are given to trust in the CEO-Chair relationship, and the events and issues that have during the course of the relationship contributed to the current level of trust in the relationship. The meaning of the three main trust components, i.e. ability, benevolence and integrity (Mayer et al., 1995), to the development of trust in this relationship is also analysed here. The empirical data of this study consist of in-depth, open-ended interviews conducted individually with the members of 16 CEO-Chair dyads. The dyadic empirical setting makes it possible to bring out the viewpoint of both partners and the reciprocal nature of trust (e.g. Whitener et al., 1998; Serva et al., 2005; Seppälä et al., 2011).

Based on the analysis of story lines (Gergen & Gergen, 1988), four different groups of trust development in the CEO-Chair relationship were formed: The successful development of trust; A stable, adequate level of trust; Differing views, diverging directions, and The Chair's ability as a promoter of trust. In the group 'The successful development of trust', trust development in the relationship was constructed by both partners as a success, and they did not talk about any major issues that would have decreased trust in the relationship. The partners perceived each other as having a high level of ability and benevolence, and the relationship was characterised by open, reciprocal, largely CEO-initiated communication. This continuous interaction contributed to a deep understanding of the other partner's way of thinking and to commonly negotiated interpretations and strategic views in upcoming situations. In contrast, in the group 'A stable, adequate level of trust', the interaction of the partners was less frequent, and they constructed the view that trust had remained stable, rather than developed, during their relationship. In this group, trust was largely based on the CEO's high ability to perform, and the Chairperson's benevolence to allow the CEO a lot of autonomy.

In the group 'Differing views, diverging directions' trust development in the relationship was constructed as a struggle, and the story lines constructed by the dyadic partners were different from each other. These relationships were characterised by a negative dynamic consisting of a low level of trust in the benevolence and ability of the other partner, a lack of interaction, continuous misunderstandings, and differing views on many issues, including company strategy. However, as the operative ability of the CEO was perceived as satisfactory and neither partner questioned the integrity of the other partner, the relationship had been able to continue despite the problems.

The CEO was the major owner of the company in the group 'The Chair's ability as a promoter of trust', in which dyadic trust was described as being on a high level. In contrast to the other groups, in this group it was the Chairperson's ability to contribute to the business and support the CEO rather than the CEO's ability to perform that was constructed by both partners as particularly

significant for trust in their relationship. In addition, the benevolence of both partners to work together in developing the company further had also importantly contributed to the development of trust in the relationship.

The results of this study indicate that even if trust in the CEO-Chair relationship is often referred to as an on-off issue with CEO dismissed in the case of lost trust, trust may exist on different levels and increase, decrease or stay the same during the course of the relationship. Specifically, the components of ability and benevolence are proposed to contribute to this change. Integrity was constructed as a necessary basis for trust, rather than an element which would increase trust when on a high level, and an agreement on company strategy was seen as a necessary foundation for trust.

It is suggested that what contributes to the dyadic partner's perceptions of ability and benevolence are different for CEOs and Chairpersons. Some important reasons for this may be the different roles of the partners, as well as the information asymmetry (e.g. Hooghiemstra & Van Manen, 2004; Bailey & Peck, 2013) that works in the CEO's favour in the relationship. Additionally, it is proposed that the meaning and perceptions of ability and benevolence are reciprocally interlinked and to some extent complementary. In particular, when the ability of the CEO to perform and to deliver good company results is perceived as being very high, this can compensate for her/his lower benevolence in terms of openness with the Chair. Besides, the ability of the CEO is not only an important builder of trust; an adequate level of CEO ability is necessary for her/him to continue in the position.

As regards the Chair, it is her/his benevolence rather than ability that is proposed to be pivotal for trust to develop in the relationship. This is because it is necessary for the CEO to perceive the Chair as benevolent in order for the CEO to voluntarily take the initiative to inform the Chair of any emerging issues and consequently risk her/his autonomy. When the CEO perceives the Chair as benevolent and is active in initiating the dyadic interaction, the Chairperson's company-specific knowledge increases, and consequently her/his ability to perform her/his duties and also to support the CEO. Moreover, when the company's response to emerging challenges and opportunities is discussed together, this dyadic interaction can also contribute to a co-created view of company strategy. In total, the results suggest that trust can develop in a self-fulfilling and reinforcing way (Davis et al., 1997; Roberts & Stiles, 1999; Sundaramurthy & Lewis, 2003).

The results of this study also indicate that trust may develop differently, depending on which of the partners is first in the role. It appears that developing a trustful relationship may come about more easily when the Chair is the first to be in position. This may be partly because in this kind of situation, the Chair generally plays a key role in the recruitment process of the CEO. Consequently, both partners have the opportunity to evaluate the other before committing themselves to work together, which may influence particularly the perceptions of benevolence of both partners. In part, this may also contribute to the specific nature of trust development in situations in which the CEO is a major

owner in the company. When this is the case, the CEO is normally strongly involved in and able to influence the selection and appointment process of the Chair, and when this process leads to the start of a new CEO-Chair relationship, it may positively impact the perceptions of benevolence of both partners. Also, it can be suggested that the CEO is less vulnerable to the actions of the Chair when she/he is a major owner.

To conclude, the study contributes to the literature on the CEO-Chair relationship and trust by shedding light on the delicate nature of trust development, particularly in the early stages of this relationship. The results of the study suggest, further, that the issues that contribute to the partner's perception of the benevolence and ability components of trust are different from one to the other of the partners, and that the meaning of these components differs according to contextual factors, such as company ownership and the order of entry of the partners.

4.3 Study 3. The process of CEO dismissal: an exploratory study

The third of the original articles of this dissertation explores the process which leads to the dismissal of a CEO, and the meaning of attributions in this process. In addition, the role of the Chair of the Board in the CEO dismissal process is explored. The study focuses on dismissals in which poor performance was described as having significantly contributed to the Board's decision on the dismissal. As observing the dismissal process in real time would be extremely difficult in terms of timing and access, the study draws on empirical data on nine CEO dismissal processes generated in retrospective, narrative, in-depth interviews with seven Finnish Chairpersons of the Board. Study 3 contributes to the literature by increasing understanding of the issues that may impact the relationship between poor performance and CEO dismissal, and of the role of the Chair in this process.

In the majority of the dismissal cases examined in the study, i.e. in six processes, the Chairperson had started in the position less than a year before the dismissal took place. The results of the study indicate that new Chairpersons are likely to evaluate the CEO differently from their predecessors (Stewart, 1991). In most of the cases examined, it appeared that the new Chair had had a critical attitude towards the CEO right from the start, and that this had possibly already been partly formed before actually starting in the position, perhaps based on prior information on the CEO and company performance. In contrast, in the two processes in which both the CEO and Chair had been in their position for several years, the Chairpersons said that in retrospect they realised that they and the Board had been very late in reacting, having done so only in response to a major fall in company financial performance. This is in line with prior studies, which have suggested that social dynamics, mutual trust and strong ties in Boards with long-tenured Directors may contribute for example to

faulty attributions and strategic persistence (Sundaramurthy & Lewis, 2003), and cognitive blindness on the part of the Directors (Van Ees et al., 2008). Also, a new Chair may have more allegiance to the shareholders of the company than the CEO (Fredrickson et al., 1998), and be more likely to attribute poor performance to the CEO than a long-tenured Chair with a close relationship with the CEO, who may be more subject to actor-observer bias and self-serving attributions (Green & Mitchell, 1979; Sedikides et al., 1998; Martinko et al., 2007).

The results of the study increase understanding of the impact of social dynamics on the process of CEO dismissal. It is proposed that when company performance turns out to be poor, the monitoring of the Board may become more intensive (Pettigrew & McNulty, 1995; Tuggle et al., 2010), and the Board's expectations concerning the CEO's actions and its own relationship with the CEO may change. In particular, the Board's perception of the ability and fit of the CEO (e.g. Finkelstein et al., 2009; Chen & Hambrick, 2012; cf. Cragun et al., 2016) to lead the necessary changes (e.g. Bruton et al., 1997), is highlighted. Additionally, if the Board actively tries to initiate changes to improve company performance, any perceived lack of effort on the part of the CEO (Weiner & Kukla, 1970; Green & Mitchell, 1979) to respond to these initiatives can significantly contribute to the dismissal. It is also proposed that non-CEO executive turnover before CEO dismissal, which Boeker (1992) suggested was scapegoating by the CEO, may be the result of the Board's initiatives to facilitate the transformation of the company in order to improve performance.

The results of Study 3 shed light on the influential role of the Chair in leading the CEO dismissal process, and in overcoming the constraints and difficulties attached to this process. As the vast majority of prior studies on CEO dismissal have been conducted using data on major U.S. corporations, in which CEO duality has been the dominant governance structure (e.g. Hilger et al., 2013; Cragun et al., 2016), prior studies on the role of the Chair in the CEO dismissal process are very rare. Partly due to the information asymmetry (e.g. Hooghiemstra & Van Manen, 2004; Bailey & Peck, 2013) that works in favour of the CEO, the role of the Chair in generating information for the Board may be significant in this process. Also, the Chair may strongly influence the CEO dismissal process because of her/his closer working relationship with the CEO and her/his ability to control the Board's agenda, as well as by creating opportunities for the Board to discuss the issue without the CEO's presence. It has also been proposed that the destinies of CEO and Chair are intertwined (Eriksson et al., 2001; Florou, 2005).

4.4 Study 4. Researcher-practitioner collaboration during a PhD study: a single-case study

As mentioned above, Study 4 is an intensive single-case study (Eriksson & Kovalainen, 2008) focusing on the collaboration between myself and the Boardman

practitioner network during the study process for Studies 1, 2 and 3. Drawing on the literature on researcher-practitioner relationships (e.g. Jarzabkowski et al., 2010; Bartunek & Rynes, 2014) and research-practice collaboration (e.g. Amabile et al., 2001; Mohrman et al., 2001; Van de Ven & Johnson, 2006), the unique characteristics, objectives, success factors, practices as well as benefits and drawbacks of this collaboration are analysed and discussed. The collaborative process examined in this study lasted around five years, and its primary form was focus group discussions (e.g. Kitzinger, 1995; Eriksson & Kovalainen, 2008), in which the research plan, topics and results were discussed. Additionally, I participated in Board work seminars, in a course and in Boardman's alumni network, and received relevant materials and books published by Boardman. The empirical data for Study 4 consist, in addition to my personal experience, research notes and monthly e-mails to the Chair of the focus group, of the materials from 15 focus group discussions as well as interviews I conducted with the founder, Chair/Honorary Chair and Managing Director of Boardman.

In line with my own experience, the collaboration was described as successful in the interviews, final focus group discussions and other occasions on which it was discussed. This success was also reflected in the objectives of the collaboration, which evolved and accumulated from merely supporting my PhD study to the societal impact of the research and to a plan to produce a practice-oriented publication based on the results of my dissertation. Additionally, the collaboration has resulted in new collaborative initiatives and projects with academic researchers. Several factors were identified as contributing to this success and bridging the gap that it has been argued exists between research and practice (e.g. Amabile et al., 2001; Gulati, 2007; Bartunek & Rynes, 2014). These include the fact that in this case the collaborative partners shared a genuine interest in the topic of the dissertation, i.e. the CEO-Chair relationship and the CEO dismissal process, which formed a firm ground for the collaboration (Gulati, 2007). As the collaboration was in line with the purpose and strategy of the institutions involved, it received support from both Boardman and from my university, and specifically from my PhD supervisor (Knights & Scarbrough, 2010; cf. Empson, 2013; cf. Carton & Ungureanu, 2017). The non-topical nature of the topic of study also perhaps eased the tensions that might result from different attitudes to time in researcher-practitioner collaboration (e.g. Knights & Scarbrough, 2010; Bartunek & Rynes, 2014).

Success factors (Amabile et al., 2001) concerning the collaborative team included the relevant, complementary knowledge of the group members about the topic and their good skills in group discussion. Since attendance was voluntary, all the participants in the group can be said to have been motivated and interested in discussing the topics of study. The collaborative partners in this case also had some prior knowledge, appreciation and interest in the other side of the research-practice divide (Gulati, 2007). Led by an experienced Chair, the group adopted a set of consistent, structured practices which were described at every meeting, and when any ambiguity or doubt arose, for example about the roles of the collaborative partners, these were quickly clarified.

The benefits of the collaboration include the generation of rich, empirical data on study topics that had rarely been the subject of earlier research (Amabile et al., 2001). The collaboration strongly supported the design of my research process due to the possibility of discussing issues such as access, sampling, and more specific topics of interest in the area of study (e.g. Van de Ven & Johnson, 2006; Gulati, 2007). Moreover, the basic knowledge on the topic that I gathered in the early group discussions was of considerable help to me in conducting the primary interviews of the study. Later on, the discussions helped me choose the specific topics for the separate studies, and to clarify my understanding of the preliminary results. The practitioner participants benefited from the opportunity to hear, learn and discuss new research results on their topic of interest and to make a contribution to the study, and from networking with and learning from other professionals with interests in the same area. As the purpose of Boardman is to develop the skills of its members and to generate new knowledge about Board work, the collaboration served very well these purposes and was aligned with Boardman's normal activities, with my research bringing in new data and perspectives.

Due to this alignment, the drawbacks of the collaboration remained relatively few. However, the most obvious drawback was the amount of time I myself spent on the collaboration, particularly due to the need to present the results differently for the different audiences: for journal articles, in academic English, and for Boardman and practitioners, in Finnish and in a style suitable for practitioners. Moreover, I also had to make sure that I kept decisions concerning the study in my hands (Pettigrew, 2001), although in my experience this did not emerge as a significant issue in this collaboration.

Study 4 contributes to the literature on collaborative processes between researchers and practitioners in management research (e.g. Amabile et al., 2001; Mohrman et al., 2001; Van de Ven & Johnson, 2006) and specifically, in the area of Board work and corporate governance, in which the 'black box' approach has been dominant (e.g. Forbes & Milliken, 1999; Huse, 2007). It is proposed that this kind of collaborative approach can help in negotiating access and conducting academic study on topics that have received little prior attention, probably on account of the difficulties in generating empirical data. Interpreting preliminary results in joint forums (Mohrman et al., 2001) can benefit both partners when it comes to making use of the results. Importantly, this kind of collaboration can also provide new channels for the dissemination of the study results and extra motivation for the researcher (Empson, 2013).

5 DISCUSSION

This doctoral dissertation has examined relational practices and processes of CEOs and Chairpersons in Finnish limited liability companies from the perspective of leadership, and additionally, the researcher-practitioner collaboration during the study process of this dissertation. In this section, I present a theoretical model of the construction of the CEO-Chair relationship and summarise my results, contributions and conclusions from both the academic and the practice perspectives. I also evaluate the study, discuss its limitations and put forward ideas for further research on these topics.

5.1 Summary of the results

5.1.1 A virtuous circle of the construction of the CEO-Chair relationship

The basic assumption of this dissertation has been that a leadership relationship, such as the CEO-Chair relationship, is dynamic and constantly reconstructed in the interaction and social practices of the partners (e.g. Denis et al., 2010). This dissertation showed that dyadic practices and the development of interpersonal trust are closely intertwined in the construction of the CEO-Chair relationship. In other words, trust both influences and is influenced by the dyadic interaction of the partners. It is proposed that in the CEO-Chair relationship, specifically emergent, company-related practices contribute to the construction of the leadership relationship and to the development of interpersonal trust in a cumulative, self-reinforcing manner. A theoretical model which depicts the intertwined nature of dyadic practices and interpersonal trust in the construction of the CEO-Chair relationship, conceptualised as a virtuous circle, is presented in Figure 2.

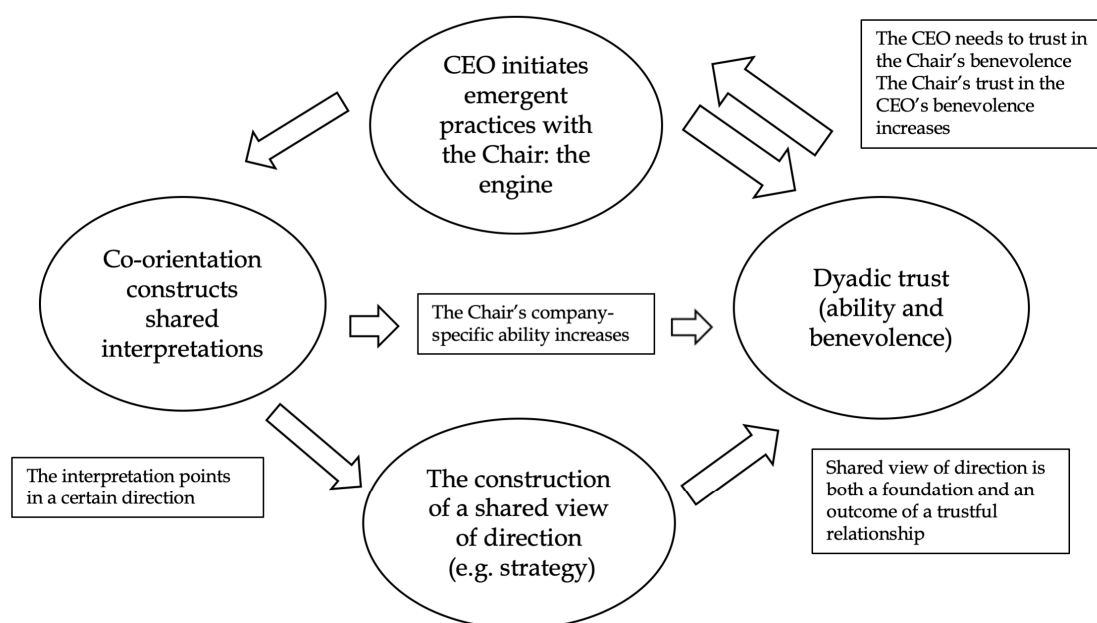


FIGURE 2 A virtuous circle of the construction of the CEO-Chair relationship

As shown by the results of Study 1, partly due to the information asymmetry which works in the CEO's favour, mainly CEO-initiated, emergent company-related practices, which are the most frequent practices, are particularly significant to the construction of the dyadic relationship of CEO and Chair. As regards the meaning of dyadic practices for trust development, it can be said that specifically perceptions of benevolence (Mayer et al., 1995) are influenced by emergent practices and, working in the other direction, perceptions of benevolence influence emergent practices. To be more precise, when deciding *how* open (if at all) the CEO is going to be with the Chair, the CEO's perception of the Chairperson's benevolence is pivotal. A key characteristic as regards the CEO's perception of Chair benevolence is the Chairperson's willingness to give the CEO action space (Crevani et al., 2010). In other words, the CEO needs to trust that the Chair will not interfere in an unwelcome manner (Crow & Lockhart, 2016), even if the information disclosed by the CEO in emergent practices would enable the Chair to do this. The risk of losing action space as a result of their openness with the Chair may hold the CEO back and limit their openness in interaction with the Chair. On the other hand, in order for the relationship and relational trust to develop, it is necessary for the CEO to initiate, at least to some extent, an open dialogue with the Chair. A failure to be open enough might increase the risk of getting dismissed, particularly under conditions of poor performance. From the viewpoint of the Chairperson, the CEO's openness with the Chair beyond what *must* be told enhances the Chairperson's perception of the CEO's benevolence (Mayer et al., 1995; Lapidot et al., 2007). In part, the benevolence of the Chair to give action space to the CEO is likely to be influenced by her/his perception of the CEO's ability, and it is proposed that dyadic practices,

both emergent and scheduled, influence the Chairperson's perceptions of CEO ability (Mayer et al., 1995). Additionally, the ability of both partners may grow in this process as they learn from each other, but specifically the Chairperson's company-specific ability depends to quite a large extent upon the company-specific information received and the dialogue conducted in these practices. This, in turn, is likely to enhance the Chair's possibility of creating value, for example by providing the CEO with support, advice and challenge in the form of questions.

The results of this study throw some light on the meaning of co-orientation (Crevani et al., 2010) in the CEO-Chair relationship. It is proposed here that the shared interpretations of the meaning of upcoming events and challenges that are constructed in dyadic, largely CEO-initiated emergent interaction are significant for an effective relationship. Moreover, the interpretations of the meaning of upcoming issues that are made in these practices are also important as they construct direction by pointing to certain solutions and directions (Holmberg & Tyrstrup, 2010). In this study it is suggested that in the CEO-Chair relationship, an agreement on direction, i.e. goal congruency (cf. Jensen and Meckling, 1976; Davis et al., 1997) as regards company strategy is a significant foundation for trust. When this virtuous circle of the relationship works effectively, this agreement may further develop to a shared and co-created view of company strategy, even if formal decision-making concerning strategy takes place in Board meetings by the Board as a collective. As noted by McNulty and Pettigrew (1999), executives, such as a CEO, may test their ideas with non-executive Directors informally before taking a formal proposal to the Board. The findings of this study suggest that dyadic practices in the CEO-Chair relationship may play an important role in this kind of co-orientation, i.e. informal, out-of-boardroom testing of the CEO's ideas and proposals, and possibly also in guiding the preparation of the proposals. This interaction might also contribute to the alignment of strategic orientation, i.e. to a more aligned understanding on the part of the dyadic partners of strategy as a concept (Luoma, 2014).

It is also argued that the process described above is meaningful for the construction of the action space (Crevani et al., 2010) of the CEO and the Chair, and additionally, of the Board as a whole, for various reasons. Firstly, the CEO's initiation of discussion with the Chair of emergent challenges, opportunities and other unexpected events together opens more action space for the Chair. Secondly, the action space of the CEO can be said to be constructed in these practices, as the partners can consider and agree how the issues raised in the discussion will (or will not) be addressed in the future. The CEO may, for example, either be given or denied permission to continue with a certain, major project, or to take rapid action on an unexpected, emergent issue. Thirdly, the dyadic partners may agree that the issue will be put on the agenda of the next Board meeting, or that the Board will be informed about it immediately.

Even if intensive interaction in the virtuous circle presented above may lead to a CEO-Chair relationship which the partners perceive as high-quality, close and trustful, it is important to note that the consequences of this kind of

reinforcing cycle may not be limited only to positive effects (Luoma, 2006). The results of this study suggest that the relationship also involves a certain dynamic related to proximity and distance (Huse, 2007). Even if openness and a certain amount of closeness are necessary for an effective, trustful relationship, the partners may want to keep the relationship professional and remain at some distance from each other rather than to become close friends (cf. Kakabadse et al., 2010). This is because a close relationship could make it difficult to act professionally in some situations (Van Ees et al., 2008); for example, it might be very tough for a Chair to handle the possible situation of CEO dismissal with a close friend. In part, this may also be the reason why the results of the dismissal study (Study 3) suggest that Chair turnover may impact CEO dismissal. As I have already mentioned, it appears that a new Chairperson may evaluate a situation and the CEO more critically than their predecessor has done or, as Stewart (1991, p. 524) put it, take 'a more objective look' at the personality and activities of the CEO. In sum, the results lend support to the complexity of the relational dynamics between the Board and the management, and to the suggestion that a non-executive Director, such as the Chair, needs to balance between control and service tasks and to be at the same time independent and involved (e.g. Sundaramurthy & Lewis, 2003; Roberts et al., 2005; Huse, 2007; Van Ees et al., 2008).

5.1.2 The impact of the CEO-Chair relationship on Board work

Previous researchers have proposed that the CEO-Chair relationship has a pivotal impact on the work of the Board and particularly on the effectiveness of non-executive Directors (e.g. Pye, 2002; Roberts, 2002; Huse et al., 2005; Kakabadse et al., 2006; Gabrielsson et al., 2007). The findings of this dissertation confirm the significance of the CEO-Chair relationship for Board work, and throw light on some of the practices, mechanisms and dynamics that may contribute to this influence. In particular, the Board's space of action (Crevani et al., 2010) can be argued to be significantly constructed in the company-related scheduled practices of CEO and Chair, as at least the Board's agenda, but often additionally the information sent to Board Directors and the proposals based on which the Board makes its decisions (or declines to make them) are determined in these practices. The results also show that the Chair may, for example when not in agreement with the CEO upon a specific proposal, limit the action space of both the CEO and the Board by not accepting the proposal for presentation to the Board. The CEO might also at times anticipate the Chairperson's responses to certain matters, and therefore withhold some ideas and proposals altogether if she/he thinks that the Chair would disapprove of them (McNulty & Pettigrew, 1999). In other words, the gatekeeper role concerning the information presented to the Board is not necessarily always held by the management (cf. Johanson, 2008), but in the case of an active, open CEO-Chair relationship is held by the CEO-Chair dyad, or the Chair. It is proposed here that even if the agenda, proposals and materials of the Board are largely determined in scheduled, company-related dyadic practices, the action space of the Board is also constructed in

other forms of dyadic practices and especially in emergent, company-related practices. This is because the different forms of practice dynamically influence each other (Lindgren & Packendorff, 2011), and with issues discussed in emergent practices it can, when necessary, be agreed that the Board will be informed of them immediately or that they will be put on the agenda of the next Board meeting, for example.

Despite the substantial amount of research on the topic, studies have failed to show strong evidence of the superiority of the governance structure of CEO duality or non-duality with regard to company financial performance; the results of these studies and the meta-analyses based on them have been inconclusive (e.g. Krause et al., 2014). Based on the findings of this study, it is argued that the separation of the roles of CEO and Chair may not improve or weaken company performance *per se*, but the ability of the dyadic partners (when the roles are separated) and in part, also the Board, to create value for the company may be influenced by the dyadic practices and the level of trust in the CEO-Chair relationship. Prior studies have proposed that the Board's contribution to company performance is dependent on its continuous involvement in strategic processes (Crow & Lockhart, 2016). In order for the Board to be involved in strategy, company-specific knowledge is necessary (e.g. McNulty & Pettigrew, 1999; Forbes & Milliken, 1999; Stiles, 2001; Barroso-Castro et al., 2017); conversely, a lack of company-specific knowledge constrains the Board's involvement in strategy (Johanson, 2008). As described above, the level of interpersonal trust and above all the CEO's perception of the benevolence (Mayer et al., 1995) of the Chair influences the CEO's initiative and openness with the Chair in dyadic practices. When the Chair is able to build a trustful relationship with the CEO, not only her/his own company-specific information and action space may develop but, additionally, the more open dialogue and the flow of information also as regards strategic, uncertain and risky matters, can be taken as far as the boardroom. In contrast, the results of this study indicate that the information received by the Chair in the dyadic interaction may be substantially more limited when trust in the relationship does not develop and the partners remain at a considerable distance from each other (Roberts & Stiles, 1999). It can be assumed that in this kind of situation, the information received by Board Directors is also likely to be less open and detailed. It is therefore proposed that the level of trust in the CEO-Chair relationship may impact the Board's action space and the roles the Board is able to play. In particular, it is proposed that the ability of the Board to take a strategic role is influenced by the level of trust in the CEO-Chair relationship.

However, it is necessary to note that a high-trust CEO-Chair relationship may not always result in more action space for the whole Board and an active role for the Board in strategy. For example, it is possible that the dyadic partners will not take the issues discussed and the strategic debate to the Board, but will keep it to the limits of their own interaction. Other factors, such as dynamics, abilities and difficulties with information processing (Boivie et al., 2016) may also set limits to the roles the Board can play. It has also been proposed

that a Board's strong orientation to monitoring may result in a control-oriented CEO-Board relationship (Sundaramurthy & Lewis, 2003; Roberts, 2012), and that a significant involvement of the Chair in boardroom discussions may limit the engagement of other Directors (Bezemer et al., 2018). For the Board to work as an effective team, the Chair needs to be able to exercise skilled Board leadership (Gabrielsson et al., 2007; Machold et al., 2011; Huse & Gabrielsson, 2012; Bezemer et al., 2018). And finally, as noted by Pye (2002), in some situations, the strong strategic involvement of the Board may not be necessary.

5.1.3 The role of the Chair in the CEO dismissal process

It has been argued that the role and leadership of the Chair are still poorly understood (Huse & Gabrielsson, 2012). The results of this study give support to Huse (2007), who argued that the impact of Board leadership and processes has been underestimated, and that the role and influence of the Chair go much further than chairing a decision-making group (e.g. Huse, 1998; Roberts, 2002; Huse et al., 2005; Leblanc, 2005; Huse & Gabrielsson, 2012). In particular, the results of this study shed light on the role of the Chair outside Board meetings in creating action space (Crevani et al., 2010) for the whole Board. In addition to the dyadic practices with the CEO discussed above, this role of the Chair is pivotal when the need arises for the Board to discuss whether or not the current CEO is the best possible person for the company in current circumstances (Roberts, 2002; McNulty et al., 2011). When considering if it is necessary to change the CEO, the procedure of the Board can be argued to be extraordinary, partly due to the exclusion of the CEO. In other words, as the CEO is not likely to prepare a proposal for her/his own dismissal, it is necessary for the Chair to initiate and take action to address the issue. It can also be suggested that the Chair, on account of her/his more frequent interaction with the CEO than the rest of the Board, is in a better position than they are to evaluate the actions, ability, effort and fit of the CEO, and consequently, to possibly significantly influence the perceptions of other Board Directors on the CEO. The results of this study indicate that in the dismissal process, the Chairperson's action in creating the conditions for the Board to address the issue, for example to discuss and evaluate the CEO without her/him being present, is crucial. The Chairperson may also need to generate additional information from, for example, other top management team members, owners and head hunters. In fact, it can even be proposed that if the Chair does not take action in the process of CEO dismissal, it may be very difficult for the rest of the Board to act upon the matter (cf. Pettigrew & McNulty, 1998).

5.1.4 Considerations on the impact of contextual characteristics

The results of this study shed light on the context-embedded nature of leadership (e.g. Denis et al., 2010) and suggest that certain contextual characteristics, such as company performance, order of entry of the CEO and Chair into the relationship, and the CEO's personal ownership may have a significant influ-

ence on the relational dynamics examined. The results suggest that the relational dynamics may develop differently depending on the order of entry of the partners into the relationship (Stewart, 1991; Cornforth & MacMillan, 2016). The order of entry of the partners into their positions may particularly impact the start of the 'engine' of the circle presented above. One reason for this may be that when the Chair is the first of the partners in the role, she/he is very likely to be in a key role in the recruitment process of the CEO, which means that both partners will have the chance to evaluate their willingness to work with the other partner before entering the relationship. So, in this kind of situation, both partners are able to make the decision to commit to the relationship with the other partner, and this may have an impact especially on the perceptions of benevolence (Mayer et al., 1995) concerning the dyadic partner. Moreover, when a new CEO who has not yet been able to show any results as a proof of her/his ability to perform in the current company context takes charge (Hambrick & Fukutomi, 1991; Shen, 2003), she/he is likely to be willing to engage in an open, active relationship with the Chair who has been involved in her/his recruitment. In this kind of situation, it is also probable that the Chair will have more company-specific information than the CEO at the start of the relationship, and will therefore be in a good position to support the CEO during the early stages of her/his tenure. In a situation of this kind, the interaction is likely to start actively, which may help to build a complementary, trustful relationship (Roberts & Stiles, 1999). It is also suggested that a similar kind of mutual commitment, possibly impacting the early perceptions of benevolence of the dyadic partners, takes place in the context of majority ownership of the CEO. In a case of this kind, the CEO is likely to be in a position to either directly choose or, at least strongly influence, the appointment of the Chair, and the role of the Board and the Chair may become strongly biased towards advice and service, rather than control (Ikäheimonen, 2014). When she/he is a major owner, it can be argued that the CEO is less vulnerable (Mayer et al., 1995) to the actions of the Chair and is less likely to be dismissed due to poor performance (e.g. Maury, 2006), which may also enhance the CEO's openness, initiative to interact and the development of dyadic trust.

In contrast, when the Chair is the later of the partners to start in the position, the process of trust development may not be so smooth. The (non-owner) CEO is normally not in a position to have strong impact on the appointment of the Chair, and if the Chair turnover is a disappointment to the CEO, this may influence the formation of the relationship (Ballinger et al., 2009). Moreover, a long-tenured CEO who has already been able to give strong proof of leadership in the role (Hambrick & Fukutomi, 1991; Shen, 2003), may neither see the need for an active relationship with the Chair, nor be willing to jeopardise her/his action space by open information-sharing with the Chair. The resulting lack of emergent interaction may mean that the relationship with the Chair, interpersonal trust between them, and the company-specific ability of the Chair do not develop, and the partners remain at a considerable distance from each other (Roberts & Stiles, 1999). In circumstances of strong company financial perfor-

mance this kind of relationship may be perceived as acceptable from the perspective of the Board and the Chair, but under the conditions of poor performance, it may possibly contribute, at least in part, to the dismissal of the CEO. On the other hand, the results of this study also indicate that some particular event, such as a conflict in the boardroom, may influence the CEO's perception of the benevolence and ability (Mayer et al., 1995) of the Chair to give support to the CEO, and result in starting the 'engine' and a more active initiation in the dyadic interaction, which, again, may lead to a more trustful relationship. The dyadic interaction and reciprocal dynamics during the early stages of the relationship appear to be particularly meaningful for trust development (Roberts & Stiles, 1999), but the level of trust appears to stabilise and the significance of any individual events to diminish once the dyadic partners get more experience and knowledge of each other's conduct and trustworthiness (Lewicki & Bunker, 1996).

The results of the study indicate that particularly under the conditions of poor performance, Chair turnover may influence CEO dismissal. This may be because of the resulting changing attributional processes and dynamics in the boardroom. A new Chairperson may take a more critical stance to the CEO than did her/his predecessor (Stewart, 1991), possibly due to a different attribution (Fredrickson et al., 1988; Haleblian & Rajagopalan, 2006), which may then result in a self-fulfilling prophecy (Yukl, 2010). Previous research has also suggested that Boards composed of Directors with short or various tenures may have less cohesion and more diverse evaluation criteria as regards the CEO (Fredrickson et al., 1988).

5.2 Implications for practice

The position of the CEO has often been described as a lonely one (e.g. Stewart, 1991). However, in line with other authors (e.g. Stewart, 1991; Roberts & Stiles, 1999; Roberts, 2002), the findings of this study suggest that a complementary relationship with the Chair may make a significant difference to this loneliness. Still, the results of this study reveal that the relational dynamics contributing to a complementary, trustful and satisfying relationship between the CEO and Chair are delicate, self-reinforcing, and strongly influenced by the context, such as the order of entry of the partners into the relationship. Consequently, this study contributes to practice by shedding light on and increasing awareness of the different types of practices and their contribution to the construction of the CEO-Chair relationship and trust development in the relationship. Probably partly due to the confidential nature of both the CEO-Chair relationship and the CEO dismissal process, publicly available information on the practices and processes regarding them is very limited.

The findings of this study show that the CEO-Chair relationship and interpersonal trust can be constructed in several different ways, and that there is significant variety in the frequency of interaction and types of practices adopted

by the dyads. Put together with the cumulative nature of trust (e.g. Roberts & Stiles, 1999; Sundaramurthy & Lewis, 2003), this variety highlights the importance of the partners discussing together their expectations of their relational practices when starting in a new relationship. In line with previous research, the results specifically highlight the significance of the start of the relationship (e.g. Roberts & Stiles, 1999): if the dyadic partners fail to build trust in the early stages of the relationship, there may be a distance and lack of interaction between the partners, and the cumulative nature of trust development may further enforce this development into a vicious, rather than a virtuous circle. Additionally, it is important to note that even if trust in the CEO is often (also in the interviews conducted for this study) described to be an 'on-off' issue, the results of this study suggest that trust is more dynamic than that and may exist on several different levels during the course of the CEO-Chair relationship. In other words, trust needs constant attention and care (e.g. Flores & Solomon, 1998; Scandura & Pellegrini, 2008) and can be deliberately developed by the partners. Also in the CEO dismissal process, the Board's decision to dismiss the CEO is typically not sudden, but rather the result of a process which, at least in retrospect, is perceived as having lasted for too long.

The results of this study also point to the need to raise awareness of the influence of social dynamics and possible biases in the processes examined. For example, the turnover of the Chair may, in the light of the results of this study, have different kinds of implications for the work of the Board. It is proposed that specific attention should be paid to situations in which a new Chair takes charge (Stewart, 1991; Cornforth & MacMillan, 2016) with a long-standing, high-performing CEO. In this kind of situation, the CEO may not always take the initiative to engage in active dialogue with the Chair, which may inhibit the development of the relationship and of interpersonal trust. This is likely to result in a more limited amount of company-specific information and space of action (Crevani et al., 2010) for the Chair. Due to the important role of the Chair in creating action space for the Board, it can be suggested that a distant, low-trust CEO-Chair relationship is likely to limit the action space of the Board and particularly, due to the need for company-specific information, its strategic role, discussed above (e.g. Forbes & Milliken, 1999; McNulty & Pettigrew, 1999; Stiles, 2001; Barroso-Castro et al., 2017), that is, the possibility of the Board's contributing to company strategy and value creation (Huse, 2007).

Even if the Chair does not, under the Finnish Companies Act, have greater decision-making power than other Board Directors, the examination of the processes and practices conducted in this study indicates that in practice the Chair's influence may be stronger (Hirvonen et al., 2003; Lekvall et al., 2014; Arvopaperimarkkinayhdistys ry, 2015). Partly, this impact is illustrated by the result that it is relatively rare for the dyads to put a decision proposal onto the Board's agenda about which the partners are not in agreement; typically, the dyadic partners will aim for co-orientation and a common direction (Crevani et al., 2010) before presenting any major proposals to the rest of the Board. In addition, it can be suggested that the interaction of the dyadic partners with re-

gard to emergent challenges and opportunities may influence their ideas and perspectives on company strategy which will, at later stages, be reflected in the strategic proposals presented to the Board.

As described above, Chair turnover may also have significant impact on the Board's attributional processes and on CEO dismissal. The results of the dismissal study (Study 3) additionally indicate that when considering how to respond to poor company performance, the Board may find that its relationship with the management team is not close and active enough to give them enough information on the ability and views of top management team members. Since building that kind of relationship may be difficult and time-consuming at a time when the Board needs to reach a conclusion on the need to change the CEO, it is proposed that it would be valuable for the Board to initiate an active relationship with the management team, rather than only with the CEO, as part of its ordinary operation.

The results of this study can be used by CEOs and Chairpersons to develop their relationship. They could also be used to develop training and coaching programmes to support CEOs and Chairpersons in their roles. The dismissal study additionally makes visible the extraordinary and pivotal role of the Chair in leading the process of dismissal, and this description may be particularly useful to Chairpersons with no or limited experience of CEO dismissal. The study results can also be used for the development of the self-evaluation procedures conducted within Boards of Directors. In their present form, these evaluations do not typically have a specific section that focuses on the CEO-Chair relationship and interaction.

5.3 Evaluation of the study

In this kind of study, which is based on paradigmatic assumptions in which reality is understood as socially constructed, subjective, shaped by context and at the same time, shaping it, it is important for the researcher to be aware of their own role and to constantly evaluate the quality of research during the study process (e.g. Eriksson & Kovalainen, 2008). The importance of reflexivity in the research process is particularly emphasised: the researcher has to critically and continuously reflect on how knowledge is being produced, described and justified (Eriksson & Kovalainen, 2008; Klenke, 2008). It has been proposed that in studies that assume multiple realities and co-created understandings, the traditional evaluation criteria of quantitative research, such as validity, reliability and generalisability, can be replaced by criteria more suitable for philosophical assumptions of this kind (Lincoln & Guba, 1985; Eriksson & Kovalainen, 2008; Klenke, 2008). Lincoln and Guba (1985) proposed that the trustworthiness of this kind of inquiry could be operationalised by the use of four criteria: credibility, dependability, confirmability and transferability. I will now discuss my research and the procedures followed during the research process in terms of these criteria.

Credibility refers to the familiarity of the researcher with the topic and to the logic between the research materials used and the interpretations made based on them (Lincoln & Guba, 1985; Eriksson & Kovalainen, 2008). In this study, a substantial amount of rich, in-depth data was generated from key actors in Board work and corporate governance, and as I personally carried out all the interviewing, transcribing and analysis of the empirical data, I became very familiar with them. In addition to the primary, in-depth interview data, the long-lasting collaboration and focus group discussions with the practitioner network during the study process generated a comprehensive set of empirical data, which complemented the primary interview data and served for the purposes of triangulation (e.g. Lincoln & Guba, 1985; Flick, 2004; Klenke, 2008). As both my personal knowledge and prior literature on the topic were relatively thin at the start of the process, designing the study, sampling for the interviews and conducting the interviews, for example, would all probably have been more difficult without the preliminary understanding created in the collaboration. In particular, the early discussions with the focus group were useful and important in generating basic knowledge and understanding on the area of study, they helped in identifying the more specific topics of study, and they increased my confidence, which probably helped both in access negotiations and in conducting the interviews. At a later stage, the discussions generated additional knowledge about the more specific topics of interest, and supported the interpretation of the data (Mohrman et al., 2001). I had the opportunity to use member checking (Lincoln & Guba, 1985) to test the credibility of my preliminary findings with the practitioner network members both in the focus group discussions and in discussions on other occasions. Participating in several practitioner seminars for Board Directors, discussing my results with various audiences and working as a Board Director additionally increased my understanding of the research topic. Particularly during the interviews and focus group discussions, I found that my personal work experience from senior management, Board work and the leadership training of senior executives was beneficial, as I am accustomed to working and interacting with senior Directors, such as the respondents in this study (e.g. Sealy et al., 2017).

As the topics and the setting of the study can be characterised as sensitive, I paid special attention to trust building with the respondents (Lincoln & Guba, 1985; Eriksson & Kovalainen, 2008) from the very first e-mail on. For example, I described my own professional background and the aims of the study, and strongly underlined the anonymity and confidentiality of the interview. Some respondents actually tested this in the interview, for example by asking something concerning the interview of their partner. In general, it appeared that the respondents trusted me enough to discuss the topics of study relatively openly, and that they appreciated the open-ended, in-depth style of the interview. In fact, some respondents specifically commented that they had experienced the interview occasion as fruitful and interesting, as they had rarely had the opportunity to discuss these topics with anyone.

Dependability (Lincoln & Guba, 1985; Eriksson & Kovalainen, 2008) concerns informing the reader about the logicity, traceability and documentation of the research process. The research process and the methods used to analyse the data were described in the four studies as originally published and are described here in Section 3 of this essay. The research process was substantially eased by the permission of all interviewees to audio-record the interviews, which enabled me to produce word-for word documents to be used in the analysis. When I found it useful, I used Atlas.ti software to enhance the organising and analysis of the substantial amount of empirical data. Throughout the research process, I documented my current thoughts, ideas and preliminary findings in my personal notes and in the different forms of practitioner collaboration, as described in Study 4.

Confirmability is about the extent to which the findings and interpretations of the study are linked to the data in such a way that they can be understood by other people (e.g. Eriksson & Kovalainen, 2008). In my experience, the confirmability of this study benefited from the review processes of the journal articles and from discussing the preliminary results with the focus group. Additionally, within the limits set by the maximum word count allowed for the journal articles, I included some illustrative quotations from the interview data in the findings. The sensitivity of the dyadic empirical setting of this study, however, also sets some restrictions to the reporting of the findings, for ethical reasons (e.g. Eriksson & Kovalainen, 2008). For example, some respondents gave examples of events that had eroded their trust in their dyadic partner but asked me not to write about those events in the report, as their partner might be able to recognise who had spoken about the event and its effect on her/his trust in the other partner in the relationship. Also in Study 3, ensuring the anonymity of the respondents set limits to the presentation of the study results, and it was agreed that the dismissal processes described by the interviewees would not be presented as individual cases.

Transferability is about the contextuality of the research, and about connecting the study results with prior research (e.g. Eriksson & Kovalainen, 2008). Lincoln and Guba (1985) propose that it is the researcher's responsibility to provide the reader with sufficient data concerning the context of study to enable the reader to consider the applicability of the findings in other contexts. As described above, the findings of this study especially highlight the context-embedded nature of the phenomena studied. The social-cultural context and relevant legislation and other guidelines of corporate governance are also likely to influence the relationships and processes examined in this study (e.g. Huse, 2007; Kakabadse & Kakabadse, 2007; Crossland & Chen, 2013). To enhance the transferability of the results, the characteristics of the empirical contexts of this study have been described both in the separate articles and in this essay. I have also made as much use as possible of prior studies throughout the research process in order to connect my results with them, and discussed my findings in relation to prior literature in the publications. However, the small amount of prior research, particularly as regards studies on the topic

conducted in the context of Finland or focusing on the process of CEO dismissal, has set limits to this.

It is also necessary to recognise the dynamic, constantly changing nature of the relationships examined when considering the transferability of the results. In fact, the results of this dissertation also increase knowledge on this issue. For example, with hindsight and based on the results of this study, I am aware that if I had selected my sample to include more dyads that were at the early stage of their relationship (the category of 1-2 years of relationship tenure), this might have resulted in the inclusion in the sample of more dyads with challenges and difficulties in the relationship. In the current study, the sample became slightly biased to more mature relationships, partly because of the withdrawal due to forthcoming CEO turnover of the two dyads who would have represented more recently formed relationships.

5.4 Limitations and further research

A major limitation of this study is that it was empirically conducted in one country, Finland. The Finnish Chair is often, particularly if not a major shareholder and/or founder of the company, in a non-executive, part-time position, and can therefore be considered to be in a less powerful position than a Chair in an executive, full-time role (McNulty et al., 2011). Even if prior research has proposed that a non-executive, part-time Chair may focus more on her/his monitoring role than on other roles (McNulty et al., 2011) and exert influence by using the authority of the position (McNulty & Pettigrew, 1996), the results of this study indicate that a non-executive Chair may also be active in the roles of service and strategy (Zahra & Pearce, 1989) and in supporting the CEO and, as discussed above, may pivotally contribute to creating conditions in which the Board can have an impact on strategy and value creation (Huse & Gabrielsson, 2012). Working in a high-trust society such as Finland (e.g. Bjørnskov, 2007), Finnish CEOs and Chairpersons may, for example, be more likely to act and expect others to act as stewards, and this can more easily contribute to starting the 'engine' of the virtuous cycle in the construction of the relationship (Roberts & Stiles, 1999; Sundaramurthy & Lewis, 2003). Consequently, it would be important to study these topics and relationships in low-trust societies, to increase our understanding of the dynamics of relational development in that kind of context. With the current increase in the separation of the roles of CEO and Chair in the US (Spencer Stuart, 2017), it will also be more possible and more important than before to conduct studies on both the CEO-Chair relationship and CEO dismissal in US companies that have adopted the structure of CEO non-duality.

Another major limitation of the study is that it is largely based on interviews, rather than for example on observation of the relational practices and processes as they take place. Senior executives and Directors, such as CEOs and Chairpersons, can also be assumed to be highly skilled at justifying their actions

and influencing others (Mills, 1940; Scott & Lyman, 1968; Ferris et al., 1994; Welch et al., 2002) when they are interviewed. On the other hand, it may be that the dyadic setting in the interviews for Studies 1 and 2 on current relationships reduced 'whitewashing', as the respondents knew that their dyadic partner would also tell me her/his side of the story. The data on the CEO dismissal process were, however, generated only from the Chairperson's perspective. Still, the adoption of a narrative approach in the generation of empirical data made it possible to generate information on processes that would be very difficult to access as they take place. Moreover, as already noted above, due to the ad hoc nature of some important relational practices in the CEO-Chair relationship, such as emergent practices, continuous, full-time observation would be needed in order to capture the moment when the practices take place.

The primary topics addressed in this study, i.e. relational practices and trust development in the CEO-Chair relationship, and the CEO dismissal process, have all received very limited attention in prior research, despite their noted importance for corporate governance and Board work. Even if more research focusing on Board processes and the role of the Chair (e.g. Huse et al., 2005; Leblanc, 2005; Gabrielsson et al., 2007; Huse, 2007; Huse & Gabrielsson, 2012; Bailey & Peck, 2013; Crow & Lockhart, 2016; Bezemer et al., 2018) has emerged recently, the framework and concepts of relational leadership theory (e.g. Uhl-Bien, 2006; Crevani et al., 2010; Uhl-Bien & Ospina, 2012) have very rarely been applied in the context of Board work and corporate governance. The definition of relational leadership as a process of social influence in which coordination and change are constructed (Uhl-Bien, 2006) can be argued to be very appropriate for examining the relational processes and dynamics between executives and Board Directors. For example, it would be fruitful to explore the construction of leadership through the notions of direction, co-orientation and action space (Crevani et al., 2010) in the interaction, practices and processes of the Board.

The results of this study indicate that the perceived quality and level of trust in the CEO-Chair relationship may have a strong impact on the Board's opportunities to be involved in company strategy. It is proposed that the literature on strategic leadership (e.g. Finkelstein et al., 2009) and specifically, the strategy-as-practice literature (e.g. Whittington, 1996; Chia & Holt, 2006; Jarzabkowski et al., 2007) would benefit from studies paying closer attention to the CEO-Chair relationship and their dyadic practices. Also, the CEO and Chair can be argued to be at the top of the organisation as regards power, and for this reason it would be interesting to adopt the lenses and concepts of power in the examination of the dyadic relationship (Pettigrew & McNulty, 1995; Pettigrew & McNulty, 1998; McNulty et al., 2011).

This study did not focus on examining the Board's decision-making in more detail, and further empirical research focusing on the decision-making processes of the Board (e.g. Huse et al., 2005; Pettigrew & McNulty, 1998; Bailey & Peck, 2013; Bezemer et al., 2018) would be valuable. Obviously, gaining access to the boardroom is a challenge to this kind of study. Also, as the work of

the CEO-Chair dyad can, as the findings of this study suggest, be said to be in a position to strongly influence the work of the Board, it would be worth studying how the other Board Directors perceive the relationship and influence of this dyad. Moreover, it is possible and even probable that the experience of the CEO and other Board Directors with regard to the CEO dismissal process would differ from that of the Chair, which was examined in this study, and further study on the dismissal process focusing on these actors would be very worthwhile, as this kind of study is extremely scarce. Additionally, due to the position of the Board between the shareholders and management (Aguilera, 2005), it would be valuable to include the perspective of shareholders when studying the human side of corporate governance and Board work.

As discussed above, the start of the CEO-Chair relationship appears to be particularly important: if trust does not develop between the partners in the early stages, they may either continue to work together but remain at a distance, or at least one of the partners may leave her/his position. Studying the significance of the length of the tenure (Hambrick & Fukutomi, 1991; Shen, 2003) and of the order of entry of the dyadic partners would be fruitful areas of further study as regards both the CEO-Chair relationship and other leadership relationships. For example, examining the linkages between the perceived quality, relational practices and order of entry into the relationship might yield interesting results. The CEO dismissal literature would also benefit from more attention being given to the impact of Chair turnover on CEO dismissal. Also, probably partly due to the limited amount of literature on Chairpersons, prior knowledge on the antecedents, consequences and particularly the process of Chair turnover is very limited (Pettigrew & McNulty, 1998), whereas the antecedents and consequences of CEO turnover have been widely studied (see e.g. Hilger et al., 2013; Cragun et al., 2016), so more research on this area could usefully be conducted.

In the intensive single-case study conducted as part of this dissertation, it was proposed that a combination of various contextual characteristics contributed to the success of the collaboration described there. Examining similar processes in other contexts would be valuable to increase understanding of the relative significance of the various success factors identified in Study 4. Also, the experiences gained while making this study warmly suggest that using a similar kind of collaboration in further studies on Board work would be very worthwhile.

5.5 Conclusion

The arguments justifying the separation of the roles of CEO and Chair have largely been based on agency theory and its assumptions of self-serving individuals and lack of trust, and the consequent need to ensure that the CEO is controlled and monitored (Jensen & Meckling, 1976). In the light of the results of this study, neither the role of the Chair nor the CEO-Chair relationship is merely about control and setting limits to the self-serving conduct of the CEO.

Rather, it can be argued that an active, trustful CEO-Chair relationship may, in addition to serving the controlling function, be able to contribute to value creation to the company and its stakeholders.

The roles of the CEO and Chair have been described as follows (Pettigrew & McNulty, 1995, p. 857): 'The chairman runs the board. The chief executive runs the company.' However, the results of this study suggest that leaders such as the CEO and Chair are not two separate individuals doing leadership work in isolation, but that their respective roles and dyadic relationship are more co-constructed, interlinked and dynamic than the above comment would imply (e.g. Stewart, 1991; Roberts & Stiles, 1999; Denis et al., 2010). The findings of this study make it clear that the CEO-Chair relationship is evolving and contextually embedded by nature (Cornforth & Macmillan, 2016), and that the relational practices may considerably vary across relationships. The results also show that an important element in the construction of the Chairperson's role and action space is her/his relationship with the CEO (cf. Stewart, 1991). In addition, the study illustrates the pivotal role of the Chair in the construction of the Board's space of action (Crevani et al., 2010) both in ordinary circumstances and particularly in the process of CEO dismissal (Roberts, 2002).

This study sheds light on the significant role of trust in the construction of a leadership relationship. Based on the findings, it can be argued that leadership, examined in this study through the notions of direction, co-orientation and action space (Crevani et al., 2010), is continuously being constructed through leadership practices that are influenced by and at the same time influence trust development in the relationship. Particularly in the early stages of the relationship, this dynamic can be described as delicate, cumulative and reciprocal. The results also show that rather than being an on-off issue, trust may exist on different levels and increase and decline during the CEO-Chair relationship.

Board work has received increasing attention in recent years, and in addition to legislation, particularly the work and composition of the Board of Directors of a listed company has been increasingly regulated by corporate governance codes. However, the results of prior studies on, for example, the performance consequences of CEO duality versus non-duality have been inconclusive (e.g. Krause et al., 2014). This study increases understanding of the mechanisms and issues that contribute to the pivotal role of the CEO-Chair relationship and of the Chair of the Board in Board work and corporate governance acknowledged in previous studies (e.g. Roberts, 2002; Kakabadse et al., 2006; Gabrielson et al., 2007). The results of this study show that it is important to pay attention to the human side of corporate governance and to the relational processes and dynamics between the Board and management. Especially the quality and openness of interaction and the level of trust in the CEO-Chair relationship can be argued to impact on the possibilities the Board has to perform its tasks.

In the rapidly changing, increasingly uncertain and digitalising business environment of today, the ability to respond quickly to emerging changes and challenges in the market has become more and more important for companies. As shown in this study, the CEO-Chair dyad can address unforeseen events,

opportunities and challenges in dyadic practices with much more flexibility and speed than would be possible for the whole Board, which typically meets at pre-defined and relatively long intervals, for example six or twelve times a year. Moreover, as the need to inform the Board or to put an issue on the Board's agenda is largely evaluated in the dyadic interaction of the CEO and Chair, this dyad can also be seen to have a gatekeeper role as regards the action space of the Board. It is therefore not unreasonable to conclude that especially in today's unpredictable world, the relationship between the CEO and Chair can play a crucial role in an organisation's success.

YHTEENVETO (FINNISH SUMMARY)

Hallituksen ytimessä: toimitusjohtaja ja puheenjohtaja. Prosesseja, käytäntöjä ja suhteita.

Tässä väitöskirjassa tarkastellaan johtajuutta toimitusjohtajan ja hallituksen puheenjohtajan kahdenvälisessä suhteessa sekä toimitusjohtajan erottamisprosessissa. Tutkimuksen päätavoitteena on lisätä ymmärrystä toimitusjohtajan ja hallituksen puheenjohtajan välisen johtajuussuhteen käytännöistä ja prosesseista. Väitöskirjassa kehitetään teoreettinen malli toimitusjohtajan ja hallituksen puheenjohtajan suhteen rakentumisesta. Tutkimus lisää myös tietoa toimitusjohtajan erottamiseen johtavasta prosessista, ja erityisesti puheenjohtajan roolista tämän prosessin johtamisessa. Lisäksi tutkimus tekee metodologisen kontribuution analysoimalla tutkimusprosessin aikana toteutettua tutkijan ja käytännön hallitusosaajien välistä yhteistyötä.

Vaikka toimitusjohtajan ja hallituksen puheenjohtajan välisen suhteen keskeinen merkitys hallituksen toiminnalle ja hyvän hallinnon toteutumiseksi on tunnistettu aikaisemmassa tutkimuksessa, aikaisempaa tutkimusta aiheesta on vain vähän. Tämän väitöskirjatutkimuksen laaja, laadullinen empiirinen aineisto on kerätty eri kokoisten ja omistustaustaltaan erityyppisten suomalaisten osakeyhtiöiden toimitusjohtajilta ja hallituksen puheenjohtajilta. Tutkimusaineisto sisältää yhteensä 44 toimitusjohtajan tai puheenjohtajan haastattelua, minkä lisäksi tutkimusprosessin tukena toteutettiin 15 fokusryhmäkeskustelua hallitustyön osaajaverkoston jäsenistä muodostetun kehittämisfoorumin kanssa. Väitöskirja on artikkelimuotoinen, ja se koostuu tästä johdantoosasta sekä empiirisiin tutkimuksiin perustuvista kolmesta tieteellisestä artikkelista ja kirjan kappaleesta. Ensimmäinen osatutkimus käsittelee toimitusjohtajan ja hallituksen puheenjohtajan välisiä johtajuuskäytäntöjä ja toinen luottamuksen luottamuksen kehittymistä heidän kahdenvälisessä suhteessaan. Kolmas osatutkimus keskittyy toimitusjohtajan erottamisprosessiin ja neljäs tutkimuksen ja käytännön väliseen yhteistyöhön.

Johtajuutta tarkastellaan tässä tutkimuksessa relationaalisena, vuorovaikutuksessa rakentuvana ilmiönä, ei niinkään yksittäisten johtajien ominaisuuden kautta. Johtajuuden rakentumista tutkitaan empiirisesti yhteisen orientaation, suunnan sekä toimintatilan käsitteiden avulla. Luottamusta tarkastellaan kahdenvälisenä, kehittyvänä ilmiönä, jonka keskeisiä osatekijöitä ovat kyvykyys, integriteetti ja hyväntahtoisuus. Toimitusjohtajan erottamiseen johtanutta prosessia tutkitaan hallituksen ja erityisesti sen puheenjohtajan näkökulmasta. Erottamistutkimus rajautuu sellaisiin tapauksiin, joissa huono tulos oli keskeinen syy toimitusjohtajan erottamiselle.

Tutkimustulokset osoittavat, että kahdenväliset johtajuuskäytännöt ja luottamuksen kehittyminen ovat vahvasti sidoksissa toisiinsa. Tulokset tekevät näkyväksi toimitusjohtajan ja hallituksen puheenjohtajan suhteen ja luottamuksen kehittymisen herkan, itseään vahvistavan dynamiikan erityisesti suhteen alkuvaiheessa. Tutkimustulosten perusteella voidaan sanoa, että luottamus on

moniulotteisempi ja dynaamisempi kuin mustavalkoinen joko-tai -asia, jollaisena hallituksen luottamusta toimitusjohtajaan tyypillisesti kuvataan. Toimitusjohtajan informaatioyivoimasta johtuen toimitusjohtajan aloittelisuutta vuorovaikutukseen puheenjohtajan kanssa voidaan sanoa toimivan suhteen 'moottoriksi'. Kontekstisidonnaisilla tekijöillä, kuten suhteeseen tulojärjestyksellä ja omistajuudella voi tämän tutkimuksen tulosten valossa olla merkittävää vaikutusta suhteen ja sen luottamuksen kehittymiseen. Tutkimuksen tulokset lisäävät myös ymmärrystä toimitusjohtaja-puheenjohtajasuhteen sekä puheenjohtajan toiminnan tärkeästä merkityksestä liittyen hallituksen tilaan toimia sekä sen mahdolliseen strategiseen rooliin ja kykyyn luoda arvoa. Tämän tutkimuksen tulosten valossa hallituksen puheenjohtajan rooli on erityisen keskeinen toimitusjohtajan erottamiseen johtavassa prosessissa, vaikka erottamispäätöksen tekee koko hallitus. Osaltaan tämä johtuu siitä, että muista hallituksen prosesseista poiketen toimitusjohtaja ei yleensä osallistu erottamispäätöksen valmisteluun. Puheenjohtajan vaihtuminen saattaa vaikuttaa olennaisesti hallituksen arviointiin toimitusjohtajasta sekä hänen erottamiseensa.

Tutkimuksen tuloksia voidaan käyttää hyväksi toimitusjohtajien, hallituksen puheenjohtajien ja muiden hallitusten ja johdon jäsenten valmennuksessa sekä esimerkiksi hallitusarviointien kehittämisessä. Myönteiset kokemukset tutkimusprosessin aikana toteutetusta yhteistyöstä käytännön toimijoiden kanssa kannustavat myös jatkossa vastaavanlaiseen yhteistyöhön erityisesti hallitustyön ja ylimmän johdon tutkimuksessa, jossa tutkittavien suostumuksen saaminen on aikaisemmassa tutkimuksessa todettu rajoittavaksi tekijäksi tutkimusten toteutukselle. Tämäntyyppisellä yhteistyöllä voidaan edistää mahdollisuuksia tutkimustiedon hankkimiseen myös hallitustyön inhimillisestä puolesta, josta aikaisempaa tutkimustietoa on niukasti.

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APPENDIX 1. The e-mails sent to the participants (in Finnish)**Sähköpostitse lähetetyt haastattelupyynnöt ja etukäteisinformaatio haastateltaville****Ensimmäinen sähköposti: Toimitusjohtajan ja hallituksen puheenjohtajan välinen yhteistyö, yritys xx**

Tervehdys,

olen Satu Koskinen ja teen parhaillaan väitöskirjatutkimusta toimitusjohtajan ja hallituksen puheenjohtajan välisestä suhteesta johtajuuden näkökulmasta. Tutkimuksessa selvitetään haastattelujen avulla suomalaisten osakeyhtiöiden toimitusjohtaja-puheenjohtajaparien kokemuksia heidän kahdenvälisestä yhteistyöstään ja sen kehittymisestä, toimintatavoista, luottamuksesta ja laadusta. Tutkimukseen on haettu mukaan erikokoisia ja omistusrakenteeltaan erilaisia yrityksiä.

Syynä yhteydenottooni on pyyntö haastatella Sinua/teitä tutkimukseeni yritys xx:n toimitusjohtajana/puheenjohtajana. Haastattelut toteutetaan aina parin osapuolille erikseen, täysin luottamuksellisesti (myös parin toisen osapuolen näkemysten osalta) ja raportoidaan anonyymisti eli siten, että tutkimuksessa mukana olleita henkilöitä ja yrityksiä ei voida tunnistaa. Haastattelu voidaan tehdä tammi-maaliskuun 2014 aikana Sinulle sopivassa paikassa ja ajan- kohdassa, ja siihen tarvittava aikavaraus on noin puolitoista tuntia.

Lyhyesti vielä omasta taustastani sen verran, että olen työskennellyt parikymmentä vuotta lähinnä kaupan alan johtotehtävissä, mm. S-ryhmän Jollas-Opisto Oy:n/Jollas Instituutin toimitusjohtaja-rehtorina sekä toimialajohtajana ja tavaratalonjohtajana. Aikaisempaa tutkijakokemusta minulla on Oxfordin yliopistosta, ja hallituksen puheenjohtajakokemusta yhdistysten hallituksista. Tällä hetkellä olen päätoiminen tohtoriopiskelija Jyväskylän yliopiston kauppa-keakoulussa.

Annan mielelläni lisätietoja tutkimuksesta jos tarpeen! Minun lisäksi lisätietoja ovat tarvittaessa luvanneet antaa ohjaajani, johtamisen professori Anna-Maija Lämsä (anna-maija.lamsa@xxx.fi,xxx-xxxx) sekä tutkimukseni tuki- ja fokusryhmänä toimivan Boardman-kehittämisfoorumin puheenjohtaja Arto Hiltunen (arto.hiltunen@xxx.fi,xxx-xxxx).

Ystävällisin terveisin - ja myönteistä vastaustasi paluupostissa toivoen,

Satu Koskinen

satu.marianne.koskinen@gmail.com

040-189 1946

Jos vastausta ei tullut, niin lähetin tällaisen viestin pari viikkoa myöhemmin:

Hei,

lähetin Sinulle ja (ko. yrityksen toimitusjohtajan nimi) tämän yhteistyötänne koskevan haastattelupyynnön muutama viikko sitten, ja todella kovasti toivoisin myönteistä vastaustasi siihen. (Toimitusjohtajan nimi) on omalta osaltaan jo antanut suostumuksensa haastatteluun, mutta koska väitöskirjani tutkimusasetelma on sellainen, että haastattelen sekä hallituksen puheenjohtajaa että toimitusjohtajaa, niin tarvitsisin myös Sinun suostumuksesi haastatteluun.

Tässä vaiheessa tarvitsisin siis vain suostumuksesi noin puolentoista tunnin haastatteluun tammi-maaliskuun aikana, tarkemmat käytännön järjestelyt voin sopia sen jälkeen kalenteriasioitasi hoitavan henkilön kanssa.

Oikein hyvää alkanutta vuotta toivottaen,

Satu Koskinen

Jos toiseenkaan sähköpostiin ei tullut vastausta, siirryin tavoittelemaan henkilöä puhelimitse.

Tällaisen viestin lähetin haastateltaville viikkoa ennen haastattelua sähköpostitse (lupasin siinä vaiheessa kun haastattelusta sovittiin, että lähettäisin vielä muistutuksen ja lisätietoa viikkoa ennen haastattelua):

Tapaaminen perjantaina xx.x. kello 10

Tervehdys,

ja iso kiitos lupautumisestasi haastateltavaksi väitöskirjaani (Toimitusjohtajan ja hallituksen puheenjohtajan välisen suhteen tarkastelu johtajuuden näkökulmasta) varten! (Assistenttisi) kanssa kalenteroidun mukaisesti tapaamme perjantaina xx.x. kello 10 Yy:ssä (Osoite).

Haastattelu koskee siis yhteistyötäsi hallituksen puheenjohtaja Xx:n kanssa Yy Oyj:n toimitusjohtajana. Haastattelu toteutetaan avoimella, kerronnallisella tavalla, eli tarkoituksena on, että kerrot tutkimuksen aiheen ja teemojen kannalta olennaisiksi katsomistasi asioista vapaasti, omin sanoin. Haastattelun yhtenä teemana on suhteen kehittyminen, eli kuvaus siitä, kuinka yhteistyönne aikoinaan lähti liikkeelle, miten se on muuttunut tähän päivään mennessä mm. toimintatapojenne, yhteydenpitonne ja kokemasi laadun ja tuloksellisuuden suhteen, sekä tietenkin se, millaista yhteistyönne on tällä hetkellä. Haastattelun muita teemoja ovat luottamukseen, valtaan ja vastuulliseen johtamiseen liittyvät kysymykset yhteistyössänne. Tarkoituksena on käsitellä ko. asioita nimenomaan tämän kyseisen yhteistyösuhteen näkökulmasta, ei niinkään yleisellä tasolla.

Voit halutessasi valmistautua haastatteluun esim. muistiinpanoilla, mutta se ei ole välttämätöntä. Ja kuten jo aikaisemmin kerroin, haastattelu toteutetaan täysin luottamuksellisesti ja anonymisti, eli aineiston raportointi tehdään siten, etteivät yksittäiset haastateltavat ja yritykset tule tunnistettavasti esiin. Tämä koskee tietenkin myös toimitusjohtaja-puheenjohtajaparien näkemyksiä suhteessa toisiinsa, eli en kommentoi millään tavalla parin toisen osapuolen haastattelun sisältöä toiselle osapuolelle.

Toivottavasti voimme käyttää tähän aikaa noin puolitoista tuntia. Jos puolestasi ok, otan keskustelumme nauhalle, niin minun ei tarvitse käyttää haastattelutilanteessa aikaa muistiinpanojen kirjoittamiseen.

Jos haluat vielä lisätietoja ennen tapaamistamme, vastaan mielelläni kysymyksiisi joko puhelimesta tai sähköpostitse.

Tapaamisiin viikon päästä siis! Hyvää viikonloppua toivottaen,

Satu Koskinen

satu.marianne.koskinen@gmail.com

[+358 40 189 1946](tel:+358401891946)

Erottamishaastatteluinfo: Tämän tyyppinen kirje meni sähköpostilla viikkoa ennen haastattelua, josta oli sovittu jokaisen kanssa henkilökohtaisesti joko puhelimitse, sähköpostilla tai tavatessa, ja olin samalla taustoittanut tutkimuksen kokonaisuutta jo etukäteen.

Hei xx,

tässä lupaamaani infoa liittyen ensi tiistain haastatteluun. Tulen siis tapaamaan sinua (paikkaan x) kello 14.

Kuten kerroin, olen kerännyt väitöskirjaani erilaista empiiristä aineistoa: taustoittavia haastatteluja, tällä hetkellä yhteistyösuhteessa toimivien toimitusjohtaja-puheenjohtajaparien osapuolten haastatteluja, Boardman-kehittämisfoorumissa pidettyjen alustusten perusteella käytyjä fokusryhmäkeskusteluja, sekä puheenjohtajien kertomuksia niistä tilanteista, jotka päättyivät toimitusjohtajan erottamiseen. Tässä ensi viikon tapaamisessamme on siis kysymys tuosta viimeksi mainitusta lajista.

Haastattelu toteutetaan vapaamuotoisena, eli tarkoituksena on, että kerrot omin sanoin ja omasta näkökulmastasi sen prosessin, joka lopulta johti toimitusjohtajan erottamiseen (tai eroon hallituksen aloitteesta). Eli mitkä olivat ensimmäiset merkit ongelmista, mitkä kaikki asiat vaikuttivat tilanteen syntymiseen ja kehittymiseen, kauanko prosessi kesti, millaisia vaiheita siinä oli, ja miten tilanne lopulta ratkaistiin. Ja kun tarkoituksena oli käsitellä useampia tapauksia, niin jokainen case kannattaa käsitellä omana kokonaisuutenaan.

Mikäli puolestasi ok, otan keskustelumme nauhalle, niin minun ei tarvitse käyttää haastattelu-tilanteessa aikaa muistiinpanojen kirjoittamiseen. Voit halutessasi valmistautua haastatteluun esim. muistiinpanoilla, mutta se ei ole välttämätöntä.

Haastattelu on luonnollisesti täysin luottamuksellinen ja anonyymi, ja kirjoitan raportin siten, että tapauksia, yrityksiä ja henkilöitä ei voida siitä tunnistaa, enkä esitä niitä tutkimusraportissa yksittäisinä caseina. Henkilöiden ja yritysten nimien käyttäminen haastattelussa ei myöskään ole välttämätöntä.

Tapaamisiin tiistaina, mukavaa loppuviikkoa!

Terveisin Satu Koskinen

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APPENDIX 2 A list of topics and presenters in the focus group discussions (in Finnish)

Väitöstutkimuksen fokusryhmänä toimineen Boardman-kehittämisfoorumin (Hallituksen puheenjohtajan ja toimitusjohtajan yhteistyö) kokousten teemat ja alustajat

- 11.3.2013 Foorumin toiminnan käynnistäminen, *Arto Hiltunen*
Väitöstutkimuksen aihe ja alustava suunnitelma toteutuksesta, *Satu Koskinen*
- 10.6.2013 Yhteydenpitomallit toimitusjohtajan ja puheenjohtajan suhteessa, *Arto Hiltunen*
Väitöstutkimuksen toteutustapa ja parien valintakriteerit, *Satu Koskinen*
- 7.10.2013 Hallituksen puheenjohtaja ja toimitusjohtaja: roolit ja tehtävät, *Markku Pohjola*
Väitöskirjatyon eteneminen, *Satu Koskinen*
- 14.1.2014 Päätöksenteko ja vallankäyttö erityyppisissä omistusrakenteissa, *Tom von Wey-*
marn
Tilannekatsaus väitöskirjatutkimukseen, *Satu Koskinen*
- 8.4.2014 Hallituksen puheenjohtajan ja toimitusjohtajan yhteistyö kriisitilanteessa, *Jorma*
Wiitakorpi
Väitöstutkimuksen eteneminen & kokemuksia haastatteluista, *Satu Koskinen*
- 10.9.2014 Haastatteluaineistosta nousseita havaintoja, *Satu Koskinen*
- 21.1.2015 Perhe- ja sukuyhtiön hallituksen puheenjohtajan ja toimitusjohtajan yhteistyö
erityisesti omistajan näkökulmasta, *Philip Aminoff*
Haastatteluaineistosta nousseita havaintoja & toimitusjohtajan ja puheenjoh-
tajan suhteen tulokset, *Satu Koskinen*
- 18.5.2015 Toimitusjohtajan ja hallituksen yhteistyö, *Jukka Hienonen*
Väitöstutkimuksen alustavia tuloksia: toimitusjohtajan ja puheenjohtajan yh-
teistyön käytännöt, *Satu Koskinen*
- 7.10.2015 Toimitusjohtajan ja hallituksen yhteistyö Suomessa ja kansainvälisesti, *Harry*
Salonaho
Väitöstutkimuksen alustavia tuloksia: Yhteistyökäytännöt ja luottamus toimi-
tusjohtajan ja puheenjohtajan suhteessa, *Satu Koskinen*
- 12.1.2016 Luottamus, *Mikael Pentikäinen*
Väitöstutkimuksen alustavia tuloksia: Hallituksen puheenjohtajan ja toimitus-
johtajan yhteistyö – näkökulmana luottamus, *Satu Koskinen*
- 11.5.2016 Luottamus ja epäluottamus toimitusjohtajan ja puheenjohtajan suhteessa,
Jukka Saksi

Väitöstutkimuksen alustavia tuloksia: Hallituksen puheenjohtajan ja toimitusjohtajan yhteistyö – näkökulmina luottamuksen ja epäluottamuksen kehittyminen, *Satu Koskinen*

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ORIGINAL PAPERS

I

THE CEO-CHAIR RELATIONSHIP FROM A RELATIONAL LEADERSHIP PERSPECTIVE

by

Satu Koskinen & Anna-Maija Lämsä, 2016

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The CEO-Chair relationship from a relational leadership perspective

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CEO-Chair
relationship

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Abstract

Purpose – The purpose of this paper is to conceptualise how the chief executive officer (CEO) and chairperson of the board (Chair) construct their relationship through their leadership practices, and to analyse the meaning of these practices to the relationship. An empirical investigation from both partners' viewpoint is conducted.

Design/methodology/approach – The data were gathered through in-depth interviews with 16 CEOs and 16 chairpersons from the same companies. Content analysis was used to analyse the data.

Findings – Four types of leadership practices in the CEO-Chair relationship were conceptualised: emergent practices on company- and person-related issues, and scheduled practices on company- and person-related issues. For the effectiveness of the relationship, emergent practices on company-related issues seem to be most important.

Research limitations/implications – The basing of the analysis on interviewees' descriptions rather than on the observation of leadership practices in action can be considered a limitation.

Practical implications – Knowledge of leadership practices in the CEO-Chair relationship and their meaning to the relationship can be utilised in leadership training.

Originality/value – This research contributes to the relational leadership literature by highlighting a specific leadership relationship, the CEO-Chair relationship, from both partners' viewpoint. Additionally, the value of the study is that it shows that the CEO-Chair relationship is more multifaceted than traditionally assumed in prior literature.

Keywords Leadership practices, Qualitative research, Chairperson of the Board (Chair), Chief executive officer (CEO), Relational leadership

Paper type Research paper

Introduction

This study examines the relationship between the chief executive officer (CEO) and chairperson of the board (Chair) from the perspective of relational leadership. Despite some examples (e.g. Chitayat, 1985; Stewart, 1991; Roberts and Stiles, 1999; Kakabadse *et al.*, 2006, 2010), research focussing on the CEO-Chair relationship in general, and specifically from both partners' viewpoint, which is in focus here, has been rare. However, the CEO-Chair relationship has been argued to be pivotal to the performance of a company's Board of Directors as well as necessary for effective governance (Kakabadse *et al.*, 2006). A strong CEO-Chair relationship is at the heart of a complementary Board and necessary to the Board's effectiveness (Roberts, 2002). The relationship has been noted to provide a powerful position to set the leadership



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tone for the whole Board, and the way the relationship is practised sends signals to the wider organisation (Roberts and Stiles, 1999). The CEO-Chair relationship has been described as special, even mystic, and it has been suggested that the chemistry between the partners is an influential element in the relationship (Kakabadse *et al.*, 2010).

Some reasons for the limited number and scope of studies on the CEO-Chair relationship can be identified. The dominant US governance model of CEO duality, i.e. the practice of a single individual serving as both CEO and Chair, is a major reason. Gabrielsson and Huse (2004) argue that the majority of empirical studies on Board work view the actual practices of the Board as a black box, and it is assumed that the conduct and behaviour of Board members can be concluded from the Board's demographic characteristics. One reason may be that getting access to these managerial elites (Pettigrew, 1992) can be difficult.

The CEO-Board relationship has primarily been investigated from the viewpoint of agency theory (Boyd *et al.*, 2011). However, the dominant agency theory gives a far too limited view of the CEO-Chair relationship. The application of agency theory (Jensen and Meckling, 1976) results in the idea that the dyadic parties have conflicting objectives and lack mutual trust: the CEO is seen as an economic agent motivated by high rewards and therefore the Chair must apply high levels of control. Agency theory neither acknowledges that the roles and tasks of CEO and Chair are interlinked in many ways (Stewart, 1991; Roberts and Stiles, 1999; Roberts, 2002), nor takes into consideration that the CEO can be motivated by factors other than economic rewards, such as challenging work, the achievement of results and a feeling of self-fulfilment (Kulla, 2011).

It is argued in this study that the CEO-Chair relationship is not only an economic exchange relationship, as suggested in agency theory (Jensen and Meckling, 1976) or an arrangement to mediate against abuse of the leadership position (Kakabadse *et al.*, 2007), but is more multifaceted. Therefore, an empirical study was conducted with the objective of making visible and conceptualising how the CEO-Chair relationship is constructed through leadership practices. In particular, the following research questions are answered:

RQ1. What kind of leadership practices are described by the CEO and the Chair as significant to their relationship?

RQ2. What is the meaning of the leadership practices to the relationship?

This study makes a contribution to relational leadership literature by studying the construction of this specific leadership relationship from the viewpoint of both partners. Despite increasing interest in leadership relationships (Uhl-Bien, 2006), leadership researchers have primarily viewed leadership as a leader-centred phenomenon focussing on an individual leader's traits and behaviour (Wood, 2005; Carroll *et al.*, 2008). In line with a suggestion of Crevani *et al.* (2010) and Uhl-Bien and Ospina (2012), the stance taken in this paper attempts to challenge a general assumption in leadership research that the objects of study – leaders and followers – are independent from each other. Instead, leadership is seen as constructed through people's practices and interactions, specifically in this study, of the Chair and the CEO.

Theoretical framework

Characteristics of the CEO-Chair relationship

The CEO-Chair relationship has peculiar features not found in a typical leadership relationship between a leader and an employee. First, it is the duty of the Board of

Directors as a collective to supervise the CEO, but the person-to-person tasks of the leader are normally conducted by the Chair. This is a major difference from a typical leader-employee relationship, where an employee would in most cases have only one person as her/his superior, and a superior would normally have several employees, rather than vice versa.

Second, the tasks of the Board have been argued to simultaneously include three different and even contradictory elements: control, service and strategy (Zahra and Pearce, 1989). These different tasks can have a significant influence on the role and work of the Chair as well as her/his relationship with the CEO, because there is an inherent conflict in performing them: the control task would be enhanced by the independence of the non-executive directors, such as the Chair, whereas the task of service implies an intimate relationship with the management (e.g. Zhang, 2013).

Third, the typically non-executive, part-time position of the Chair results in an information asymmetry with the CEO, who has more company-specific information than the Chair (and, in fact, than the whole Board) (e.g. Hooghiemstra and Van Manen, 2004; Zhang, 2013). Finally, there is a considerable amount of independence, freedom and responsibility attached to the position of CEO, even though previous research (e.g. Stewart, 1991; Roberts and Stiles, 1999; Roberts, 2002) has proposed a strong interdependency and complementarity between CEO and Chair.

CEO-Chair relationship and leadership practices

This study draws upon relational leadership theory, which assumes that the CEO-Chair relationship is created by the partners through social practices, rather than through the actions of individual leaders (Uhl-Bien, 2006; Carroll *et al.*, 2008; Crevani *et al.*, 2010; Tourish and Barge, 2010; Raelin, 2011; Uhl-Bien and Ospina, 2012). In this study the construction of the CEO-Chair relationship is investigated through leadership practices: how the CEO and Chair do leadership in their dyadic relationship (cf. Whittington, 1996; Denis *et al.*, 2010). The practice turn in leadership studies emphasises relationalism, interaction and the primacy of relations over the individual or organisation, and tries to get closer to the mundane, everyday activities of the practices in the relationship (Chia and Holt, 2006).

According to Crevani *et al.* (2010), leadership can be conceptualised through the notions of direction, co-orientation and action space, as they are constructed in the practices of organisational interaction. Lindgren and Packendorff (2011) applied this conceptualisation to a study of distributed leadership in a project leadership setting and concluded that leadership practices in that context evolved around the continuous construction of issues, responsibilities and identities. They recognised the importance of the ongoing processing of ambiguities, rather than formal decision making, to take the project forward.

Direction refers to leadership interaction that constructs organisational paths, overall goals and mission of an organisation (Crevani *et al.*, 2010). In general, direction is an essential element in many definitions of leadership; most definitions include a social influence process aimed at facilitating the achievement of common objectives (Yukl, 2006). Some scholars, such as Drath *et al.* (2008 p. 636), conceptualise direction as one of the key outcomes of leadership, defining it as “widespread agreement in a collective on overall goals, aims and mission”. The notion of direction as the construction of organisational paths, overall goals and mission relates to the construction of organisational strategy, in which the creation of strategy is understood as a socially accomplished activity, constructed through the actions and negotiations

and situated practices of the partners (cf. Jarzabkowski *et al.*, 2007). Direction highlights the strategic nature of the CEO-Chair relationship.

The conceptualisation of co-orientation as enhanced understandings of the possibly diverging arguments, interpretations and decisions of all involved parties (Crevani *et al.*, 2010) importantly includes the possibility of not agreeing and finding a common view (i.e. one direction) on all issues. Diverging opinions are not seen as dysfunctional leadership *per se*, but rather a normal part of organisational life and leadership relationships. An emerging sense that divergences are not understood or recognised is dysfunctional from the perspective of leadership, and can result in value conflicts and reduced mutual understanding (Lindgren *et al.*, 2011).

The third concept in the analysis of the construction of the leadership relationship is action space (Crevani *et al.*, 2010). This concerns the construction of possibilities, opportunities and limitations for individual and collective action within the organisational context. Rather than examining how the leader influences or limits the space of action of followers, action space is understood to be co-constructed in interaction. Leadership is largely dependent on the constellation of co-leaders with complementary roles (Denis *et al.*, 2010).

It has been proposed that the ability of the CEO and Chair to interpret events and information “in a mutually synergistic manner” is critical for strong ties and a successful relationship (Kakabadse *et al.*, 2006). According to a study by Holmberg and Tyrstrup (2010), interpretative processes in which leadership partners attempt to understand what has happened (or has not happened, even if it was expected) are a significant part of leadership practices. In the flow of events, there is a constant need for new interpretations of upcoming situations, followed by new adjustments, choices and temporary solutions. An interpretation that points in a certain direction has to be made first. After the interpretation, decisions concerning adjustments or choices and solutions can be made. Holmberg and Tyrstrup (2010) propose that leadership is event driven rather than intention driven, largely dealing with unforeseen or unplanned events. In a similar vein, Chia and Holt (2006) argue that strategy emerges through practical coping and relational dwelling, rather than being a result of actors as distinct entities conducting purposeful strategic activities.

Method

A qualitative research strategy was applied, with open-ended in-depth interviews conducted individually with each dyadic partner. An open-ended interview means here that the interview is open in two ways (Eriksson and Kovalainen, 2008): there were no prior hypotheses to be tested, and the interviewees were encouraged to openly describe their experiences of the topic. Studying the relationship from the viewpoint of both dyadic partners, rather than only one, is in line with the understanding of leadership as a relational phenomenon.

The interview material comprises 16 interviews with CEOs and 16 interviews with chairpersons from the same listed and non-listed Finnish limited companies. The Finnish Companies Act allows the combined role of CEO and Chair (CEO duality), but separation of the roles complies with the Finnish Corporate Governance Code (Arvopaperimarkkinayhdistys ry, 2010), which justifies the need to separate the roles with the Board’s duty to supervise and control the CEO. Moreover, the Code recommends that the majority of Board members shall be independent, non-executive directors, i.e. not have an employment relationship or service contract with the company. However, these restrictions do not apply to non-listed companies.

Purposeful sampling (Eriksson and Kovalainen, 2008) was used to select a variety of information-rich cases for the interviews. The aim was to pick dyads that were different from each other in regard to some of the factors that might, based on previous studies of Board work and corporate governance (see Huse, 2005), influence the CEO-Chair relationship. The primary criteria used included ownership type, the size of the company in terms of employees, and the length of the relationship. Additionally, a number of different criteria, such as gender, personal ownership of the CEO and the Chair in the company, company life cycle, financial performance and ownership concentration, were considered in the sampling to ensure a diverse sample. Based on these criteria, 16 dyads agreed to join in the study. The problem of access difficulties (Pettigrew, 1992) in studying managerial elites did not occur in this study.

The sampling resulted in a group of 31 dyadic interview participants and 32 interviews, as one person participated as the CEO of one company and the Chair of another. Two CEOs and two chairpersons were female, and all the others were male. In one dyad, both partners were female. No data are available about the gender composition of CEOs and chairpersons in all Finnish companies. However, a survey conducted in 2013 in large companies shows that only a very small minority of CEOs and chairpersons (from 0.8 to 9 per cent depending on the company type) are women (Pietiläinen *et al.*, 2015). The length of the relationship was one to two years for five dyads, two to five years for four dyads and more than five years for seven dyads. Two chairpersons, both also major owners in the company, worked for the company full-time, and one Chair had a fixed amount part-time agreement. None of the other Chairpersons had an agreed, fixed amount of work time to be used in the role.

Each interview typically lasted approximately 90 minutes. The interviews were audio-recorded and transcribed word for word. The materials were first read through several times and then coded using software for qualitative data analysis, ATLAS.ti, to extract the sentences and phrases in which practices of the CEO-Chair relationship were described. A content analysis (Krippendorff, 2013) of these extracts was conducted and the material was arranged into categories, which were formed and re-formed based on the data during the analysis. The analysis process was iterative and guided by the theoretical framework of the study, with the empirical data and the theoretical literature continuously linked together in the analysis.

Results

The interviewees described both emergent practices and scheduled practices. As regards the themes of the practices, considerable emphasis was laid on company-related issues, but person-related issues were also mentioned as being addressed in the relationship. Based on the dimensions of the scheduling and theme of practice, four forms of dyadic practices were conceptualised: emergent practices on company-related issues, emergent practices on person-related issues, scheduled practices on company-related issues and scheduled practices on person-related issues. Two dyads reported all four forms, six dyads three forms and eight dyads two forms of these practices. A summary of the results is presented in Figure 1.

Emergent practices on company-related issues

The most frequent leadership practices between the partners were said to concern company-related, emerging issues such as problems, opportunities and other unexpected events, and to occur rather often, that is, from once or twice a month to several times a week. In total, 15 dyads reported these practices, which were said to be

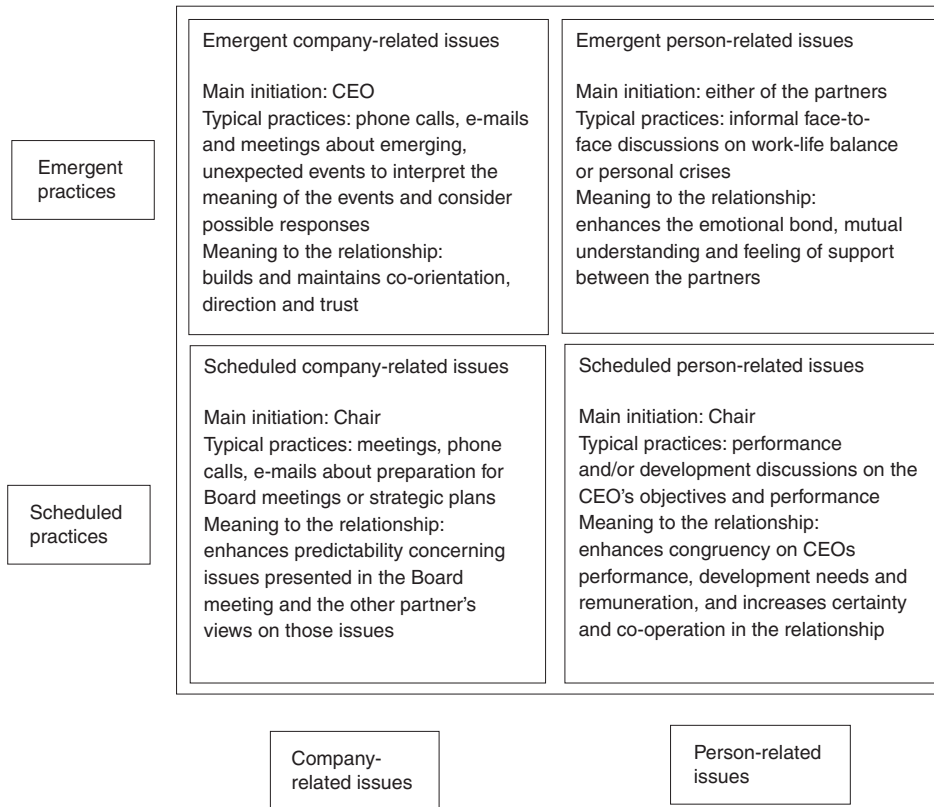


Figure 1.
The types of leadership practices in the CEO-Chair relationship

largely CEO-initiated. Information asymmetry was cited as a major reason for these: the CEO is normally aware of emerging issues before the Chair, who does not participate in the company's daily routines. The respondents emphasised that "no surprises" is an important principle in the relationship and also a prerequisite for mutual trust. In order not to cause the Chair any surprises, CEOs said that they immediately reported emerging issues and discussed major plans with the Chair as early as possible, i.e. well before they were ready to be presented to the Board. One CEO explained the role of early information as follows: "Because if I don't discuss these kinds of big projects with the Chair right at the start, I'm hiding them. And then, our co-operation does not develop well".

The CEO also needed to trust the Chair not to use information she/he got from the CEO about emerging challenges to limit the CEO's action space, as some CEOs put it, "interfere in the details", "do any trick that would interfere" or "misuse the information". The CEOs emphasised that in most cases their intention in informing the Chair about an issue was not that the Chair would make a decision or take charge: it was considered inappropriate for the Chair to try to use any power over the CEO in such a case.

Co-orientation and direction in the relationship were said to be maintained and developed by sharing interpretations on the meaning of emerging company challenges and opportunities, and by discussing possible responses to them. One Chair underlined the importance of continuous information sharing and discussion between the Chair

and CEO so that they were prepared when an actual issue emerged: “We must discuss things so that we are prepared to make decisions when all of a sudden the situation demands it”.

The meaning of these, often CEO-initiated, practices was to build mutual trust between the CEO and the Chair. In general, emergent practices on company-related issues were described as being more about making interpretations and influencing each other than about making decisions, as the decision-making authority in many of these issues lies with the Board as a whole. Finally, it is worth mentioning that overall company strategy was said to form boundaries to the partners’ space for action. Moreover, chairpersons said that they aimed to focus their action on strategic rather than operational issues.

Emergent practices on person-related issues

Five dyads talked about emergent practices on person-related issues, i.e. not dealing with company-related topics but concerned with the personal well-being of one or other of the partners, mostly the CEO. These practices, which were initiated by either of the partners, occurred quite seldom. Due to the personal nature of these issues, they were mostly discussed in informal face-to-face discussions. For example, four dyads said that they had addressed issues concerning work-life balance and well-being. Additionally, sharing experiences and talking about feelings in difficult situations, such as personnel conflicts, dismissing staff or a divorce or death in the family, were mentioned. It was felt that a more informal and open relationship enhanced mutual understanding, promoted co-orientation in the relationship and deepened mutual trust; it helped the partners find appropriate solutions to and to cope with challenging personal situations that also contributed to achieving direction in the relationship.

One reason why the partners thought that it was important to know about major person-related issues was that such issues can have an effect on either partners’ possibilities of fulfilling their responsibilities. Particularly, the respondents were of the opinion that the Chair needs to know about major challenges and problems in the personal life of the CEO as these may affect the latter’s work performance. However, the creation and maintenance of professional proximity, not close friendship, was regarded by interviewees as an important condition for an effective relationship. The distinction was described by one CEO in the following way: “I can’t imagine being a good friend or even family friends with the Chair. That would begin to make, it would make things difficult for the working relationship”. In particular, the possible need to sack the CEO was raised by one Chair as a reason why the Chair should not form a too close personal relationship with the CEO: “[...] and then, if you’re family friends, you do not sack someone who’s a friend of the family”.

For the respondents, the meaning of being aware of each other’s major personal issues was to enhance the emotional bond between the partners, but not too closely, in terms of mutual understanding and a feeling of support. Even though professional proximity was mainly thought to be important for work reasons, the interviewees admitted that proximity was also important for making them feel that they have a rewarding and satisfactory relationship with each other.

Scheduled practices on company-related issues

Scheduled practices on company-related issues were said to mainly occur according to a pattern initiated by the Chair, even if the issues and materials discussed in these practices were mostly prepared by the CEO. Advance preparation for Board meetings

was the most important scheduled practice, and all but one dyad said they agreed on the agenda of the Board meeting beforehand. The usual frequency of these practices was 5-12 times in a year (depending on the frequency of Board meetings), and the issues were said to be discussed either in scheduled meetings, or by phone or e-mail. Additionally, ten dyads mentioned that they had regular, more thorough face-to-face discussions on strategic issues a couple of times a year in order to maintain and develop co-orientation and direction in their relationship.

Company-related, scheduled practices gave the Chair vital information for planning and chairing Board meetings, and made it possible for her/him to ensure that the Board received enough good-quality information and well-prepared proposals to manage its tasks. For the CEO, these practices provided an opportunity to prepare the Chair for decisions to be made in future Board meetings, test out proposals, and seek and possibly secure the Chair's support for them.

Within three dyads, the joint preparation for Board meetings was said to be limited to checking over the CEO's suggestion for the agenda. However, the vast majority, i.e. 12 dyads, said that they would also discuss at least the most important issues on the agenda, particularly proposed decisions. The respondents expressed the need for discussion when there was any ambiguity or divergence in direction on any major company issues and emphasised the importance of finding a common view on direction.

The need to achieve convergence before the meeting and avoid surprises between the partners in the Board meeting is highlighted in the following comment by a Chair: "Of course, the meeting we have before Board meetings is formal. Also, there might be some sort of new type of, if there's some company buy-out type of thing, then we might meet many times to discuss it. With the idea that then when it comes before the Board we are in agreement." The respondents of only two dyads said that sometimes they would knowingly take a proposal they disagreed about to a Board meeting to see which view won; ten dyads said that such behaviour would be inappropriate or at least highly unlikely, and that they therefore discussed any issue between the partners long enough to find a shared view before a proposal was presented to the Board – if it was presented to the Board at all.

For both the CEO and the Chair, the meaning of the scheduled practices on company-related issues was to reduce uncertainty. Their goal with these practices was to increase predictability in the relationship: they functioned above all as a controlling mechanism to prevent unforeseen and unpleasantly conflicting views emerging in Board meetings.

Scheduled practices on person-related issues

As regards scheduled practices on person-related issues, seven dyads reported that they conducted a scheduled discussion to evaluate development and/or performance once or twice a year. The interviewees said that this was usually initiated by the Chair and was a face-to-face meeting, since it could concern sensitive, personal issues.

The respondents reported that these practices included discussions on performance, objectives, remuneration and the development needs of the CEO, as well as mutual feedback concerning the relationship. One Chair described them as follows: "Then once a year there's a perfectly normal performance appraisal meeting to discuss how things are going, when we talk about goals for the coming period, bonuses, all that sort of thing. Then at the end of the year we go through these things, let's say, how well we're doing, and all that. But then also perhaps more broadly about how well we've been

working together and what hopes we have. And we write it all down on paper". The scheduled practices on person-related issues were described as focussing on the CEO's work and performance in her/his current position. Through these practices the partners aimed to find and define guidelines to give appropriate action space, particularly to the CEO.

In sum, the partners aimed for congruency in scheduled practices on person-related issues, mostly concerning discussions of the CEO's performance, development needs and her/his remuneration. The meaning of the scheduled practices on person-related issues was to increase the respondents' certainty and co-operation in their relationship; these practices functioned as a mechanism that controlled possible relational risks in CEO-Chair co-operation.

Discussion

In this study, four groups of leadership practices were found to be significant in the CEO-Chair relationship. However, in line with Lindgren and Packendorff (2011) it can be said that these practices are not isolated entities, but dynamically influence each other. The results confirm the suggestion of Crevani *et al.* (2010) and Lindgren and Packendorff (2011) that a leadership relationship, such as the CEO-Chair relationship in this study, is dynamic by nature and evolves around continuous processes of construction between the partners. This research suggests that the main dynamic in the practices of the CEO and the Chair emerges out of the interplay between trust and control. Mutual trust can be constructed particularly through emergent practices. Control occurs in scheduled practices to manage performance and relational risks in the relationship, and also in relation to the Board.

The results indicate that particularly emergent practices on company-related issues operate as the "engine" of an effective relationship between the partners. Consequently, it is suggested that emergent practices on company-related issues – usually initiated by the CEO, the dominant information holder in the relationship (Hooghiemstra and Van Manen, 2004) – are an important basis for an effective CEO-Chair relationship. These practices, as they relate to company issues, can offer a smooth and natural way to build a trusting relationship between the two. As regards the suggestion by Zahra and Pearce (1989) of a Board's diverse roles, the findings of this research suggest that rather than control, tasks related to strategy and service seem to be meaningful to the functioning of the CEO-Chair relationship. Still, the results highlight that scheduled, company-related practices are significant for defining direction in the relationship as well as overall company strategy, as the Board's decisions are based on the agenda determined in these practices. In sum, emergent practices appear to be more meaningful to service tasks while scheduled practices are related to the Board's control tasks. The task of strategy is enhanced in both emergent and scheduled practices, and particularly in company-related practices.

This study suggests that mutual trust, which allows the partners to rely on each other's intentions and behaviour, is pivotal to co-orientation, direction and action space (Crevani *et al.*, 2010) in the CEO-Chair relationship. Therefore, it is proposed that in the future it is important to investigate further the forms and occurrence of trust in the relationship. Additionally, since trust is fragile, loss of trust in the relationship merits research.

The findings show that the CEO-Chair relationship involves an emotional bond that is related to the dynamics of proximity and distance. Proximity could provide support and mutual understanding, the latter of which contributed to co-orientation in the

relationship in particular. However, some conscious distancing, called professional proximity in this study, was considered appropriate by the partners to keep the relationship functioning and reliable. All in all, this research brings out the emotional element in leadership relationships such as the Chair-CEO relationship.

An important practical implication of this study that can be utilised in developing the CEO-Chair relationship is the increased knowledge and visibility it gives of the different forms of practices and their meaning in the relationship, particularly in the development of trust. It is suggested that especially new CEOs and chairpersons could benefit from training and coaching in the practices and dynamics of their relationship. At least the importance of joint, open discussion about the partners' expectations of relational practices needs to be highlighted.

The limitations of this research must be kept in mind. One is that the analysis is based on interviewees' descriptions rather than observed leadership practices as they occur in action. However, the empirical data can be considered valuable due to the interview access to 16 dyads rather than only to one or other partner. Nevertheless, because of the confidentiality promised to respondents as regards the comments of their dyadic partner, the comments are not presented here in a dyadic setting. The study is also limited to Finnish companies; studying the topic in other contexts would be valuable. Finally, this study focussed only on the dyadic relationship between the CEO and the Chair. Investigating the influence of the Board on the relationship and vice versa would be fruitful.

Conclusion

Based on the findings of this study it can be concluded that the CEO-Chair relationship is dynamic (Crevani *et al.*, 2010; Lindgren and Packendorff, 2011) and is formed through multiple leadership practices (Chia and Holt, 2006; Carroll *et al.*, 2008; Raelin, 2011). In this study the leadership practices that guide co-orientation, direction and action space (Crevani *et al.*, 2010) in the CEO-Chair relationship were conceptualised into four groups: emergent practices on company- and person-related issues, and scheduled practices on company- and person-related issues. The practices tended to be mostly event-driven, especially emergent practices, but also intention-driven, specifically scheduled practices. Consequently, it is argued that not only event-driven practices, as proposed by Holmberg and Tyrstrup (2010), are important to an effective leadership relationship, but intention-driven practices are also needed.

The application of agency theory (Jensen and Meckling, 1976) has been dominant in prior research on relations between CEO and Board members (Boyd *et al.*, 2011). This research shows that the application of the approach can be criticised for two main reasons. First, in line with the suggestion of Roberts and Stiles (1999) and Roberts (2002), it can be said that the CEO-Chair relationship is interlinked in many ways. This is a perspective that has not been taken seriously in research drawing upon agency theory (Jensen and Meckling, 1976). Second, agency theory emphasises the economic nature of the relationship. However, from this study it can be concluded that the CEO-Chair relationship is more multifaceted, and specifically co-orientation, a common view on company direction, mutual trust and emotional binding are meaningful elements in the relationship. Finally, CEO-initiated emergent practices seem to be crucial to the development of these elements in the relationship. It can therefore be said that even though the Chair represents the formal leader, i.e. the Board, in the relationship, in practice the influence of the CEO seems to be stronger in this respect.

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II

DEVELOPMENT OF TRUST IN THE CEO-CHAIR RELATIONSHIP

by

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Development of trust in the CEO-chair relationship

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Abstract

Purpose – The purpose of this paper is to explore the trust development in the dyadic relationship of CEO and chair of the board.

Design/methodology/approach – A narrative approach is adopted to examine the meanings that CEOs and chairpersons give to trust in their relationship, and to explore trust as an evolving phenomenon that can increase or decline over the course of the relationship. The data include 16 CEO-chair dyads from Finnish limited companies.

Findings – The results suggest that trust may exist on different levels and evolve in various ways during the course of the relationship. Integrity and agreement on company strategy are proposed to form the foundation for trust in the CEO-chair relationship, whereas ability and benevolence are necessary for trust to develop to a higher level.

Research limitations/implications – Studying trust development based on the data generated at one point of time and in only one country are the major limitations of the study.

Practical implications – It is proposed that the level of trust influences value creation in the relationship.

Originality/value – The study adds to the limited number of previous studies on the CEO-chair relationship and contributes to the literature on trust development by making visible the viewpoint of both partners, and the meaning of the different components of trust.

Keywords Narrative research, Interpersonal trust, Chairperson of the board (chair), Chief executive officer (CEO), Trust development

Paper type Research paper

Introduction

A working relationship between the CEO and chair of the board has been proposed as necessary for effective governance and pivotal to the performance of the board (Roberts, 2002; Kakabadse *et al.*, 2006), and to be at the heart of many other key organisational relationships (Roberts and Stiles, 1999). Trust, too, has been increasingly recognised as a central mechanism within organisational relations and governance, and the significance of trust has been highlighted in the literature of the CEO-chair relationship (e.g. Roberts and Stiles, 1999; Roberts, 2002; Kakabadse *et al.*, 2010; Koskinen and Lämsä, 2016).

This study explores trust development in the CEO-chair relationship from both partners' viewpoints. An empirical study based on data from 16 Finnish CEO-chair dyads is conducted. Despite the noted importance of the CEO-chair relationship in the corporate governance system, academic research on this relationship in general and trust in particular has been rare. In addition to access difficulties (Pettigrew, 1992), a significant reason for the relatively small amount of previous research is probably the dominant governance model in the USA, namely CEO duality. In this model, the CEO and chair are one and the same person, and the antecedents and consequences of CEO duality, rather than the CEO-chair relationship, have been the focus of research (Krause *et al.*, 2014). Still, for example in many European countries, these roles are more typically separated and held by two persons (Huse, 2007). Drawing on the stewardship theory, it can be said that the steward, such as a CEO, can be



trusted to try to achieve the objectives of the organisation, and that the steward's and principals' interests are aligned (Davis *et al.*, 1997).

Following a social constructionist viewpoint (Berger and Luckmann, 1966), the focus in this study is on the social process of relationship building (Uhl-Bien, 2006), rather than on the CEO and chair as individuals. In the social constructionist perspective, the notion of trust as a fixed or static phenomenon is questioned; instead, trust and its development are understood as fluid and many-faceted, and shaped by context (Wright and Ehnert, 2010).

We use narrative methodology to focus on the topic. One benefit of the methodology is that the stories that the CEO and chair tell about their relationship give us the opportunity to understand the meanings that they give to trust, and to examine the events and issues that may have contributed to the current level of trust in the relationship (Gergen and Gergen, 1988; Riessman, 2008). A narrative approach allows us to explore trust as a dynamic phenomenon that can increase or decline over the course of the relationship, and consequently we can bring out the plurality and processual characteristics of trust development in the CEO-chair relationship (Polkinghorne, 1995; Rhodes and Brown, 2005). This narrative study takes narrative to be a textual account of a sequence of events (Polkinghorne, 1988; Gergen and Gergen, 2006; Riessman, 2008) concerning trust in the relationship as experienced and recounted by the CEO and chair. An advantage of the narrative approach is that it provides an opportunity to overcome the limitations of time by enabling people to transfer their experiences from one time to another, and to create story lines in which they deal with issues under discussion (Ricoeur, 1983).

The present explorative study makes three main contributions to the subject. First, the study contributes to the literature on trust development by exploring the evolving dimension of the relationship (Gabrielsson and Huse, 2002) and the meaning of the three main components of trust, i.e. ability, benevolence and integrity (Mayer *et al.*, 1995), to trust development. We challenge the idea of trust development as a single, progressive, stage-by-stage process, as suggested in earlier research (e.g. Lewicki and Bunker, 1996; Lämsä and Pucetaite, 2006) and meet a general call for studies on trust (e.g. Lewicki *et al.*, 2006) that look more at the dynamics and development of trust. Second, we contribute to the literature on interpersonal trust by making visible the viewpoint of both partners. Even if the reciprocal nature of trust in supervisor-subordinate relationships has been acknowledged before (e.g. Whitener *et al.*, 1998; Serva *et al.*, 2005; Seppälä *et al.*, 2011), trust has rarely been studied as a dyadic phenomenon from the viewpoint of both parties (Yakovleva *et al.*, 2010; Nienaber *et al.*, 2015). Third, by increasing knowledge on trust development in the CEO-Chair relationship, we contribute to the stream of research that aims to enhance understanding of the processual dynamics and human side of corporate governance and board work (e.g. Huse *et al.*, 2005; Roberts *et al.*, 2005; Huse, 2007; Bailey and Peck, 2013).

Theoretical framework

Trust development in dyadic, organisational relationships

In this study, trust is examined as an interpersonal (e.g. Whitener *et al.*, 1998) phenomenon, with the focus on a specific dyadic relationship. We adopt an integrative model and the definition of trust proposed by Mayer *et al.* (1995, p. 712), applicable to a relationship with a specific, identifiable party, as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party”. According to Mayer *et al.* (1995, pp. 717-719), there are three main components that contribute to dyadic trust: ability (a group of skills, competencies and characteristics that enable a party to have influence within some specific domain), benevolence (the extent to which a trustee is believed to want to do good to the trustor) and integrity (the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable).

The model of trust put forward by Mayer *et al.* (1995) includes a feedback loop, and trust is understood as dynamic and constantly changing. The trustor evaluates the outcomes of previous vulnerability and makes new assessments of the ability, benevolence and integrity of the dyadic partner as the relationship develops. The propensity to trust, i.e. a trustor's general willingness to trust others, is a stable trait that influences the level of trust, particularly in the beginning of the relationship. The trustor's interpretation of the context, such as the level of risk, influences both their evaluation of trustworthiness and the need for trust (Mayer *et al.*, 1995). However, the model does not examine the development of mutual trust as a reciprocal phenomenon. Still, empirical studies on trust building in the superior-subordinate relationship have proposed that it is a reciprocal, complementary process (e.g. Serva *et al.*, 2005) in which the supervisor's trust is shown by giving autonomy to the subordinate, which further promotes trust in the supervisor (Seppälä *et al.*, 2011), trust appearing to be "both a requirement for and an outcome of the process" (Atkinson, 2004, p. 581).

All the three components have been found to be highly correlated with trust and to have significant, unique relationships with trust (Colquitt *et al.*, 2007). The relative importance of the three characteristics has been argued to vary according to the context (Serva and Fuller, 2004; Colquitt *et al.*, 2011), with greater subordinate vulnerability increasing the importance of the perceived leader integrity or ability, rather than benevolence (Lapidot *et al.*, 2007). Benevolence and integrity have been proposed to be more relationship based than ability, which is more task specific and based on objective markers, such as education and experience (Serva and Fuller, 2004; Yakovleva *et al.*, 2010). Moreover, it has been suggested that behaviours reflecting leader ability and integrity are more salient in incidents of trust erosion, while the perceived benevolence of the leader is more salient in trust building (Lapidot *et al.*, 2007).

Trust in the CEO-chair and the CEO-board relationship

The dyadic CEO-chair relationship has some specific characteristics not found in typical superior-subordinate relationships that can be assumed to be meaningful from the perspective of trust. First, earlier research on trust in supervisor-subordinate relationships has assumed that information asymmetry works in the supervisor's favour (e.g. Schoorman *et al.*, 2007; Nienaber *et al.*, 2015), but in carrying out their duties, chairpersons (and the whole board) are largely dependent on the information provided by the CEO (e.g. Hooghiemstra and Van Manen, 2004; Bailey and Peck, 2013; Koskinen and Lämsä, 2016). This dependence can be assumed to increase vulnerability from the chair's point of view and can therefore be significant from the perspective of trust. Second, previous research (e.g. Stewart, 1991; Roberts and Stiles, 1999; Roberts, 2002) has proposed a strong interdependence between the CEO and chair. Third, it has been proposed that even if it is the duty of the Board as a collective to supervise the CEO, in practice the chair forms a closer working relationship with the CEO than do the rest of the board. For example, the chair will work with the CEO to prepare for board meetings and will discuss emerging problems and opportunities with the CEO outside board meetings (e.g. Roberts, 2002; Koskinen and Lämsä, 2016).

It has been suggested that the independence of non-executive directors, such as the chair, enhances the control task, whereas the task of service requires proximity and a trusting relationship with the CEO (e.g. Westphal, 1999; Zhang, 2013). Del Brio *et al.* (2013) argued that a board director's perceptions of the ability, integrity and benevolence of the CEO have different effects on their conduct in terms of resource provision and monitoring. Del Brio *et al.* (2013) found that positive perceptions of the CEO's integrity and benevolence are associated with greater provision of resources, that positive perceptions of integrity lead to lower levels of monitoring, and that high perceptions of CEO ability lead to lower levels of resource provision, and that monitoring is only reduced when the perceived ability of the CEO reaches a very high level. It has been proposed that the dynamics of trust development

between the board and the CEO may come about in a cycle that reinforces itself and is self-fulfilling. A control-oriented management approach is more likely to produce agency relationships, whereas a more trusting approach may result in stewardship relationships (Davis *et al.*, 1997; Sundaramurthy and Lewis, 2003).

Trust has been acknowledged as necessary to open information sharing and mutual learning (Huse *et al.*, 2005), which further facilitate shared conceptions of reality in the CEO-chair relationship (Kakabadse *et al.*, 2010). For the non-executive chair in particular, the CEO is a vital source of information in company matters, and trust has been proposed to be both necessary to and built through dyadic communication (Roberts, 2002; Koskinen and Lämsä, 2016). Roberts and Stiles (1999) suggest a virtuous circle of relationship building in the CEO-chair relationship, highlighting the significance of the dynamic of interaction during the early months of the relationship for trust building. If trust does not develop in the relationship, the partners easily remain at a considerable distance from each other, which may lead to misunderstandings and to a vicious, rather than virtuous circle (Roberts and Stiles, 1999). It has been suggested that the CEO's initiative for open information sharing on emerging issues is pivotal for the development of trust in the relationship, although it requires that the CEO trusts that her/his action space will not be threatened as a result (Koskinen and Lämsä, 2016). Additionally, in order to be open in the relationship, the CEO needs to trust that the chair is not a rival CEO (Roberts, 2002).

Finland as a context of the study

The context of the empirical study is Finland. According to the Limited Liability Companies Act of Finland (Osakeyhtiölaki 624, 2006), the purpose of a company is to generate profits for its shareholders. The board of directors is responsible for the administration of the company, the appropriate organisation of the company's operations, the appropriate arrangements for controlling the company's accounts and finances and the appointment and dismissal of the CEO. It is the chairperson's duty to see that the board meets when necessary. The CEO is responsible for the executive management of the company as instructed and ordered by the board, and for supplying the board with the information it needs for the performance of its duties. CEO duality is allowed by the Companies Act, but separating the roles of CEO and chair is in accordance with the recommendations of the Finnish Corporate Governance Code for listed companies (Arvopaperimarkkinayhdistys ry, 2010). According to the Code, the CEO cannot be a member of the nomination committee that may be established to prepare the election of the board of directors.

Lämsä and Pucetaite (2006) argue that the socio-cultural context influences the process of trust development. Finland is a high-trust society, and ranks among the highest in the world (e.g. Bjørnskov, 2007) in cross-country comparisons measuring generalised trust (e.g. by the numbers answering yes to the question "In general, do you think that most people can be trusted?").

Methodology

Data production

A narrative research approach with open-ended, in-depth (Eriksson and Kovalainen, 2008) interviews conducted separately with both the CEO and the chair from the same company was applied. This form of interview was chosen because the very limited previous knowledge on the topic indicates that a flexible, explorative approach will best enable respondents to bring out their experiences of the most important relevant issues. In line with several authors (Polkinghorne, 1995; Rhodes and Brown, 2005; Heikkinen *et al.*, 2014), we define a narrative as a contextual account of a sequence of events that have happened to

people over time. Additionally, a narrative is a story of the events and viewpoints told by a person as she/he understood and experienced them.

Purposeful sampling (Eriksson and Kovalainen, 2008) was utilised in the selection of the sample of various, information-rich cases for the interviews. The selection criteria of the dyads were formed on the basis of factors that can be assumed, from prior research on boards, to influence the CEO-chair relationship (see Huse, 2007). The primary selection criteria included ownership type and size of the company, as well as the length of the CEO-chair relationship. In addition, gender and personal ownership of the CEO and chair in the company were taken into account to ensure a diverse sample. Based on the criteria, 18 dyads from Finnish listed and non-listed companies were asked to join the study, two of which refused. The resulting sample of 16 dyads included a total of 31 respondents, as one respondent was interviewed in two capacities: as the CEO of one company and the chair of another. In 11 dyads, the CEO was in office before the chair. All dyads had worked together at least one year before the interview. None of the companies was solely owned by one or both of the dyadic partners. The main characteristics of the sample are presented in Table I.

Specific attention in conducting the research was paid to building trust with the respondents. The pre-information sent to the respondents included information about the purpose of the study, the professional background of the interviewing author, and the narrative, open-ended style of the interview. The respondents were also informed that the study was supported by a network of Finnish Board Directors, and the contact details of a well-known member of the network were included. Both in the pre-information e-mails and at the start of the interview, it was described very clearly that the interview would be anonymous and also confidential in regard to the dyadic partner, and the respondents were encouraged to openly narrate their experiences.

The interviews opened with a question about the respondent's route to their current position as the CEO or chair and about the start of the relationship, i.e. when and how the partners had first met, and how the cooperation had started to evolve. More questions focusing specifically on trust and about the concrete issues and events that had impacted the level of trust in the relationship (Gergen and Gergen, 1988) were asked during the interview, depending on what the respondents had already said. For example, if a CEO said she/he knew that she/he could trust the chair not to interfere in a way she/he would disapprove of, she/he was asked about events that had contributed to that knowledge. A typical interview lasted around 90 minutes, and the interviews were recorded and transcribed verbatim.

Data analysis

In the analysis, the narrative framework suggested by Gergen and Gergen (1988) was followed. According to them, when narrating their experiences, respondents express a

	Listed company	Family owned	Other type of ownership	Total
< 200 employees	0	2	3	5
200-1,000 employees	1	1	3	5
> 1,000 employees	4	1	1	6
Total number of companies	5	4	7	16
Relationship length	1-2 years	2-5 years	> 5 years	
Total number of dyads	5	4	7	16
	Men	Women	Major ownership	
Chairpersons	14	2	3	
CEOs	14	2	3	
Total number of interviews	28	4		32

Table I.
The sample of
respondents

valued outcome and the story line becomes more positive when the outcome is positive, such as a high-trust relationship, and more negative if the outcome is a disappointment or a failure. In order to keep the story line coherent, respondents select which events from the whole experience to narrate (Bruner, 1991; Polkinghorne, 1995). From the viewpoint of trust development between the CEO and chair, this means that if they experience the current trust of their relationship as being on a high level, they will narrate events that have contributed to this end, whereas if they perceive current trust to be on a lower level than previously, they will talk about events that have eroded their trust in the relationship.

According to Gergen and Gergen (1988), all plots of narratives take a progressive, regressive or stable form as regards their evaluative shifts over time. Building on these basic forms, more variations in story lines, such as tragedy, comedy, romance or happily-ever-after can be identified (Gergen and Gergen, 1988): the tragedy narrative is about a rapid downfall; in the comedy narrative, challenges or problems precede a progressive narrative and a happy end; the romance narrative consists of many progressive and regressive phases; and in a happily-ever-after narrative, the progressive narration is followed by a stable, positive end.

Following the framework of Gergen and Gergen (1988), the transcribed interview materials were read many times in order to identify the story line, events in the course of the story line, and the current level of trust in the relationship. The whole story of the relationship, as narrated by the respondents, rather than only those events or phrases in which trust was specifically mentioned, was included in the analysis. As a result of the process of interpretation we formed four groups of narratives of trust development in the CEO-chairman relationship: "the successful development of trust"; "a stable, adequate level of trust"; "differing views, diverging directions"; and "the chair's ability as a promoter of trust". They will be presented next.

Results

The successful development of trust

In eight dyads both partners constructed a positive, progressive story line, i.e. of strongly developing or developed trust. Four of these dyads, which had worked together for less than three years, were still on a progressive phase and expected the good, steady progress to continue in the future, whereas another four dyads, all of which had worked together for more than three years, constructed a more stable, high level of trust, i.e. the story line of happily-ever-after (Gergen and Gergen, 1988). In three dyads, the CEO had been the first of the partners in the position, and in three companies, the chair was a major owner in the company. Four of the dyads had known each other well before the current relationship from other work-related settings, and this was narrated as having enhanced trust development in the relationship.

The relative importance of ability and benevolence for trust development was narrated differently depending on the partners' order of entry into the relationship. When the chair had been the first in position, she/he had been in charge of the CEO's recruitment process and trust had already started to develop during that process, i.e. before the CEO took office. The partners described their dyadic cooperation at the start of the relationship as intensive, with the chair providing strong support and advice to the new CEO. Moreover, the intensive start was narrated as having enabled the partners to establish a common view on company strategy relatively early on, forming a solid base for the further development of their dyadic cooperation and trust.

The CEO's transparency and initiative in cooperation were described as particularly important for the development of trust early in her/his tenure, when she/he had not yet been able to display her/his ability to achieve results and execute strategy in the current position. As described by a CEO who had been in the role for one and a half years at the time of the

interview: "For sure, transparency is the most important thing. I have tried to enhance transparency myself, of course. It means that I tell as openly as possible what's going on, what is going to be done, and what kind of problems we've had". However, both partners underlined that in addition to the CEO's transparency, her/his ability to execute strategy and deliver the promised results is necessary for trust. In addition to constantly evaluating the financial results, chairpersons also evaluated action and named various events and actions of the CEO that had enhanced their perception of the CEO's ability, particularly early on in the CEO's tenure. These included showing the ability to learn fast, finding an excellent, innovative solution to a sudden business problem on a factory site, successfully developing customer relationships and the competence of the management team, handling a media crisis well, and renewing the ethical code of conduct in the company. One chair described the development of trust with the new CEO as follows: "For sure, trust is earned through actions. I mean results, actions, open information. And also, in my opinion, trust increases when you allow more freedom, and can still see that the information stays at the same level as before".

Even if the CEOs said that they had particularly appreciated the chairperson's support and advice at the very start of the relationship, they had begun to expect to get more autonomy as soon as they had been able to show ability to perform in line with the board's expectations. The willingness of the chair to give the CEO autonomy had been and still was an important sign of trust, and something that in return encouraged the CEO's openness with the chair. And as the above quote of a chair reveals, the CEO's openness despite increased freedom reciprocally increased the chairperson's trust. The dyadic partners also narrated that existing trust had further increased in challenging situations the partners had faced together, such as major strategic changes and acquisitions.

Within the two dyads in which the CEO had been the first in the position and the dyadic partners had not worked together in other contexts, the dynamics of trust development were narrated differently from what has been described above. Within these dyads, the CEO had already been able to prove her/his ability, whereas the new chair had very limited knowledge of the business and had been very dependent on the CEO's information-sharing in order to build her/his company-specific knowledge. However, the CEO narrated that at an early stage in the relationship she/he had faced a severe challenge and opposition in the boardroom, and the chair had strongly supported her/him and had been able to settle the disagreement in the CEO's favour. This occasion, along with some other early positive experiences, had resulted in the CEO's enhanced perception of the chairperson's benevolence and ability to support them. The CEO described how this had encouraged her/him to systematically enhance the chair's company-specific knowledge by very open information sharing and continuous strategic discussions, and the resulting frequent interaction had strongly and reciprocally developed dyadic trust and a shared view on company strategy.

In sum, the development of trust was narrated in this group as a story of continuous success without any major issues that had eroded trust in the relationship. A high-trust relationship was characterised by high levels of perceived ability and benevolence on both sides, by open, reciprocal communication, largely initiated by the CEO, and a resulting deep understanding of the partner's way of thinking, by jointly constructed interpretations in changing situations, and by a shared, commonly negotiated view of company strategy. Integrity, on the other hand, was mentioned as a necessity, but not as a developing element of trust, and all dyads said that they shared a similar set of values.

A stable, adequate level of trust

There were three dyads in this group, and they had worked together for more than four years. The CEO had been in position for several years, and longer than the chair. None of the respondents was a major owner in the company.

The respondents narrated a relatively stable, non-developing story line and said that trust had been preserved rather than developed during the relationship. One CEO described this as follows: "Maybe the starting point is rather to trust people and not to suspect. And if there was any betrayal, only then would it erode. And in our case, trust was there in the beginning, and it has remained". Even if the chairpersons spoke of some events that had reduced their trust in the CEO's openness, such as late information about business and personnel problems or key executive nominations, they downplayed the significance of these events compared with the good financial performance the CEO was able to achieve, and they did not question the CEO's honesty. However, the chair admitted recognising that the CEO was not as open as she/he could be, as described by a chair: "Well, (the CEO's first name) obviously is not the most open CEO. But I can't really say that she/he has hidden any problems either". The quality of the relationship and the level of trust were constructed as adequate, "good enough", but not as good as the respondents thought would be possible or fully satisfactory.

The CEO's ability was the dominant driver for trust, as during her/his long tenure the CEO had been able to perform strongly in terms of both financial results and the strategic development of the company. Rather than seeking support or advice from the chair, the CEO underlined her/his own responsibilities and position in the company's driver's seat, and said that there had rarely been any need to contact the chair over any emerging issues. The reason for this was that it would be time-consuming and inefficient, as the CEO and her/his team had the best knowledge and competence to solve any problems as they arose. The CEO highlighted that autonomy was her/his main driver and therefore the chair's willingness not to interfere was a key issue as regards the CEO's trust in the chair. However, the CEO said that the ability of the board, including the chair, to contribute to the business and challenge the CEO was not as good as she/he thought it could be, and that she/he should be challenged more in the boardroom.

The chair, partly based on her/his own experience as a CEO, narrated understanding of the CEO's need for autonomy, and said that as the financial and strategic performance of the company were on such a good level, she/he had not seen any need to interfere more; the chair considered that interfering too much would not do any good, but would rather cause problems in the relationship.

To conclude, in this group, trust was largely based on the CEO's ability and the chair's benevolence, but as the interaction of the partners was infrequent on account of the relatively low level of benevolence of the CEO in terms of openness, the company-specific ability of the chair and dyadic trust had not developed to a higher level. The dyadic partners said that they agreed on company strategy, but highlighted the role of the CEO and her/his team in strategy creation and development, rather than dyadic cooperation.

Differing views, diverging directions

In this group with two dyads, the CEO had been the first of the partners in the role and the duration of the relationship was less than four years. None of the respondents was a major owner in the company. The respondents narrated a significantly lower level of dyadic trust than they would have liked, and the story lines were different between the partners. In one dyad, the story line of one partner was largely stable but optimistic about the future, whereas the other partner constructed the regressive story line of a tragedy and said that she/he had decided to leave her/his position because of the problems in the relationship. In the other dyad, one partner constructed a low-trust story line with some erosion of trust during the course of the relationship, whereas the other partner's story line was mostly, even if only slightly, progressive and optimistic. The experienced or expected progress of the two respondents was reported as being based on the development of the other partner's ability when they got more experience in their position.

For the CEO, the starting point of the relationship had been a disappointment. The CEO had started in the position with another chair, whose skill and support she/he had greatly appreciated, and the CEO had not had the same perception of the background and competence of the current chair fitting the needs of the company and her/himself. The CEO believed that her/his own ability was better and more relevant than the chairperson's, but also admitted that she/he felt lonely in the position without the chairperson's support and challenge. The CEO narrated that the chair did not understand the company's business and current situation in the same way as the CEO did and that the dyadic partners had differing views on priorities. Due to these differences, the CEO narrated experiencing the chairperson's guidance as irrelevant, complicating and as preventing or at least slowing down her/his work on more important issues. The CEO said she/he had rarely taken the initiative to contact the chair, and the dyadic interaction was described as mostly taking place in formal, pre-planned meetings initiated by the chair. The lack of positive feedback from the chair in general and on one particular occasion on which another board director had raised a positive issue was mentioned as having eroded the CEO's trust in the chairperson's benevolence.

The chair narrated that she/he had recognised the CEO's lack of confidence in her/his competence right from the start of the relationship. However, her/his view was also that the CEO's competence had not been and still was not fully satisfactory, particularly as regards her/his skill in strategically developing the company to ensure long-term success, and the chair talked about differing on how to develop company strategy and urgency with which it should be done. Still, the chair expressed appreciation of the CEO's ability to run the day-to-day operations of the company, although she/he also saw room for improvement in the company's current performance.

The chair construed poor communication and a lack of dialogue between the partners as frequently leading to misunderstandings between them. In particular, the CEO's lack of initiative in giving the chair information was narrated as having prevented the development of trust in the relationship, as highlighted in the following comment from a Chair: "I cannot say that she/he is untrustworthy. But then, dialogue with other people is the weakness. She/he doesn't bother to inform me of most issues. That means that I have to go and drag out information from her/him bit by bit". Moreover, the chair had experienced some unpleasant surprises that had eroded her/his trust in the CEO, for example when the CEO did not inform the board until very late in the day about the costs of a major project that had significantly exceeded its budget, or when the chair found out that some organisational developments had not progressed as she/he had assumed.

Despite the unsatisfactory level of trust, the respondents constructed trust, rather than distrust, between them. For example, one CEO commented as follows: "Anyway, there is trust, too, in our relationship. If I think, for example, about whether I'd get support from the Chair in a tight situation, I still think that I would. I mean, it is not that bad, anyway". Moreover, the respondents said that despite the evident problems in the relationship, they had no reason to question the honesty or ethical conduct of the dyadic partner, and described the behaviour of the partners in the relationship as "correct".

In sum, the relationship was characterised by a negative dynamic, in which the partners did not have enough trust in the benevolence and ability of the other partner. This resulted in a need on the part of the chair to guide the CEO, and a lack of initiative and openness on the part of the CEO when trying to avoid the chair's guidance. This led the partners at a distance from each other, and they had few opportunities to discuss and create common interpretations of changing situations and the possible responses to them. This caused yet further misunderstandings and differing views on priorities as well as on company strategy. However, the perceived integrity of both partners and the CEO's ability, even if not fully satisfactory, had enabled the relationship to continue.

The chair's ability as a promoter of trust

In the three dyads that belong in this group, the CEO was the major owner of the company and had been the first in the role as well as the key decision maker in the appointment of the current chair. The group includes dyads of various durations, as one dyad had worked together for less than two years and the other two dyads for more than five years. Even if both partners in all dyads narrated a relatively high level of trust right from the start of the relationship, the story lines were slightly different between the partners, as the CEO narrated a progressive, happily-ever-after story line with several examples of events that had increased their trust in the chair, whereas the chair mostly narrated a story line of stable trust in the relationship.

The decision of the CEO to invite the chair to take up the position had largely been based on their perception of the chair's ability. Specifically, the CEO had perceived the chair's ability as complementary to her/his own, and as relevant to the challenges the company faced. Moreover, the CEO's initial perception of the chair's potential benevolence had been affirmed when the chair had agreed to take the position despite the fact that they were able to offer a level of compensation that was very low in proportion to the chair's experience and competence. Actually, one of the chairpersons did not take any compensation at all for the position, while another had invested in the company when she/he had started as chair.

The ability of the chair to contribute continuously to the company's business and her/his readiness to take the time to support the CEO were highlighted by both partners, and the CEO's vulnerability in response to the chairperson's actions was largely missing in this narration. Instead, the chair emphasised that due to the CEO's major ownership of the company, the CEO's trust in the chair was more relevant and crucial than vice versa. As one chair expressed it: "And as the CEO is the major owner in this company, the setting is such that I need to be trusted by the CEO, rather than vice versa, as is usually the case".

The CEO spoke of many events and issues that had increased her/his trust in the chair during the course of the relationship. These included the chair's advice about company strategy and her/his help keeping the company to the agreed course of action, about arranging finance and ownership structures in the company, about negotiating and forming new customer relationships and agreements, about getting the CEO to act on some difficult personnel issues, as well as more personal support, for example during the CEO's divorce. As one CEO commented: "All those things that (the Chair's first name) has brought along, have been extraordinarily good. I mean, not a single bad thing, in principle". Moreover, the CEO highlighted the chairperson's support in both the company's and her/his personal growth, and said it had significantly helped her/him to cope with the pressures she/he faced as an entrepreneur. A CEO described this as follows: "When (the Chair's first name) comes here, you get the feeling that there's peace on earth. And the kind of analytical and calm manner she/he has – considering and questioning – is just great. (The Chair's first name) does not give answers. She/he asks the right questions".

Rather than being protective of their autonomy, the CEOs in this group had mostly been delighted with any initiatives for contact that the chair had made, and warmly welcomed all challenging and advice the chair had given them. In fact, they said that they would be ready to take even more of that, but they understood that the chair had only a limited amount of time for the role because of her/his other engagements.

The chairpersons emphasised their ability to contribute to the company's business and to support the CEO, rather than control in the relationship. However, as there were also other owners in all these companies, the chairpersons also said they had noted the need to consider other shareholders when making decisions. They also narrated that they had established a firm foundation for cooperation at the start of the relationship by working out basic questions with the CEO very thoroughly – why the company exists and what the owners want it to be in the long run – highlighting the importance of a common understanding of the mission and

maybe because the CEO's position was based on the ownership of the company rather than on ability. However, this is not to say that the chair perceived the ability of the CEO as in any way unsatisfactory, but rather that the importance of the CEO's ability for trust was not emphasised in the same way as in the other groups.

Discussion

The key role and to a certain extent on-off nature of trust and the vulnerability (Mayer *et al.*, 1995) of the CEO in particular were all underlined in the talk of nearly all respondents when referring to the inevitable end of the relationship, typically coming about by the board's decision to dismiss the CEO, if trust were lost. We propose that the on-off nature of trust concerns the crucial line between trust and distrust and the consequent possibility of continuing the relationship, while the level of trust is more diverse and more open to change while the relationship exists.

At the start of the relationship, there appears to be a baseline of trust rather than distrust (Lewicki *et al.*, 2006). However, this propensity to trust (Mayer *et al.*, 1995) may be influenced by the similar cultural background of the partners (e.g. Lewicki *et al.*, 2006) and the national context of the study, namely Finland, which is a high-trust society (e.g. Bjørnskov, 2007) with a low-power distance culture (Hofstede, 1983). In a context of this kind, it may be that the partners act and expect each other to act as stewards, and this may contribute to a positive cycle of trust development rather than a negative development (Davis *et al.*, 1997; Roberts and Stiles, 1999; Sundaramurthy and Lewis, 2003).

Our findings lead us to propose that in the CEO-chair relationship, integrity (Mayer *et al.*, 1995) is a necessity, rather than something that will develop trust further (Lapidot *et al.*, 2007): it is important that the partners perceive each other as acting on the basis of a set of values that both partners find acceptable. However, it may be that even a very high level of integrity neither increases trust nor compensates for lack of ability or benevolence in the relationship (cf. Del Brio *et al.*, 2013).

An agreement on company strategy, i.e. goal congruency (cf. Jensen and Meckling, 1976; Davis *et al.*, 1997), was narrated by both partners as another important foundation for a trusting relationship. Such agreement could develop into a shared, co-created view of strategy as a result of the intensive interaction of the partners on emerging issues and challenges, and the possible responses to those challenges (Koskinen and Lämsä, 2016). This dynamic highlights the processual, reinforcing and cyclical nature of trust in the relationship: high-trust relationships are characterised by openness and continuous interaction (Huse *et al.*, 2005; Roberts *et al.*, 2005), whereas a lack of willingness to be vulnerable (Mayer *et al.*, 1995) may lead to a lack of interaction and defensiveness over, for example, a chosen strategy, rather than co-created views on it (Sundaramurthy and Lewis, 2003).

The meaning of ability and benevolence

It is suggested that the meaning and perceptions of ability and benevolence (Mayer *et al.*, 1995) of the dyadic partner are dynamic and evolving, reciprocally interlinked and to some extent complementary and context dependent. It is also proposed that the specific "contents" and significance of benevolence and ability are different for CEO and chair. The ability of the CEO was narrated as being both necessary for trust and an important builder of trust. For the CEO to be perceived as trustworthy, the ability to execute strategic plans and to deliver the promised results is most important, even if this ability results in the strategic development and performance of the company rather than directly in any consequences for the CEO-chair relationship (Serva and Fuller, 2004; Yakovleva *et al.*, 2010). Moreover, when the ability of the CEO is perceived as being very high, this may compensate for a lower perception of CEO benevolence (cf. Del Brio *et al.*, 2013). The CEO's benevolence is manifested in being open with the chair beyond what must be told (Mayer *et al.*, 1995; Lapidot *et al.*, 2007).

As regards the CEO's perception of the chairperson's trustworthiness, the chairperson's benevolence in terms of allowing the CEO autonomy (Davis *et al.*, 1997; Seppälä *et al.*, 2011), rather than performing any particular action (cf. Mayer *et al.*, 1995) was narrated as being most important. However, the willingness of the chair to allow the CEO autonomy may largely depend on the chairperson's perception of the CEO's ability (Del Brio *et al.*, 2013). Particularly early on in the CEO's tenure, when there is not yet enough information about the CEO's ability to perform, the chair may need to compensate for this uncertainty by more closely monitoring what the CEO does (Davis *et al.*, 1997). The chairperson's benevolence in the form of supporting the CEO is also considered to be meaningful for the development of trust to a higher level: by promoting the CEO's initiative for frequent interaction between the dyadic partners, it enhances the predictability of the actions of the other partner (Koskinen and Lämsä, 2016), results in less information asymmetry (Gabrielsson and Huse, 2002), and consequently further enables better support, such as advice and counsel (Zahra and Pearce, 1989), for the CEO as the chairperson's company-specific ability increases. The balance of vulnerability of both partners and the reciprocal nature of trust in the CEO-chair relationship is specifically highlighted here: the CEO must be willing to accept vulnerability to the chair's actions when giving the chair more information on company issues, and the CEO's openness is pivotal for the chair to perform her/his duties. On the other hand, the CEO's perception of the chair's benevolence may increase when the chair is well-enough informed to be able to interfere and for example impose certain decisions, but refrains from doing so (Fehr and List, 2004).

The meaning of the order of entry into the relationship

Our findings lead us to propose that the dynamics of trust development in the CEO-chair relationship may be different depending on which of the partners is the first to start in her/his role. One reason for this may be that when the chair is the first in the role, she/he will be in a key position in the recruitment process of the CEO, and both partners can make the decision and commitment to work together with the other partner. In particular, it is proposed that this process may enhance the perceptions of benevolence (Mayer *et al.*, 1995) of both partners. In situations where the CEO is the first of the partners in her/his role, this process of "mutual choice" does not take place. If, too, the CEO has been disappointed by the change of chair, this may influence how the relationship with the new chair forms (Ballinger *et al.*, 2009). Other issues that may contribute to the possible difference are ability and information asymmetry: when the chair is in position first and starts working with a new CEO, particularly when the CEO is recruited from outside the company, for a short period of time the chair has more company-specific knowledge than the new CEO. When the CEO is the first of the partners in the role, the information asymmetry in her/his favour is considerable right from the start and she/he may have already proven her/his leadership in the role (Hambrick and Fukutomi, 1991; Shen, 2003), established a position of authority in the organisation (Cornforth and Macmillan, 2016), and be used to a high degree of autonomy. The CEO may be reluctant to jeopardise this autonomy by being more open with the chair than she/he finds necessary. For the new chair, on the other hand, getting information from the CEO is a very important factor in building the company-specific knowledge that is needed to really take charge in the role. However, our results show that something might happen, such as a conflict in the boardroom, in which the chair is able to show her/his ability and benevolence to support the CEO, and this can have a strong influence on the development of trust in the relationship because of the resulting increased reciprocal benevolence manifested in the openness of the CEO.

The meaning of the CEO's or chairperson's major ownership

The nature of trust and the dynamics of trust development in the CEO-chair relationship appear to be different if the CEO is a major owner of the company, i.e. when the CEO

represents both the principal and the agent (Jensen and Meckling, 1976) in the relationship. In this kind of relationship, the CEO is less likely to be dismissed due to poor performance (e.g. Maury, 2006), and is less vulnerable to the actions of the chair, as she/he can basically choose the chair or at least strongly influence the appointment, as well as decide at any time to change the chair. Consequently, there seems to be less concern about the autonomy of the (owner-)CEO and much more emphasis is given by both partners to the ability of the chair to contribute to the business, increase the confidence of external stakeholders and complement and support the CEO (Huse and Zattoni, 2008). Moreover, the partners are able to evaluate the benevolence and ability of the other partner when negotiating over the chairpersonship, and as discussed above, the willingness of both partners to agree to work together can be assumed to reciprocally increase initial perceptions of benevolence. This kind of relationship may therefore actually start at a higher level of trust than is normally the case.

On the other hand, trust development in relationships in which the chair is a major owner appears to differ less from its development in relationships in which neither of the dyadic partners is a significant owner in the company. This may be due to the fact that the chair always represents the principal, i.e. the owner, in the relationship, regardless of her/his personal ownership.

Practical implications

The practical implications of the study highlight the importance of efforts on both sides to build trust, and particularly continuous processes of open interaction initiated by the CEO once she/he has perceived that the chair is trustworthy enough in terms of benevolence. Our results give support to the cyclical, self-fulfilling and reinforcing nature of trust (Davis *et al.*, 1997; Roberts and Stiles, 1999; Sundaramurthy and Lewis, 2003). In line with Roberts and Stiles (1999), we highlight the pivotal importance of the start of the relationship, and in particular propose the importance of an open discussion at this stage on expectations and common rules in the relationship between the partners. Moreover, special attention should be paid to dyadic trust building in situations in which a new chair enters into a relationship with a long-standing, high-performing CEO.

The separation of the roles of CEO and chair has not been found to improve company performance on its own (e.g. Krause *et al.*, 2014). However, our findings suggest that the performance implications of CEO non-duality may be influenced by the level of trust in the CEO-chair relationship. The level of trust in the CEO-chair relationship is particularly important for value creation in the relationship, because in a high-trust relationship, the possibility of both partners making a contribution to the company is enhanced through knowledge sharing and learning in open interaction.

Limitations and suggestions for further studies

A severe limitation of this study is that the empirical data were generated in one country, Finland. As the development of trust relationships is influenced by the social-cultural context (Lämsä and Pucetaite, 2006; Wright and Ehnert, 2010), it would be valuable to conduct similar studies in other contexts, particularly in low-trust societies, and with dyads in which the partners come from different socio-cultural backgrounds. In particular, the propensity to trust (Mayer *et al.*, 1995) of the CEO and chair may be on a lower level in low-trust societies or where there is cultural dissimilarity, and therefore our findings concerning the start of the relationship above the zero level of trust may not apply. This, in turn, is likely to influence the early dynamics and make it more difficult to generate the positive, re-enforcing dynamic of trust development that applied to the majority of dyads in this study. In addition to social-cultural issues, the Companies Act, corporate governance codes and the guidelines they provide for these role-holders also differ from one country to another, which may influence the meaning and development of trust in the relationship across countries.

Another major limitation of this study is the attempt to study the development of trust based on interviews conducted at one point in time rather than on longitudinal data. This means that the issues and events were selected by the respondents at the time of the interview, and the narratives they told might have been influenced by the current level of trust in the relationship (Gergen and Gergen, 1988; Bruner, 1991; Polkinghorne, 1995). Due to this issue, and the relatively small body of research using longitudinal data in the areas of board work and the CEO-chair relationship (Stewart, 1991; Huse, 1998; Huse *et al.*, 2005; Cornforth and Macmillan, 2016), and trust development (Serva *et al.*, 2005; Ballinger *et al.*, 2009; Colquitt *et al.*, 2011), we suggest that the topic merits a longitudinal research setting. However, we find our narrative approach and the data generated by this study are valuable due to the qualitative, rich nature and dyadic setting of the study.

The dyadic setting also set limits, however, to how the data can be displayed. As the partners were guaranteed confidentiality in relation to their dyadic partner, certain restrictions apply especially to the citations used in the study report. For example, we as researchers were asked to not reveal some specific, sensitive issues that were described in the interviews, as they might be recognised by the other partner. On the other hand, it appeared that the fact that the respondents knew that their partner would be able to tell her/his side of the story to the same researcher may have reduced “whitewashing”. Instead, the respondents wanted to explain their side of the story, and possibly also answer to the criticism they assumed the other partner might have raised in her/his interview.

An interesting area of further study would be the effects of order of entry and tenure on the relationship. In line with some other authors (Hambrick and Fukutomi, 1991; Shen, 2003; Huse, 2007; Cornforth and Macmillan, 2016), we propose that the relational dynamics develop differently depending on the tenure of the partners in the position, and may be influenced by the other partner’s affective reactions to the turnover (Ballinger *et al.*, 2009).

Loss of trust in the CEO-chair relationship would merit research, as the respondents in this study said that in the case of lost trust, the relationship would likely end in the CEO’s dismissal. Still, even if the antecedents of executive dismissal have received much research interest (see Hilger *et al.*, 2013), studies examining the process leading to the loss of trust in this relationship are very rare.

Conclusion

It can be concluded that even if a sufficient amount of trust was narrated as being a prerequisite for the continuation of the CEO-chair relationship, trust is dynamic and can take different levels during the course of the relationship, and it can develop in a cyclical, cumulative way.

In sum, the key reciprocal dynamics of interpersonal trust development in the CEO-chair relationship appear to emerge around the CEO’s ability to deliver the promised results, the chair’s willingness to allow the CEO autonomy and give support, open information-sharing largely initiated by the CEO, and the consequent company-specific ability of the chair. The final results of this high-quality interaction are shared understandings of emerging changes, challenges and opportunities, and a shared view of the response to these challenges and opportunities in the form of company strategy.

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III

THE PROCESS OF CEO DISMISSAL: AN EXPLORATORY STUDY

by

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The Process of CEO Dismissal: An Exploratory study

Satu Koskinen

Abstract

The decision to change the CEO is one of the most important decisions of the Board of Directors in a company. This study increases understanding of the process that leads to a Board's decision to dismiss the CEO under conditions of poor performance, and of the meaning of attributions in CEO dismissal. The role of the Chair of the Board in this process is also explored. An exploratory, empirical study concerning nine CEO dismissal processes is conducted based on open-ended interviews with seven Chairpersons of the Board. The findings shed light on the issues that impact the relationship between poor company performance and CEO dismissal. In particular, the results increase understanding of the influential role of the Chair in the governance context of CEO non-duality, i.e., separated roles of CEO and Chair. It is proposed that social forces and changing dynamics in the social relationships between the Chair, the CEO and other Board Directors are likely to have an impact on the Board's attribution process and CEO dismissal.

Key Words: CEO dismissal, Chairperson of the Board (Chair), Board of Directors, Leadership, Attribution process, Qualitative research

Introduction

The decision to change the CEO is one of the most important decisions made by the Board of Directors in a company, and it has long-term implications for the company's operating, financing and investment decisions (Huson et al., 2001). CEO dismissal, i.e. the forced departure of the CEO from her/his position (Fredrickson et al., 1988), has been described as the Board's ultimate tool for exercising control over management (Mizruchi, 1983), or shaping the 'context, content and conduct' of strategy (McNulty & Pettigrew, 1999, p. 66). From the perspective of the Board, the dismissal of the CEO is likely to be among one of the most difficult situations (e.g. Frisch & Huppenbauer, 2014). The dismissal decision and process involve various emotions, such as guiltiness, empathy and care as well as tensions between ethical and economic objectives (Lämsä & Takala, 2000; Martelius-Louniala, 2017).

The topic of CEO succession, i.e., either voluntary or non-voluntary CEO turnover, has been the object of a lot of research interest for several decades (Cragun et al., 2016). The vast majority of previous CEO turnover studies have drawn on quantitative data on large, listed US companies; qualitative studies and studies conducted in non-US contexts and in smaller companies are scarce (Eriksson et al., 2001; Brickley, 2003; Hilger et al., 2013; Cragun et al., 2016). As regards specifically CEO dismissal studies, the main focus has been on the possible antecedents of CEO dismissal, such as company performance and CEO power, and the studies have largely been based on publicly available data (e.g. Huson et al., 2001; Hilger et al., 2013). However, the full reasons for CEO turnover are rarely made public (e.g. Fredrickson et al., 1988; Denis & Denis, 1995; Pitcher et al., 2000; Florou, 2005; Schwartz-Ziv & Weisbach, 2013). Additionally, previous studies have seldom had access to the detailed story of a turnover process (Pitcher et al., 2000; Finkelstein et al., 2009), so the actual process leading to dismissal has largely remained unexplored (Pettigrew

& McNulty, 1998; Cragun et al., 2016).

In most cases, CEO dismissal is initiated and decided by the Board of Directors (e.g. Huson et al., 2001; Hilger et al., 2013) and, in the governance structure of CEO non-duality (i.e., where the roles of the CEO and Chair are separate), which is a common governance model in Europe (Huse, 2007), it has been argued that CEO dismissal is the task of the Chair of the Board (Roberts, 2002). Nevertheless, although the Chair is argued to have an influential position in Board decision-making in practice (e.g. Gabrielsson et al., 2007; Bailey & Peck, 2013), the role and leadership of the Chair in the process of CEO dismissal has received very little research attention. In addition to access difficulties (Pettigrew, 1992), one reason may be the heavy emphasis on US samples and the dominant governance model there of CEO duality (i.e., the combined role of CEO and Chair) (e.g. Krause et al., 2014).

Poor company performance, for example in terms of profitability, sales growth, or stock returns, has been found in numerous studies to increase the likelihood of CEO dismissal, but performance has been found to explain dismissal only partially (see e.g. Finkelstein et al., 2009; Hilger et al., 2013; Cragun et al., 2016). It has been suggested that attributions made by the Board have an impact on the CEO dismissal decision and mediate the relationship between performance and dismissal (e.g. Fredrickson et al., 1988; Haleblan & Rajagopalan, 2006; He & Fang, 2016). The Board may be constrained in a variety of ways in its decision-making concerning CEO dismissal, and understanding these constraints is pivotal (Schaffer, 2002).

The aim of this research is to increase understanding of the process which leads to a Board's decision to dismiss the CEO under conditions of poor company performance. Additionally, the role of the Chair in this process on account of her/his central role in Board work will be explored (e.g. Roberts, 2002; Gabrielsson et al., 2007; Bailey & Peck, 2013). As it has been proposed that attributions, i.e. causal ascriptions applied to a positive

or negative outcome (Martinko et al., 2007), play an important role in understanding a leader's responses to poor performance, the study draws on the literature on attributional processes (e.g. Green & Mitchell, 1979; Martinko et al., 2007) to examine the CEO dismissal process. The study also contributes to the literature by adding to the limited amount of empirical research on the role of the Chair of the Board (e.g. Roberts, 2002; Gabriellsson et al., 2007; McNulty et al., 2011), particularly in the CEO dismissal process, and by pointing out fruitful avenues for further research on the topic. By focusing on Finnish companies of various sizes and types of ownership, the study addresses the shortage of studies of CEO dismissal in contexts other than major, listed, US companies (Cragun et al., 2016).

The context of the current empirical study is Finland. According to the Limited Liability Companies Act of Finland (Osakeyhtiölaki 624/2006), the appointment and dismissal of the CEO are among the responsibilities of the Board, which is appointed by the General Meeting. The Chair of the Board is elected by the Board, unless decided otherwise when the Board is appointed or the Articles of Association provide otherwise. Under the Companies Act, the powers of the Chair do not differ from those of other Board Directors, although she/he is responsible for seeing that the Board meets when necessary and has a casting vote in the event of a tie. It is the CEO's duty to manage the company as instructed by the Board, and to provide the Board with the information it needs to carry out its responsibilities.

Theoretical framework

Attributional processes in the context of leadership

Attributional processes have been argued to play an important role in understanding the dynamics of leadership processes and leader-subordinate interactions (Green & Mitchell, 1979). It has been argued too that attributions account for a significant amount of the variance in leadership behaviours, particularly as regards the evaluation of performance made by leaders, and the outcomes of this evaluation (e.g. Green & Mitchell, 1979; Martinko et al., 2007). When viewed from the perspective of leadership, the CEO-Board and CEO-Chair relationships can be argued to have some extraordinary characteristics. These include the Board's diverse tasks of control, service and strategy (e.g. Zahra & Pearce, 1989), as well as the Board's dependence on the information provided by the CEO when carrying out its duties (e.g. Hooghiemstra & Van Manen, 2004; Bailey & Peck, 2013). Even if responsibility for supervising and dismissing the CEO lies with the Board as a collective, in the governance structure of CEO non-duality the Chair typically works more closely with the CEO than do the rest of the Board (e.g. Roberts, 2002; Kakabadse et al., 2006; Koskinen & Lämsä, 2016). Moreover, prior research has suggested a strong interdependency between the roles of CEO and Chair (Stewart, 1991).

The current study draws upon a model of the attributional process of leaders in leader-subordinate interactions proposed by Green & Mitchell (1979). According to this model, the reaction of a leader to poor performance is a two-stage process. First, a leader, such as the Chair (with the whole Board), aims to understand the reasons for the performance and to make attributions primarily to either internal (e.g. the ability or effort of the CEO) or external (e.g. market situation) causes. It has been argued that in this process, what is most important is information concerning the distinctiveness and consistency of the poor performance as well as how far there is consensus on the subject (Kelley, 1973). Second, an appropriate response,

e.g. CEO dismissal or some other corrective measure, is selected to address the issue. It has been suggested that the leader's response to poor performance is affected by her/his attributions: for example, when failure is attributed to the subordinate's lack of effort, the response of the leader may be more negative than in the case of an attribution of lack of ability (Weiner & Kukla, 1970; Green & Mitchell, 1979).

According to the model of Green and Mitchell (1979), certain moderators, such as empathy and the closeness of the leader's relationship with the subordinate, influence the attribution process, and contextual constraints or organisational policies may further influence the responses of the leader. Attributional biases, such as self-serving bias and actor-observer bias, have also been argued to affect the leader's evaluations of performance (e.g. Green & Mitchell, 1979; Martinko et al., 2007). Self-serving bias refers to individuals' tendency to take credit for success but blame others for failure. In the context of leadership, actor-observer bias refers to the tendency of leaders to explain the failure of their subordinate, in this study, the CEO, by reference to internal causes when they interpret their own role as that of observer, but when they are in a psychologically close relationship with their subordinate and interpret their own role as an actor, they may be more likely to attribute failure to external causes (Green & Mitchell, 1979). Schaffer (2002) suggested that when assessing CEO performance, inside Directors in particular may be constrained by their stronger connection to the CEO and self-serving biases, whereas outside Directors are likely to have constraints of time and of the scope, detail and accuracy of the information available to them, and may have lower levels of commitment to the organisation. A study that examined dyads working on tasks with interdependent outcomes found a self-serving bias in dyads that were relationally distant: the dyadic partners in distant relationships took credit for success for themselves but blamed the other partner for failure (Sedikides et al., 1998).

Research on CEO dismissal and the role of the Chair

It has been argued that CEO dismissal is particularly challenging for the Board for at least three reasons: a lack of independence, unclear performance evaluation standards, and pressures attached to the dismissal decision process (Hilger et al., 2013). It has been proposed that particularly the information asymmetry that works in the CEO's favour complicates the task (e.g. Boivie et al., 2016).

Pettigrew and McNulty (1998, p. 206) note that in the literature, poor performance is assumed to be 'a necessary, if not a sufficient, condition for CEO dismissal'. In addition to poor performance, several other factors, particularly related to CEO or Board power, have been proposed to either increase the possibility of CEO dismissal or to help the CEO remain in position despite poor performance (e.g. Fredrickson et al., 1988; Huson et al., 2001; Brickley, 2003; Hilger et al., 2013). Poor industry performance has been argued to significantly increase the likelihood of CEO dismissal, but peer performance has only minor effects on CEOs who perform well (Jenter & Kanaan, 2015). In a survey conducted among venture capitalists, CEO failure in the area of strategic leadership was found to lead to dismissal (Bruton et al., 1997).

Attributions, expectations, interpretation and deviations from forecasts have been argued to impact CEO dismissal (e.g. Fredrickson et al., 1988; Puffer & Weintrop, 1991; Farrel & Whidbee, 2003; Haleblan & Rajagopalan, 2006; Lee et al., 2012; He & Fang, 2016). Fredrickson et al. (1988) present a model of CEO dismissal that does not assume that the Board's

decision is totally rational, even if the Board may view it as such, but is also influenced by political and social forces. They suggest that the link between CEO dismissal and company performance is not direct but is mediated by the Board's expectations and attributions, allegiances and values, the availability of alternative CEOs, and the power of the incumbent CEO. Halebian and Rajagopalan (2006) developed a cognitive model of CEO dismissal, proposing that the Board's composition, perception and attribution of performance, and efficacy assessment of the CEO all impact on the CEO dismissal decision. It has also been proposed that the Board's process of attribution may be influenced by contextual factors, such as market conditions and industry performance (Sun & Shin, 2014).

In terms of power and influence, the replacement of the CEO has been argued to be one of the key tasks of a non-CEO Chair of the Board (McNulty et al., 2011), and the Chairperson's ultimate responsibility (Roberts, 2002). Forced CEO and Chair changes may be intertwined (e.g. Eriksson et al., 2001; Florou, 2005), and prior research has reported higher Chair turnover following a company's operating loss (Firth et al., 2006; Maury, 2006). It has also been suggested that the failure of the CEO is seen as a sign that the Board, including the Chair, has also failed (Eriksson et al., 2001; Wiersema, 2002), and the likelihood of the Chairperson's being replaced has been proposed to be particularly high when the Chair has been involved in the appointment of the dismissed CEO (Florou, 2005).

Method

The empirical data of the study consist of narrative, open-ended interviews with seven Finnish (non-CEO) Chairpersons who retrospectively describe the process that led to the dismissal of a CEO. A narrative interview refers here to a contextual, sequential account of events and of people acting in a certain setting, told by the respondent as she/he has experienced them (e.g. Bruner, 1991; Söderberg, 2003).

Chairpersons who were assumed or known to have personal experience of CEO dismissal in their role as Chair were contacted personally by the author via e-mail, phone or face-to-face, to ask for permission to interview them. All the Chairpersons who were contacted agreed to join the study. The respondents were guaranteed full anonymity, and to ensure this it was agreed that the interview data would not be presented as separate cases. The respondents were also allowed to refrain from using company or CEO names in the interview if they preferred this.

All the Chairpersons interviewed were aged between 53 and 69, held an academic degree, and had extensive experience in senior executive positions and Board work. One of them was female, the others were male. The sample included Chairpersons from both small and large companies, and in terms of ownership included family-owned, listed, state-owned and private equity companies. All respondents were outside Directors, and none of them worked full-time, was a previous CEO, or a majority shareholder in the company in which the dismissal occurred.

A week before the scheduled interview an e-mail was sent to the respondents explaining the purpose of the interview and its narrative, open-ended nature. The interviewees were told that they would be expected to describe the whole process leading to a CEO dismissal in their own words: the first signs of problems, how the process developed, what kind of issues contributed to the dismissal decision, and how long the process lasted. The respondents were reminded of the anonymity of the interview and informed that, unless they disapproved, the interview would

be audio-recorded. All the interviews, which were between 40 and 85 minutes in length, were in fact audio-recorded and transcribed verbatim for analysis. The respondents were encouraged to describe events as they had experienced them, and extra questions were asked during the interview to get more detailed information. In four interviews, one process was covered in great detail, and in three interviews, a total of seven dismissals were covered on a slightly less detailed level. As most respondents had a lot of experience of CEO dismissals, many of them referred to or briefly described a number of other CEO dismissals they had participated in. In what follows, we focus on processes in which poor performance, e.g. in terms of company profitability or the level of return on investment, was described as playing a crucial role in the Board's decision to dismiss the CEO. Six respondents narrated one, and one respondent three such processes in her/his interview.

During the iterative analysis process, the theoretical literature and empirical data were continuously linked together. First, the transcriptions of the interviews were read through many times and then the data were coded in order to extract phrases, sentences and sections in which the respondents described how the situation and the CEO were evaluated, and how they, together with the whole Board, responded to the poor performance. These extracts were then further analysed in order to understand their significance in the dismissal process. Typically, the respondents did not distinguish between the CEO's results and the company's results but the financial performance of the company served as a key measure and basis for evaluating the CEO.

In what follows, we start with the reasons why poor performance was attributed mainly to the CEO rather than, for example, to external factors. After this, we present the responses of the Chair and the Board to the poor performance of the CEO, as described by the Chairpersons in the interviews. We also describe the kinds of problems or constraints mentioned by the Chairpersons as having to be overcome by them or the whole Board in the course of the CEO dismissal process.

Findings

Understanding the reasons for poor performance

In six, i.e. the majority, of our nine dismissal processes, the dismissal had been preceded by recent Chair turnover. In other words, the Chair had taken up their position less than a year before the Board made the decision to dismiss the CEO and had been aware beforehand of the poor company performance. In one case, when recruiting the Chair, the owners had been very open about their desire to change the CEO, but said they had not managed to do this because of the CEO's substantial share in the ownership of the company. One Chair commented that the CEO had been her/his subordinate several years earlier in another organisation and in his opinion was 'not a CEO type-of-person at all', and another CEO was said to have a poor reputation.

Typically, the Chairpersons who had recently taken up the position described their first impressions of the CEO as being rather negative and critical, saying, for example, '...in my opinion, the numbers were totally out of control, the CEO would prattle on about trivial matters, and rapid change was needed.' Another Chair spoke about her/his initial feelings after the first Board meetings she/he had chaired: 'From the very beginning it felt as if there were other forces guiding the CEO rather than the man himself. I mean, he didn't have his own vision of what the firm was about to become, maybe it

wasn't thought through thoroughly enough.'

The new Chairpersons attributed poor performance very largely to a combination of many different internal, CEO-related reasons rather than to external causes or particular, isolated, events. These included, for example, not working closely enough with customers, failing to meet her/his own forecasts, having nominated the wrong people to join her/his team, being a weak leader, and lacking leadership, organising and strategic skills. Poor performance was also said to have continued for 'too long', as for example 'Five years of continual losses', and in most of our cases the new Chairpersons indicated that in their view, their predecessor had failed to address the issue. Even if external causes, such as a drastic change in the market or the collapse of the tech bubble, were also mentioned as reasons for poor performance, the fact that they had such negative consequences for the company was largely attributed to the failure of the CEO to lead the company to adapt to the changes rapidly and decisively enough. In addition, new Board Directors were described as seeing the situation in the same way as the recently started Chair and supporting her/him.

In one case in which the CEO was newly appointed, the Chair said that the Board and she/he had worked particularly closely together with the CEO, and that the CEO's failure to act as agreed with the Chair in weekly discussions led to her/his dismissal well before the end of the CEO's first year of tenure. In this very small company the Chair had soon found it necessary to give detailed instructions to the CEO but was met with a total lack of response: 'Nothing ever happened!'

In the two processes in which both the CEO and the Chair had been in their positions for several years before the dismissal, the Chairpersons said that they and the rest of the Board had reacted to the deteriorating situation much too slowly, only after a drastic fall in financial results. In both these processes the respondents referred to environmental conditions as a major reason for the Board's late reaction. In retrospect, one Chair admitted that in her/his opinion the Board had missed the signs of a radically changing market and the inadequate response of the company to these changes: 'We were so late reacting. I mean, when the results plummeted, then we changed the CEO.' In this case, poor company performance resulted in very strong pressure from the shareholders to dismiss the CEO. The Chair still expressed appreciation of the CEO, but admitted that he was just not the right man for the job in the current situation: 'I mean, even if the guy was really good, the CEO, but he was born for rapid growth, marketing, brave moves, when he should have started streamlining and cutting costs here and there. So, then, it was just that a different kind of guy was needed.'

In the other process, despite growing concerns about the CEO's strategic and leadership skills, as well as her/his lack of response and openness with the Board and the Chair, the Board had not taken action to dismiss the CEO on account of her/his long history of satisfactory financial performance. What makes this process particularly interesting is that, looking back on it, the Chair said that she/he realised that a major reason for the good financial performance during the last year before the dismissal had been very exceptional weather. Although this was obviously more a matter of chance than of CEO performance, it led the Board to dismiss their concerns and persist in believing that the CEO was still performing well and would continue to do so in the future. The resulting good financial performance saved the CEO that year, but his dismissal happened a year later when there was a drastic fall in financial performance. In retrospect, the Chair said that she/he thought the Board should have taken action more quickly: 'But his track record was good,

and the results were... I, too, thought that we wouldn't right away change a guy who has delivered good results every year. Achieved by whatever means. That was the sort of idea, but it was wrong. In retrospect. Should've acted sooner.'

This last case also shows how important company financial performance can be in 'saving' a CEO from dismissal. Its dominance over other issues is also highlighted in a more general comment from another, very senior Chair: 'I'll put up with a lot from a CEO who's getting results.' And she/he later continued: 'But then, of course, if the results don't come, all these other things come to matter hugely'. The 'other things' the Chair was referring to were, for example, the CEO's arrogance, lack of openness, and reluctance to listen to the Board's advice.

Responding to poor performance

Chairpersons described how, as a response to poor performance, the Board had made initiatives to improve performance but the CEO had not followed them up as firmly or as quickly as the Board had expected. This lack of response and sense of urgency on the part of the CEO was narrated as having contributed to the dismissal decision. For example, one Chair commented on a Board's dissatisfaction with its CEO's lack of response when called upon to put forward proposals to revise company strategy: 'He didn't seem to understand that this is, then, really, really important, this strategic work.' Moreover, the CEO's failure to change the top managers in the company, particularly the CFO, as proposed and required by the Board, was mentioned by several respondents as having contributed to the CEO's own dismissal. One Chair said that the Board had made a decision to downsize the personnel but realised later that the CEO had taken no action on it. The Chair said this was 'the last straw': 'that even when the results are bad, instructions are still not followed.' In another case the Board was described as having initiated action that they considered very important, for example for improving health and safety issues in the company, although it would not have directly enhanced performance, and the CEO's lack of action on the issue was described as having greatly annoyed the Board and as contributing to the dismissal decision.

Additionally, Chairpersons reported that the CEO's failure to propose measures to improve performance had been criticised by the Board. As described by one Chair: '...a CEO cannot come and ask the Board what we should do next. It has to be the other way round: that he has his own, clear views to defend when presenting them to the Board'. Chairpersons also said that they had tried to give feedback to the CEO in dyadic discussions to better align her/his action with the Board's expectations, but to little effect. One Chair, for example, said: 'We had that discussion going on for a full six months, I mean, I really tried there, I tried hard to get the message across.'

In many cases, this lack of initiative and effort on the part of the CEO to proactively lead changes was described as a misfit between her/him and what the Board perceived as necessary to improve performance. The need for a different kind of leadership and the consequent misfit was explained as arising, for example, from a steep fall in the market, desired strategic change, or the stage of development in the life cycle of the company.

Overcoming constraints

According to the respondents, in order to understand the reasons for poor performance and decide upon appropriate responses, more information was needed than was received through regular Board meetings and reports. Chairpersons

described their dyadic practices with the CEO as an important source of additional information. Some respondents said that as part of their routine when starting as Chair in a company they formally interviewed all the members of the top management team to find out about the company and to get a sense of the views, atmosphere, quality and unity of perspectives of the team. Others said that they simply talked to top management team members when the opportunity arose. A management review conducted by an outside consultancy had in some cases been a valuable source of information on the CEO and her/his team. Some respondents admitted that as they were not specialists in the industry in which the company operated, evaluating the situation and the CEO was difficult for them.

As the CEO is normally present at Board meetings, Chairpersons said that they arranged one or more Board meetings or discussions without the CEO present to enable the Board Directors to discuss the matter and come to their decision. Our respondents said that they had either concluded that there was such dissatisfaction among the Board Directors or shareholders that it needed to be addressed or they wanted to discuss with other Directors their own view of the matter. Chairpersons underlined that it is the duty of the Chair to organise this kind of Board discussion, regardless of their own views on the CEO, if they discern any signs of dissatisfaction among Board Directors. Sometimes a Board meeting was preceded by discussions between the Chair and individual Board Directors, or a written questionnaire was sent by the Chair to the Board Directors to ask for their views on the CEO and the situation. In addition, some respondents said that they had discussed the situation and the possibility of the CEO's dismissal with major shareholders.

Even if the decision to dismiss the CEO was made by the Board as a collective, rather than the Chair, some respondents said that they had been the driving force behind the dismissal decision. For example, one Chair noted that even if the dismissal was 'a joint conclusion' of the Board, she/he had been the one who had pushed for it most. Another Chair, while emphasising the collective nature of the Board's decision-making, at the same time admitted that 'but obviously, as the Chair, you always lead in one way or another'. One Chair also said that when she/he had organised a Board meeting without the CEO present to discuss the Board's views of the CEO, this had clearly been a strong signal to the rest of the Board that they should take action, and the dismissal decision had been taken right away, although the Chair her/himself had at first held and presented a diverging view.

One Chair explained that emotions and a close relationship with the CEO may make the dismissal difficult for Board Directors: 'Well, it is a difficult decision from a human perspective. I mean, the Board and the CEO have an aim, they aim to build a kind of trusting, close relationship. That has high level dialogue and in a way there's a good atmosphere between the members of the group. And then, when this kind of difficult situation emerges, then... then the emotions are very much involved.' The Chair also emphasised that in order not to risk the future success of the company, it is necessary to put the emotions aside, and to be pragmatic and analytical in these situations.

Obviously, a key issue that has to be addressed somehow before finally deciding upon the Board's response is the CEO's replacement. In some cases, uncertainty about the quality of possible successors was a major impediment to the process of dismissal, and the final decision was only made after the Chair had been able to find out something about the pool of

alternative CEO candidates, for example through personal networks or head hunters. In some other cases, an interim CEO was appointed and the search for new candidates only started after the dismissal had already taken place.

Discussion

The findings of this study suggest that when faced with poor company performance, the CEO is put under closer scrutiny, while when the company is performing more strongly the CEO may not be as closely monitored by the Board (Pettigrew & McNulty 1995; Tuggle et al., 2010). This result is in line with the proposition of Jenter and Kanaan (2015), that under times of strong industry performance the Board may mistakenly attribute strong company performance to the CEO and that poor industry performance is likely to increase the chances of dismissal of an underperforming CEO.

The results of this study shed light on the importance of the Board's expectations (Green & Mitchell, 1979; Fredrickson et al., 1988; Puffer & Weintrop, 1991; Haleblan & Rajagopalan, 2006) concerning the CEO's actions, as well as its role and relationship with the CEO, which may all be subject to change when company performance turns out to be poor. More specifically, the results indicate that when company performance is poor, the CEO's ability and effort to initiate and execute the necessary company transformation is important, and that the CEO's failure to convince the Board of her/his fit (e.g. Finkelstein et al., 2009; Chen & Hambrick, 2012; cf. Cragun et al., 2016) as leader of this change is likely to contribute to dismissal (Bruton et al., 1997; Haleblan & Rajagopalan, 2006). Also, it is proposed that even if poor performance is originally perceived by the Board as resulting from external causes, such as a market crash, a resulting perception of a poor CEO fit with the changes needed for performance improvement may still lead to CEO dismissal (Jenter & Kanaan, 2015; cf. Green & Mitchell, 1979; cf. Sun & Shin, 2014; cf. He & Fang, 2016). The Board might take a more active role in initiating changes to improve performance, and rather than its being merely a matter of ability, a failure of the CEO to show that she/he is making an effort to respond to both the external changes and the Board's initiatives may have a significant impact on her/his dismissal (Weiner & Kukla, 1970; Green & Mitchell, 1979). Additionally, this study implies that the non-CEO executive turnover that often takes place before or at the same time as CEO dismissal may not be scapegoating by the CEO (cf. Boeker, 1992) but initiated and strongly encouraged by the Board to facilitate better top management fit, strategic change and company performance (Barker et al., 2001; cf. Wiersema & Bantel, 1993; cf. Fee & Hadlock, 2004).

As mentioned above, in the majority of the dismissal processes examined in this study, the Chairperson had taken up their post less than a year before the dismissal. It is likely that in part, the changing expectations, closer monitoring, and more active role of the Board discussed above resulted from Chair turnover, as the new Chair had been critical of the CEO right from the start (Stewart, 1991). It appears that in some cases the Chairperson's critical attitude had already been formed before starting in the position, either in discussions with shareholders or the nomination committee about the Chairmanship or based on other prior knowledge of the CEO and/or company performance. Also, it is likely that the new Chairpersons' attributions of performance differed from those of their predecessors who, apparently, had not (at least successfully) made any moves to dismiss the CEO (Pettigrew & McNulty,

1995). One reason may be that having been recently appointed and not yet having formed a close relationship with the CEO (Sedikides et al., 1998), the new Chair or Board Director may feel more allegiance to the company's shareholders than to the CEO (Fredrickson et al., 1988) and consequently will be more likely than a Chair or Board Director with a longer tenure to attribute poor company performance to the CEO (Green & Mitchell, 1979; Martinko et al., 2007).

In contrast, it seemed that Chairpersons with a long common tenure with the CEO had, together with the rest of the Board, reacted very late to an unsatisfactory situation, only after a significant drop in company profits. It may be that particularly long-tenured Chairpersons are subject to actor-observer bias and self-serving attributions (Green & Mitchell, 1979; Sedikides et al., 1998) despite their non-executive role (cf. Schaffer, 2002; cf. Halebian & Rajagopalan, 2006). This may be influenced by the strong interdependency (Sedikides et al., 1998) between the CEO and Chair (Stewart, 1991), as well as their key role in the collective, co-constructed processes of corporate directing (Pye, 2002). Also, the role of emotions, such as empathy and care, in the dismissal process may be stronger when the CEO and Chair have a long common tenure and consequently, possibly a closer interpersonal relationship (Green & Mitchell, 1979; Lämsä & Takala, 2000; Martelius-Louniala, 2017). Prior research has proposed that long-tenured, outside Directors who strongly identify socially with the organisation may be less likely to offer alternative views and to independently assess senior management (Veltrap et al., 2015) and that trust in and familiarity with the CEO may lead to complacency and cognitive blindness on the part of the Board (Van Ees et al., 2008). It has also been proposed that strong ties and mutual trust built in intensive collaboration between directors and executives, such as the Chair and the CEO, may contribute to faulty attributions and strategic persistence (Sundaramurthy & Lewis, 2003).

Finally, the team leadership skills of the Chairperson (Gabrielsson et al., 2007) as well as the 'will and skill' and dynamics of relationships among the Board Directors have been argued to affect their influence (Pettigrew & McNulty, 1995). Our results throw light on the key role of the Chair in the dismissal process (Roberts, 2002; McNulty et al., 2011) in terms of overcoming the constraints identified in prior studies (e.g. Schaffer, 2002; Hilger et al., 2013; Boivie et al., 2016; cf. Pettigrew & McNulty, 1998). The actions of the Chairpersons in this study appeared to be driven by utilitarianism, their identity as professionals, as well as their sense of duty (Lämsä & Takala, 2000; Martelius-Louniala, 2017) and strong commitment to acting according to what they perceived to be in the best interests of the company and its shareholders (Fredrickson et al., 1988; Roberts, 2002). Our results indicate that due in part to the information asymmetry between the Board and the management (e.g. Bailey & Peck, 2013; Boivie et al., 2016), the Chairperson's role in generating information for the Board may be significant in the CEO dismissal process. Additionally, the results suggest that because of the closer working relationship that the Chair has with the CEO compared to that of the rest of the Board (e.g. Roberts, 2002; Kakabadse et al., 2006; Koskinen & Lämsä, 2016), as well as her/his control over the Board's agenda (Tuggle et al., 2010), the Chair may be in a position to strongly affect the Board's attributional process. It is also proposed that the Chair has a pivotal role in creating the conditions for the Board as a collective to discuss and to make the dismissal decision without the CEO present.

Limitations and suggestions for further studies

A limitation of this study is its attempt to study the dismissal process based on the perceptions of only one actor, namely the Chair. Due to the simultaneously collective and individual aspects of corporate directing (Pye, 2002), studying the perceptions and attributional processes of other key actors, such as the CEO and Board Directors, would be fruitful in the future, particularly with regard to the same CEO dismissal process. For example, it is possible that the CEO's lack of effort described by our respondents would, from the CEO's point of view, be the result of diverging views on priorities or solutions for performance improvement.

CEO dismissal can be argued to have several characteristics, such as importance, accountability and lack of clarity, that might encourage managerial political behaviour (Ferris et al., 1994) on the part of the Chair in the interview situation. It can also be suggested that senior Directors, like the respondents in this study, might well be particularly good at influencing others and justifying their own actions (Mills, 1940; Scott & Lyman, 1968; Ferris et al., 1994). When reporting their experiences of the dismissal process retrospectively, the Chairpersons had the opportunity to construct and edit the story to justify the outcome (Scott & Lyman, 1968; Gergen & Gergen, 1988; Bruner, 1991), i.e. the dismissal decision. In retrospect, the respondents said that in their opinion the decision was right, even if made too late, and many of them commented that company performance had improved as a result of the CEO turnover (Denis & Denis, 1995; Bruton et al., 1997; cf. Wiersema, 2002; cf. Hilger et al., 2013).

Owing to the approach chosen and the relatively small sample of empirical data generated from different companies in one country, the generalisability of the results of the study is limited. Still, we consider that our explorative approach has been valuable in increasing understanding of the process of CEO dismissal on account of the rich nature of the data obtained directly from key actors in the process. An additional strength of our sample in comparison to studies using publicly available data, which is a common way to study CEO dismissal, is that all the processes were certainly dismissals (see e.g. Finkelstein et al., 2009; Schwartz-Ziv & Weisbach, 2013). Moreover, while most dismissal studies have been conducted in the context of CEO duality, our results shed light on the influential role of the Chair in the context of CEO non-duality.

Despite their origin as outsiders and their part-time role (McNulty et al., 2011), the Chairpersons we interviewed can be assumed to have a lot of influence because of their extensive experience of Board work (e.g. Pettigrew & McNulty, 1995; 1998), of the role of the Chair and, for most of them, also of CEO dismissals, and exploring the role adopted by less experienced Chairpersons in the CEO dismissal process would be fruitful. It is also worth pointing out that owing to the seniority of the respondents, the sample processes may be biased towards unusually complex situations, as these senior Chairpersons may be the people who are called for when strong and skilled Chair leadership is particularly required.

The process of and reasons for Chair turnover and dismissal (Pettigrew & McNulty, 1998) would also merit research. Also, studying the impact on CEO dismissal of the tenure (e.g. Hamrick & Fukutomi, 1991; Shen, 2003; Dikolli et al., 2014) of the CEO, Board Directors and particularly of the Chair would be of interest, as would studying the influence of Chair and Board Director turnover on the dynamics and attributional processes of the Board. It is also important to bear in mind that our data only consist of cases that led to dismissal; it would be

interesting to explore the attributional process of the Chair and the Board in situations in which poor company performance did not lead to CEO dismissal. Examining the role of emotions in CEO dismissal would be another important topic of further study.

Practical implications

We propose that it is important to pay attention to the influence of social dynamics and possible biases in the Board's decision-making and to give Directors some training in this area. It might also be useful to try to ensure a sufficient degree of Board Director and Chair turnover to promote a variety of perspectives in the boardroom (Fredrickson et al., 1988; Veltrop et al., 2015).

Even if the Chair does not have decision-making authority on her/his own, it can be argued that she/he is in a key position in the CEO dismissal process. It is proposed that the Chairperson's 'will and skill' (Pettigrew & McNulty, 1995) and her/his interaction both outside and inside the boardroom are crucial in creating the conditions needed for the Board to address the issue. Therefore especially Chairpersons with less experience of CEO dismissal might benefit from training and an increased awareness of the role, leadership and practices of the Chair in the CEO dismissal process.

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Conclusion

The findings of this study increase understanding of the process that leads to a Board's decision to dismiss the CEO under conditions of poor performance, and shed light on the issues which impact the relationship between poor performance and CEO dismissal. Even if prior research has suggested that the Board's decision to dismiss the CEO is not totally rational, but is influenced by, for example, Directors' expectations and attributions (e.g. Fredrickson et al., 1988), prior knowledge of the Board's interpretative processes leading to dismissal is scarce (Haleblian & Rajagopalan, 2006; Cragun et al., 2016). The results suggest that social forces and changing dynamics in the social relationships between the Chair, the CEO and other Board Directors are likely to have an impact on the Board's attribution process (Green & Mitchell, 1979) and CEO dismissal (Fredrickson et al., 1988; Pettigrew & McNulty, 1995; 1998). The results of this study also shed light on the role and significant influence of the Chair in the CEO dismissal process (Roberts, 2002). In addition, the results confirm the inter-related nature of the destinies of CEO and Chair (Eriksson et al., 2001; Florou, 2005).

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IV

RESEARCHER-PRACTITIONER COLLABORATION DURING A PHD STUDY: A SINGLE-CASE STUDY

by

Satu Koskinen, 2019

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Researcher-practitioner Collaboration During a PhD Study: A Single-case Study

Satu Koskinen¹

ABSTRACT

The academic-practitioner relationship has been alleged to be subject to various tensions and dualities; the divide between academia and practice has even been characterized as unbridgeable. This paper presents a research case of a long-lasting, successful collaboration between a researcher and senior practitioners during a PhD research process. An intensive single-case study was conducted to describe the unique characteristics of this collaborative process and to analyse and discuss the factors which contributed to the success of the collaboration. The objectives, practices as well as benefits and drawbacks of the collaboration are also described and discussed. Several factors of success related to the team, processes, and environmental characteristics of the collaboration were identified as significant. The study contributes to the literature on researcher-practitioner collaboration in management studies, and specifically in board work and corporate governance research.

Keywords: Board Work, Corporate Governance Studies, Management Studies, Research-practice Collaboration, Researcher-practitioner Relationship and Single-case Study.

1. INTRODUCTION

The academic-practitioner relationship has been suggested to be subject to various tensions and dualities (Bartunek & Rynes, 2014), and the divide between academia and practice has even been characterized as unbridgeable (e.g. Kieser & Leiner, 2009). On the other hand, as Bartunek and Rynes (2014) suggest, if appreciated, the tensions might advance the generation of new research and practice. In management research, the potential benefits of effective academic-practitioner collaboration include framing meaningful research questions, designing data collection, enhancing access, interpreting results and applying them to practice (Amabile et al., 2001; Mohrman, Gibson, & Mohrman, 2001). There is also currently increasing pressure from academia's different stakeholders, such as funders and governments, to pay attention to the practical relevance and impact of academic research. In Finland, which is the context of this study, the Universities Act states that universities should interact with society and promote the social impact of their

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Disclaimer: This case has been developed for classroom discussion and is not intended to illustrate either effective or ineffective handling of an administrative situation or to represent successful or unsuccessful managerial decision making or endorse the views of the management.

research findings. It has indeed been argued that rather than existing independently, relevant and useful knowledge emerges from collaborative relationships between research and practice (e.g. Mohrman et al., 2001; Knights & Scarbrough, 2010). However, despite the substantial number of articles published on academic-practice relationships in management studies, empirical studies on the topic are still relatively scarce (e.g. Bartunek & Rynes, 2014).

2. AIM OF THE STUDY

This paper presents a research case of long-lasting, successful collaboration between a researcher (the author of the case) and a practitioner network, Boardman, during the writing of a doctoral dissertation. An intensive single-case study (Eriksson & Kovalainen, 2008) is conducted to describe the unique characteristics of this collaborative process and to analyse and discuss the factors which contributed to the success of the collaboration. In addition, the objectives, practices as well as benefits and drawbacks of the collaboration are described and discussed.

The study contributes to the literature by increasing our understanding of successful researcher-practitioner collaboration in management, and specifically in board work and corporate governance research. The literature on boards and corporate governance has particularly been criticized for a prevalent 'black box' approach: the studies have been said to remain too distant from the phenomena examined (e.g. Forbes & Milliken, 1999; Huse, 2007). Still, as interpersonal relationships and dynamics in and around the boardroom impact board performance and value creation, it is important to look beyond mere structures when studying boards and corporate governance (e.g. Huse, 2007). Pettigrew (1992) suggested that access difficulties constrain this kind of study; this case presents one way of overcoming these difficulties.

3. LITERATURE REVIEW

The gap between theory and practice can be viewed from several perspectives: as a problem of transferring knowledge generated in research to practice, or as a knowledge production problem (Van de Ven & Johnson, 2006). Theory and practice can also be argued to represent distinct, and possibly complementary, kinds of knowledge (ibid.). It has been suggested that the tensions, dualities and difficulties in the academic-practitioner relationship include rigour and relevance, communication styles, attitudes to time, as well as conflicting logics, interests and incentives (e.g. Kieser & Leiner, 2009; Knights & Scarbrough, 2010; Bartunek & Rynes, 2014). At an individual level, the tensions may result in identity conflicts and institutional pressures to clearly separate out the roles of academic and practitioner (e.g. Empson, 2013; Carton & Ungureanu, 2017). Another important issue concerns preserving researcher autonomy (Pettigrew, 2001; Eriksson & Kovalainen, 2008).

It has been suggested that the success of academic-practitioner collaboration is influenced by the characteristics of the collaborative team, such as project-relevant skill and knowledge, collaboration skills, attitudes and motivation (Amabile et al., 2001). Environmental aspects, such as organizational support for the collaborative partners from their own institutions, and collaboration processes, e.g. the effective use of members' skills and well-planned meetings, may also affect the success of the collaboration (ibid). Joint interpretative forums, in which researchers

and practitioners interpret results together may enhance the perceived usefulness of research results to practitioners (Mohrman et al., 2001).

4. METHOD

An intensive single-case study (Eriksson & Kovalainen, 2008) was conducted focusing on the author's collaboration with Boardman during her PhD studies. In this approach, the primary aim is to describe the specific and unique characteristics of the case, rather than produce knowledge that can be generalized to other contexts (ibid.).

The Collaborative Partners

The purpose of Boardman, established in 2002, is to create and share new knowledge in order to support Finnish company owners, board members and management in their co-operation and joint decision-making. The Boardman network is governed by a non-profit-sharing limited company (Boardman Oy) owned by 50 partners, all of whom are committed to actively contributing to Boardman's events and publications and to pursuing Boardman's values: Learn, Share, and Regenerate. Boardman operates as a platform for networking and the sharing of ideas, knowledge and experiences, and in addition to the partners, a wide network of board members, executives, entrepreneurs and business owners participate in the various events and forums organised by Boardman. (www.boardman.fi/en/)

The researcher and author of this case has been affiliated to the University of Jyväskylä School of Business and Economics as a PhD student. Her article-based dissertation focuses on the CEO-Chair relationship and CEO dismissal process in Finnish limited companies from the perspective of leadership. The dissertation adopts a qualitative approach and the empirical data consists of 42 interviews and the 15 focus group discussions conducted in the collaboration examined in this study, with interviews used as primary data.

It can be said that due to her 20+ years of experience in senior management positions, the identity and background of the author are relatively strongly that of a practitioner. In addition to being a full-time doctoral student for most of the time of the collaborative process examined here, she worked as a board member, gave presentations about board work to practitioner audiences, and actively took part in board member networks and training programmes. Before starting her PhD, the author had participated in several successful collaborative initiatives between academics and practitioners and had been seconded by her company to work as a research associate at the University of Oxford.

The Forms of Collaboration

The collaboration, which was based on the interest of both partners in the same topic rather than on formal agreements or money, comprised several distinctive elements. The decision to collaborate was made at a very early stage in the research process, in January 2013, in a short meeting between the Chair of Boardman, the author, and one of Boardman's partners. The meeting was initiated by the Boardman partner with whom the author had worked earlier in her career and discussed her

PhD plans. It was agreed that as a first step of collaboration, the Chair of Boardman would invite a selected group of Boardman partners to discuss my study plan and to support the PhD project, and that the Boardman partner the author had worked with previously - an experienced board member, Chair and a well-known figure in Finnish business - would chair this group. This was the beginning of the longest lasting and most important form of collaboration, a development forum called 'The co-operation of the Chair of the Board and the CEO' (henceforth 'the group'). This forum was used as a focus group for the PhD study, understood here as a form of group interview that draws on communication between the group participants to generate empirical data (Eriksson & Kovalainen, 2008). In total, 15 group discussions were held, involving 64 different persons, including the author, as participants. The participants were partners or other network members of Boardman: board members, Chairpersons, CEOs and other senior executives. The group included former academics, honorary doctors, and non-executive board members of Finnish academic institutions or foundations which fund academic research. 14 participants held a doctoral degree. Several group members had authored books on management and board work.

In addition to the group collaboration, the author was invited to participate in numerous seminars and a course on board work organized by Boardman, and she joined Boardman's alumni network. The author was given many books and other materials on board work published by Boardman and received recommendations for her funding applications. In the early stages of the process she had the opportunity to present the research plan in Boardman's board work seminar, and when necessary she was allowed to use Boardman premises for the interviews for the study. The author was encouraged to disseminate her research results to the network by writing blog posts to the Boardman website. As a future step of collaboration the collaborative partners have agreed to publish a practitioner book based on the research results and the collaboration.

Empirical Data and Analysis

The empirical materials of this study include:

- The researcher's lived experience, research notes and monthly e-mails to the Chair of the focus group, 31.1.2013-28.2.2018
- Presentations, recordings and memos of the focus group meetings held 11.3.2013-28.2.2018
- Interviews with co-founder/Chair/Honorary Chair of the Board and Managing Director, Boardman Oy

Most of the empirical data were generated during the collaborative process as the events took place, although the interviews were conducted at the end of the process for the purposes of this case study. In monthly e-mails to the Chair of the group the author described her current ideas, feelings and thoughts about the PhD process as a whole, rather than only the Boardman collaboration, but the analysis was limited to the parts that are relevant for this case.

The analysis process began with reading/listening to the materials, making notes and organizing the data. First, a preliminary case description was made, then the research questions were specified. After this, the case description was developed further and finalized. In the analysis

process there was constant intertwining of the empirical materials and prior studies and theoretical ideas on researcher-practice collaboration (Eriksson & Kovalainen, 2008).

4. RESULTS AND DISCUSSION

Evolving Objectives

The memos and recordings of the group discussions show that the objectives of the collaboration evolved and accumulated during the 5-year process: in the first meetings, the objective was simply described as being to support the PhD study, for example by commenting on the research plan and interview questions and discussing relevant topics. After the planning phase, when the preliminary results were discussed and found to be of interest for practice, the societal impact of the research and the possibility of producing a practice-oriented publication in addition to the academic dissertation were raised in the discussion. Towards the end of the process, the list of agreed objectives for the collaboration had become substantially longer, as was documented in a memo based on the *Chairperson's opening words in the group: The purpose of the group is to share knowledge and experience concerning co-operation between the CEO and Chair through presentations and discussion. The group supports a doctoral research project exploring this relationship, acts as a focus group and generates research data with the aim of producing new knowledge that will promote Finnish companies and develop their competitive advantage. The objective is also to produce a Finnish publication for practitioners to advance better board work. At the same time, we test and develop a model of collaboration that will enable academic research to benefit Finnish business rather than sit on a shelf gathering dust.*

Consistent, Structured Practices

Whereas the organization of the group meetings in terms of premises, refreshments and notifying participants was conducted by Boardman staff, the topics and invited speakers were mostly planned and agreed in co-operation between the researcher and the Chair of the group. The Chair started every meeting by describing the purpose, objectives and practices of the group and by announcing a two-hour time limit for the meeting. Participants were reminded that the meeting was being tape-recorded for research purposes, and the Chatham House rule was applied. At the end of the meeting, the Chair drew some key conclusions from the discussion, and informed participants of what was planned for the next steps in the process.

In every meeting the author gave a presentation on the research and typically there was also a presentation by an invited speaker, both followed by group discussion. In the early stages of the process the research plan, sampling, and potential, more specific research topics were discussed, and basic knowledge about the main topic of the study, the CEO-Chair relationship, was generated. The invited presentations at this stage were held by Boardman partners, with topics including the roles, tasks, practices, power dynamics and decision-making in the CEO-Chair relationship. After this, the work-in-progress – and later on, more final - findings of the PhD study were presented, and the invited presentations and discussions focused on more specific themes such as trust, distrust and CEO dismissal, as well as on the impact of diverse contexts on the CEO-Chair relationship.

In addition to the Boardman network, the Chair's wide network was used when considering and contacting visiting speakers, which helped to attract senior, well-known professionals who were of interest to the group participants. Having visited, visiting speakers were invited to join forthcoming meetings of the group. All visiting speakers were practitioners apart from the author's PhD supervisor, who was invited to present her views on the academia-practitioner relationship in the group's final meeting.

Success Factors in the Collaboration

The collaboration was constructed as a success in the final discussions of the group, in the interviews made for this case study, and in other private and public comments. This success is also reflected in the growing list of objectives set for the collaboration as the process evolved, in the high number of volunteer group participants, and in Boardman's several new collaborative initiatives with researchers and academia. In what follows, the factors which contributed to collaboration success (Amabile et al., 2001) and to bridging the researcher-practitioner divide (e.g. Bartunek & Rynes, 2014) in this case are discussed.

Importantly, due to the qualitative approach and particularly the topics of the dissertation, namely the CEO-Chair relationship and CEO dismissal process, the study was of interest and very well aligned with Boardman's purpose (Gulati, 2007). As the purpose of Boardman is not to share profit but to generate new knowledge about board work and to develop the skills of its network members, the culture and values of Boardman were in line with and supported the collaboration, which contributed to the high commitment of the key partners to it. Moreover, as the aim of the collaboration was not to make an intervention, e.g. change organizational practices in a given organization, but to generate new knowledge for the benefit of network members, the complexities of action research (Eriksson & Kovalainen, 2008) were not a factor in the current study. The study topic can be said to be timeless rather than very topical, which possibly helped practitioners to tolerate the slow pace of academic research (cf. Knights & Scarbrough, 2010).

In terms of the characteristics of the collaborative team (Amabile et al., 2001), as board members, Chairpersons, CEOs and other senior executives, the group participants can be characterized as very knowledgeable on the topics of the PhD study. In addition to knowing about the topic, they were skilled in group discussion and in presenting their views. They gave their time voluntarily and were interested and motivated to discuss the topics of the study. The fact that several members of the group had relationships with and prior knowledge of academia likely eased any tensions that might have resulted from, for example, the conflicting logics or styles of communication between research and practice (cf. Kieser & Leiner, 2009; Bartunek & Rynes, 2014). As regards the relevant aspects of the researcher's skills, her background in senior management and board work significantly helped in the collaboration as she was accustomed to working with senior executives (Gulati, 2007). The author was very motivated both to conduct her research and to collaborate with practitioners and Boardman, and her aim was to conduct practice-relevant research rather than publish in top-tier journals. Other participants' knowledge and the researcher's knowledge complemented each other well. Something that promoted the

development of mutual trust was the fact that because of previously working together, trust between the author and the Chair of the group already existed before they began.

Success factors concerning the process of collaboration (Amabile et al., 2001) can also be identified. One of them was consistency and structure in how the group meetings were conducted and chaired. Clear roles helped the collaboration run smoothly, and possible ambiguities in roles were addressed rapidly. For example, after the first group discussion, the author realised that she would not be able to incorporate in the study all the ideas that emerged in the group as important. She wrote about this to the Chair of the group, who then in the next meeting clarified roles and responsibilities, emphasizing that the group would not make any decisions but that the researcher was fully responsible for the research and would make all the decisions (Pettigrew, 2001). Inviting visiting speakers to the group not only brought participants new insights but also helped to maintain interest throughout the process. Also, the author's continuous participation in the Boardman network, for example by attending seminars and writing blogposts, increased closeness in the collaboration (Pettigrew, 2001).

As regards environmental characteristics and institutional support for the collaborative partners (Amabile et al., 2001), the collaboration received strong and visible support from several significant people of influence in the Boardman network right from the start. Specifically, the co-founder, who at the time was the Chair of the Board of Boardman, personally invited the first participants to join the collaboration, and he participated in most meetings of the group. His successor as the Chair of Boardman also actively took part in the group, as did the Managing Director. In addition, several other senior, respected Boardman partners were active group members, and some of them gave talks in the group.

In contrast to prior studies on the experience of individual researchers in practitioner collaboration (e.g. Empson, 2013; Carton & Ungureanu, 2017), the author felt throughout the process that her collaboration with practitioners was both accepted and supported by the academic community and specifically by her PhD supervisor. Moreover, when she participated in the first tutorial of her PhD studies, the comments from professors and student colleagues were very supportive and positive: the plan was described as 'brave', rather than, for example, too practical or non-academic. So her approach was not seriously challenged, but received strong support from key individuals and institutions (Knights & Scarbrough, 2010; cf. Empson, 2013; cf. Carton & Ungureanu, 2017). In fact, the support and approval the author received slightly surprised her.

Benefits for Both Partners

Partly due to the access difficulties (Pettigrew, 1992) mentioned above, prior knowledge on the PhD study topics, namely the CEO-Chair relationship and CEO dismissal process, is relatively scarce. During the study process described here the problem of access did not arise. The access issue was discussed in the first group meetings, and the researcher was advised to strongly emphasize the anonymity and confidentiality of the interviews when contacting potential interviewees. It is likely that access to some interview participants was enhanced by their knowledge of Boardman's support for the study (Amabile et al., 2001): in the e-mail sent to potential interviewees, Boardman

collaboration was mentioned and the contact details of the Chair of the group were included. Moreover, the opportunity the author had had to present her research plan in a major annual seminar organized by Boardman meant the project was already familiar to some recipients of the e-mails, even if the interviewees were not limited to the Boardman network.

Due to the scarcity of prior research on the CEO-Chair relationship, the basic knowledge about the topic generated in the early stages of the process, before the study plan was finalized and the primary interviews were conducted was, in the author's view, very valuable (Mohrman et al., 2001). The discussions in the early phase gave insights into how to conduct the sampling and what kind of questions to ask, and they increased understanding of what issues might be particularly relevant (Amabile et al., 2001; Van de Ven & Johnson, 2006, Gulati, 2007). For example, in the second group discussion the participants expressed very diverse views and experiences of dyadic practices between the CEO and Chair. This led to encourage the interviewees to describe them in some detail and, later, to choose dyadic practices as a key topic in the PhD. The topic of trust also emerged as pivotal in the discussions, which, in part, encouraged the researcher to focus the second article on dyadic trust. The group discussions also helped the author to clarify her thoughts and helped in the interpretation of the results (Mohrman et al., 2001). Participating in Boardman's various events additionally served to build both the researcher's knowledge on the topic and her personal network with practitioners, as well as provided her opportunities to very informally test emerging ideas with senior practitioners. The collaboration also strongly influenced the author's motivation and energy: as a former practitioner, it was important to her that the study was perceived as relevant and interesting by practitioners. Even if preparing for the group meetings took time and was sometimes difficult, she found the discussions very rewarding and enjoyable (Empson, 2013) and they gave her an extra boost to continue with the study.

For the practitioner participants, the discussions provided a forum in which to hear and discuss new research findings and to learn from them (Mohrman et al., 2001), to network with other professionals with similar interests, and to make a contribution to the study. For Boardman, the collaboration in the form of group discussions was well in line with its normal activities, with the study results and the visitor presentations adding new themes, knowledge and perspectives. In sum, the group discussions, presentations, blogposts and the forthcoming practice-oriented publication all fit very well in the activities Boardman organizes in order to fulfil its purpose. The experience and model of collaboration that were generated have also been used to start similar initiatives in other subject areas of interest to Boardman, such as ownership, and encouraged some other new initiatives in collaborating with academics.

Drawbacks of the Approach

The most obvious drawback of this kind of approach is the time (Knights & Scarbrough, 2010) and resources required. On the part of the author, this meant planning, preparing for, travelling to and attending the meetings, listening to the recordings, analysing data, as well as writing memos and blogposts. Even if the objectives and interests of the collaborating partners were well aligned, the results of the collaboration had to be presented in different ways (e.g. Gulati, 2007; Kieser & Leiner, 2009). In the context of this study, this meant differences in both the language and the

style of writing: the PhD was written in a style suitable for academic journals and in English, whereas what was written for Boardman was in Finnish and in practitioner-style language. In fact, the group participants commented that in their opinion, academic journal articles were not at all useful from the practitioners' perspective. The move from writing academic articles in English to writing presentations or blogposts for practitioners in Finnish was not always easy, and was time consuming. On the other hand, as a prior (and still part-time) practitioner, the author did not consider the time spent on collaborating and producing practice-oriented presentations and blogposts to be something extra, but rather an interesting, positive and satisfying part of doing a PhD (Empson, 2013).

Another possible drawback concerns the collaborative partner's expectations and excessive practitioner guidance and influence over academic research (Pettigrew, 2001; Eriksson and Kovalainen, 2008). In the author's view, this did not happen in the current study – at least, not seriously. In fact, she paid particular attention to the issues of influence and power partly due to a course on qualitative research methods she took during her first year of doctoral studies. The author discussed the Boardman collaboration plans in detail with the professor running the course, and in addition to being very supportive of the ideas she also said, 'Don't let them hijack you!' Still, the collaboration probably affected, for example, the amount of empirical data and the number of interviews conducted: the number of interviews was higher than originally planned because nearly all the participants who were asked to join accepted, and in part because the researcher wanted a comprehensive – and a practically relevant - sample. The challenge of accomplishing rigour and relevance in the same study (e.g. Kieser & Leiner, 2009) was to some extent eased in the current case by the fact that the aim of the author was not to publish the articles of the dissertation in top-tier journals but in other academic, peer-reviewed journals.

5. CONTRIBUTIONS AND CONCLUSIONS

In the increasingly complex business environment of today, researcher-practitioner collaboration is essential in order to make any impact on practice (e.g. Amabile et al. 2001). By presenting an intensive single-case study focusing on a successful, long-lasting researcher-practitioner collaboration, this study contributes to the small body of empirical research on the topic. The collaborative process presented here included both research design and the production, interpretation and dissemination of knowledge (e.g. Amabile et al., 2001; Mohrman et al., 2001; Van de Ven & Johnson, 2006).

Several factors of success related to the team, processes and environmental characteristics of the collaboration (Amabile et al., 2001) were identified as significant in the case examined in this paper. In this case, academia and practitioners were not perfect strangers to each other, but instead, the collaborative partners had prior knowledge, interest and appreciation across the researcher-practitioner divide (Gulati, 2007). Importantly, the collaborative partners genuinely pursued a common interest in generating new knowledge on the topic of research, and they strongly committed to the collaboration.

A major limitation of the study is that due to the approach chosen, the results cannot be generalized to other contexts. Studying similar collaboration in other kinds of context would be

valuable to advance understanding of the relative significance of the success factors identified in this study. Also, it is obvious that the author's own key role and the close relationships built in the collaboration have impacted her perceptions and interpretations of the current case (Eriksson & Kovalainen, 2008). Still, the voices of both collaborative partners were included: two Boardman representatives were interviewed for the case, and the final case description was read and commented on by both the Chair of the group and the Managing Director of Boardman.

The research case presented above shows that successful researcher-practitioner collaboration can help both sides to accomplish their objectives. The case illustrates that for the researcher, collaboration with practitioners may improve access, generate rich and interesting data on topics with little prior literature, give additional insights when interpreting empirical data, provide new channels for the dissemination of results, and add extra enthusiasm and motivation. As for the personal case of the author, it is clear that without the collaboration presented here, both her PhD studies and the final thesis would have turned out very differently.

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CASE STUDY MATERIALS

- Focus group discussion materials, 2 hours each (11.3.2013-28.2.2018)
 - o Recordings of 13 meetings
 - o Memos of 15 meetings
 - o Presentation materials: 15 researcher presentations & 14 invited/visitor presentations
- The author's lived experience, research notes and monthly e-mails to the Chair of the focus group | (31.1.2013-28.2.2018)
- Interviews:
 - o Co-founder/Chair/Honorary Chair of the Board, Boardman Oy, 25.4.2018
 - o Managing Director, Boardman Oy, 2.5.2018