

The chairperson buffering role in turbulent environments

Conference or Workshop Item

Accepted Version

Morais, F. ORCID: <https://orcid.org/0000-0003-1297-6556>,
Kakabadse, A. ORCID: <https://orcid.org/0000-0002-0031-7767>
and Kakabadse, N. ORCID: <https://orcid.org/0000-0002-9517-8279> (2018) The chairperson buffering role in turbulent environments. In: British Academy of Management (BAM) Corporate Governance Special Interest Group Conference, 11-12 June 2018, Leeds, United Kingdom. Available at <https://centaur.reading.ac.uk/78508/>

It is advisable to refer to the publisher's version if you intend to cite from the work. See [Guidance on citing](#).

All outputs in CentAUR are protected by Intellectual Property Rights law, including copyright law. Copyright and IPR is retained by the creators or other copyright holders. Terms and conditions for use of this material are defined in the [End User Agreement](#).

www.reading.ac.uk/centaur

CentAUR

Central Archive at the University of Reading

Reading's research outputs online

The chairperson buffering role in turbulent environments

British Academy of Management (BAM)

Corporate Governance Special Interest Group Conference

June 11-12, Leeds, United Kingdom

Filipe Morais

Postdoctoral Fellow, Henley Business School

F.Morais@Henley.ac.uk

Andrew Kakabadse

Professor in Governance and Leadership, Henley Business School

A.Kakabadse@Henley.ac.uk

Nada Kakabadse

Professor in Policy and Ethics, Henley Business School

N.Kakabadse@Henley.ac.uk

ABSTRACT

This paper responds to recent calls for further research on the interactions and key relationships among governance roles (Ahrens et al., 2011), particularly the role of the chairperson (Bailey and Peck, 2013; Withers and Fitza, 2017), through the use of qualitative methodologies that enable a more direct engagement with the actors and settings involved in the governance phenomena (McNulty et al., 2013:184). The study uses elite interviewing techniques with 30 chairpersons and CEOs of UK listed companies to inquiry into the role demands, constraints, choices and supports of the chairperson of the board of firms facing complex, low-munificence environments and poor performance (Krause, 2017; Withers and Fitza, 2017). The findings emerging from thematic analysis reveal the centrality of the chairperson buffering role in relation to the CEO, which encapsulates a portfolio of other chairperson roles which *insulate* the CEO from external pressures, and *regulate* the CEO

cognition, emotion and behaviour in relation to those pressures. In so doing this paper contributes to resource dependence theory, by showing that the chairpersons provide resources under which have an insulating or regulating function, and that this supports the CEO and the board in adapting to environmental change and pressures. The paper provides empirical evidence and a case for an integrated view of the chairperson role(s) in contexts of resource-scarcity, complexity and poor performance, as well as important avenues for future research on the role of the chairperson.

Introduction

Uncertainty, low munificence, complexity and disruption are now permanent features of a globalised business world. The unprecedented pace of technology innovation, global competition, shifts in the consumer patterns and shareholder activism, for example, all converge to put more and more demands and pressures – often insurmountable – on the shoulders of top officers of listed companies. This makes it difficult to craft and sustain a consensus on how the firm should be directed and governed. Shareholders, boards, analysts and other stakeholders continually send out different and sometimes contradictory expectations that press the CEO to make particular choices or go in different directions. It is not uncommon that non-executive directors (NEDs) in such circumstances become defensive and constrain the CEO from raising and addressing important issues due to fear of loss of reputation as expert monitors (Fama, 1980; Fama and Jensen, 1983). Indeed, in poorly-performing firms NEDs ‘might be tempted to abandon the firm to limit the damage to their reputation, evade legal liability and escape the workload of restructuring an underperforming firm’ (Yermack, 2004: 294). CEOs also often face contradictory expectations from resource providers to go in different directions (Pfeffer and Salancik, 1978). Exchange markets often place more emphasis on short-term gains against long-term investments (Hansen and Hill, 1991; Short and Keasey, 1997) with different classes of shareholders differing in terms of earnings expectations. Resource providers’ contradictory

expectations create a difficult task for the CEO to be able to reconcile them into one agenda (Czarniawska, 1985). In business contexts characterized by resource scarcity and uncertainty, CEOs may be over-influenced by resource providers and other market players' positions, as companies are often in need of raising new capital (e.g. Dechow et al., 1996). Recent studies find that analysts' negative recommendations result in a higher probability of CEO dismissal (Wiersema and Zhang, 2011), are consequential to investors' decisions (Barber et al., 2001) and impact on CEOs' behaviour and corporate governance (Westphal and Graebner, 2010; Yu, 2008). Moreover, studies have found that during technology change periods, increasingly, negative analysts' recommendations are associated with firms reducing the level of strategic investments, thus suggesting analysts affect the strategic direction of firms (Benner and Ranganathan, 2012). Those firms who persevere with long-term technology investments are likely to face continued increased pressure to align with analysts and shareholders (Suchman, 1995). Firms that persist in long-term investments, despite analysts and market negative recommendations, often engage in higher share buyback to signal alignment with shareholders (Benner and Ranganathan's, 2012). Other stakeholders such as the government, unions, employees, suppliers and environmental and socially concerned organisations add to the complex net of demands, constraints and choices faced by CEOs in such circumstances. It is because of these complexities that CEOs have been depicted as buffers (Mintzberg, 2009), boundary-spanners (Pfeffer and Slancick, 1978) and expectations handlers (Tengblad, 2004). As the CEO role is exposed to multiple and often contradictory expectations from the board, analysts, shareholders and investors, and other stakeholders he/she often struggles to manage the firm in a way that takes due and balanced account of this variety of pressures. Risks exist in managing for the short term, diminishing commitment to long-term value creation (e.g. Marginson and McAulay, 2008), earnings management (e.g. Dechow et al., 1996),

overconfidence (e.g. Chen et al., 2015), escalating commitment (Brockner, 1992; Staw, 1981) and a whole range of different behaviours.

Yet, with the increased preference of regulators for a separate leadership structure, we know very little of what is the role of the chairperson in this process of ensuring alignment among these different expectations in contexts of uncertainty, low-munificence and poor performance. Past research has depicted the chairperson role in the UK as the leader of the board and the enabler of strategic change (Parker, 1990). More recent research showed that the board chair explains nine per cent of variation in firm performance over and above that explained by the CEO, especially when the environment is characterized by complexity and low-munificence (Withers and Fitza, 2017). Further, Krause (2017) showed the importance of separate chairs who have a collaborative approach to the relationship with CEO providing frequent advise and guidance, relieving the CEO from board leadership demands through specialization, while representing the firm externally with a variety of stakeholders. These later studies have called for more fine-grained research that examines the role played by the chairperson in environments characterized by complexity, low-munificence and poor performance (Withers and Fitza, 2017). This paper responds to such calls.

The paper starts by reviewing the literature on leadership structures and the role of the chairperson. It then discusses extant research on the chairperson as the leader of the board and his/her relationship with the CEO. The research design is then presented including the approach, sample and data collection and analysis. It follows a section of discussion and findings and the paper closes with conclusions, limitations and future research avenues.

Literature Review

Leadership structure and the chairperson role

Board of director's leadership structure has been subject to a vigorous, yet for the most inconclusive debate as to which model is more effective in improving board effectiveness and

company performance (Boyd, 1995; Finkelstein and Mooney, 2003; Rechner and Dalton, 1991). Stewardship theorists support the view that a combined role of CEO and chairperson provides the required unambiguous leadership, unity of command and collaboration (Donaldson, 1990; Lorsch and MacIver, 1989; Mace, 1971) and found some positive associations between this type of leadership structure and company performance (Donaldson and Davies, 1991; Slatter and Lovett, 1999). Agency theorists, on the other hand, argue for a separate and independent leadership structure given the necessity to monitor CEO behaviour and ensure alignment of interests between the CEO and the shareholders (Jensen and Meckling, 1976; Fama and Jensen, 1983). The chairperson would thus fulfil a monitoring function. Studies in this tradition have argued that a combined role paves the way for CEO unfettered power and lack of monitoring often leading to corporate failure (Daily and Dalton, 1993) or weakened company performance (Coles, McWilliams, and Sen, 2001; Rechner and Dalton, 1991). Contingency studies found contradictory results. Boyd (1995) found that a combined role leads to a better return on investment (ROI) in companies that are resource constrained or have higher complexity, whereas Halebian and Finkelstein (1993) found the combined leadership structure to be associated with worse performance in firms experiencing turbulent environments. A third theoretical perspective, that of resource-dependence theory (Pfeffer and Salancik, 1978) also supports separate roles, as this increases the availability and provision of resources to the CEO and the board (Withers and Fitza, 2017). Under this perspective the role of chairperson is to act as boundary spanner and resource provider, including the provision of legitimacy, networks, external perspective, complementary skills, experience and advise (Pfeffer and Salancik, 1978; Hillman, Cannella, and Paetzold, 2000).

Despite the debate and inconclusive findings regulators around the world are moving to encourage or mandate the adoption of a separate leadership structure. The UK leads this process with 96.4% of FTSE 350 companies having a separate leadership structure (Grant Thornton,

2014), whereas the US follows modestly but steadily behind with 46% of Standard & Poor's 500 having a separate leadership structure (Spencer Stuart, 2014).

The chairperson as leader of the board

Regardless of whether the chairperson is also the CEO, a core and widely accepted domain of their role is to act as the leader of the board. In effect, UK regulations, such as the Financial Reporting Council guidance on board effectiveness (FRC, 2011) and the UK corporate governance code (FRC, 2016) place a great deal of emphasis on the chairperson as the leader of the board. In the 2011 guidance on board effectiveness the Financial Reporting Council states that “Good boards are created by good chairmen. The chairman creates the conditions for overall board and individual director effectiveness” (FRC, 2011: 2). From then on the focus is on the individual qualities and discrete tasks that chairpersons are expected to perform as leaders of the board, including: setting expectations relating to company culture, values and behaviours, and the style and tone of board discussions; demonstrate ethical leadership; setting the board agenda ; ensure a timely flow of high-quality supporting information; succession planning and board composition; structure and composition of board committees; promote board evaluation; and skilfully conduct board meetings where there is sufficient challenge to major proposals and high quality of debate. The relationship with the CEO and the communication with shareholders and other stakeholders as important tasks of the chairperson are comparatively to board leadership only briefly mentioned. Academic research as also focused much more on the chairperson role as the leader of the board. Numerous studies on board composition from a resource-dependence perspective have suggested that chairpersons compose the board so that they can reduce uncertainty and reflect the variety of challenges presented by the external environment (Hillman, Cannella, and Paetzold, 2000; Parker, 1990; Pfeffer, 1972), whereas others suggested that chairs could use board composition as a signalling mechanism (Broome and Krawiec, 2008). Other studies have shown the

importance of chairpersons in promoting non-executive director's engagement with the business as a way to more effectively engage in monitoring and advising management (Carter and Lorsch, 2004; McCabe and Nowak, 2008; Pettigrew and McNulty, 1995). It is thus for the chairperson to set the tone and expectations of NED engagement and contribution (Roberts, McNulty and Stiles, 2005). Chairpersons are also the important connection that establishes the tone for engagement between the board and the CEO (Bailey and Peck, 2013; Leblanc and Gillies, 2005), set the board agenda to avoid domination of this process by the CEO (Bailey and Peck, 2013; McNulty et al., 2011; Pettigrew and McNulty, 1995), and oversee how board committees are structured and work (Spira and Bender, 2004). Finally, but importantly, chairpersons as leaders of the board are expected to conduct effective board meetings by means of open discussion and debate, which is a major determinant of board effectiveness (Bailey and Peck, 2013; Garratt, 1999; McNulty et al., 2011). It is for the chairperson to act as a conductor, manage dissent and work towards a consensual common view, setting the tone for governance matters (Leblanc, 2004). To accomplish this role incumbents are required to be acutely aware of board climate, sensing changes in mood, and understand changing dynamics (Kakabadse et al., 2011). Research and praxis have focused much less on the role(s) the chairperson plays in his relationship with the CEO.

The chairperson roles in relation to the CEO

Considerations about the duality of the CEO role have failed to provide conclusive evidence of effective boardroom leadership (Boyd, 1995; Finkelstein and Mooney, 2003; Rechner and Dalton, 1991). Taken together with the general preference of UK regulators for separating the roles of chairperson and CEO, this has led researchers to focus on the quality of the relationship between the two roles (Pye, 2005; Roberts and Stiles, 1999; Kakabadse, Kakabadse and Barratt, 2006; Kakabadse, Kakabadse and Knyght, 2010).

In regimes with role separation, the centrality of the chairperson–CEO relationship for boardroom effectiveness and the long-term sustainability of the corporation is a conclusion that has perhaps achieved most consensus. This relationship is often described as pivotal and sacred (Kakabadse, Kakabadse and Barratt, 2006; Kakabadse and Kakabadse, 2008; Leblanc and Gillies, 2005; Levrau and Van den Berghe, 2013), or the “*fulcrum around which directing is levered*”, and it is described as being highly contextual in nature (Pye, 2005).

The study of how role arrangements are formed and how they impact each other was first developed by Hodgson, Levinson and Zaleznik (1965) in a pioneering study of three executives’ “role constellations”. Hodgson and his colleagues referred to a process of “emotional division of labor” and specialisation of function by each role-holder, so that they become complementary and form a balanced “integrated whole” (Hodgson, Levinson and Zaleznik, 1965:xxi). Referring to pairs as a stable and effective “role constellation”, Hodgson explained how some pairs were found to specialise in internal demands and external, boundary-spanning activities (Hodgson, Levinson and Zaleznik, 1965). Chitayat’s study (1984), which investigated the working relationships between Israeli CEOs and chairmen, found that, while there was a great variation in the relative functions depending on a firm’s structure and the incumbent’s personality, the role of the chair as consulting and coaching the CEO emerged as the most important. Stewart’s longitudinal study (1991) of 20 relationships between chairmen and their general managers found that the chairperson and CEO roles (when separated) are impacted by organisational structure, personality, and the time that the chairperson devotes to the role. The study identifies and describes five chairperson roles in relation to the CEO: partner; executive; mentor; consultant; and distant (Stewart, 1991). Stewart concluded that the roles of chairpersons and general managers are highly interdependent, and that this mutual dependence is highly contextual in nature (Stewart, 1991). Since these early studies, evidence has emerged to show that the relationship patterns have changed. Pye (2000:344) observes that the

relationship between the chairperson and CEO has moved from a “distanced approach” to one that is more “interdependent and dynamic”, characterised by a sense of “partnership, mutual respect, understanding and trust”, where issues are brought to the board only when the chairperson and CEO have previously agreed to do so. Further, the role of the chairperson was often viewed by non-executive directors (NEDs) interviewed as “potentially major value adders or destroyers” in relation to both NEDs’ and CEOs’ effectiveness (Pye, 2000:345). Other studies indicate that a complementary relationship between the chairperson and CEO provides *“a context in which the CEO can think provisionally in a way that acknowledges the ambiguity and uncertainty that is the ground of decision-making”* (Roberts, 2002:504). *“Building the basis for trust”* between the two roles by enabling open communication of concerns avoids misunderstandings about each other’s intentions and requires a *“high level of routine contact between the two”* (Roberts, 2002:502). Pye (2005) has shown that, in the UK context, the time the chairperson devotes to company affairs is irrelevant as a proxy for involvement; the key was the quality of relationship with the CEO, which, if poor, can create *“a lot of bad behavior on both sides (board and management)”* which has implications for relationships with external stakeholders such as investors (Pye, 2005:77). It is argued that this relationship is the building block of boardroom culture, determining how board members behave and contribute, as well as the quality of board–management relationships (Pye, 2005; Roberts, 2002; Roberts and Stiles, 1999). A further study by Kakabadse, Kakabadse and Barratt (2006) referred to *role delineation* as the critical element, and as such conferred a distinct advantage on UK leadership structure compared to that of the US. Hence, *“tensions between the two could be attributed both to the idiosyncrasies of their personal interaction and also to poorly delineated, peripheral responsibilities”* (Kakabadse, Kakabadse and Barratt, 2006:142). The relationship between chairperson and CEO was seen as comprising two key qualities: having *“personal chemistry”*

and an *“ability to interpret information and events in a mutually synergistic manner”* (Kakabadse, Kakabadse and Barratt, 2006:144).

Research Method

Qualitative research published on corporate governance topics is sparse among the top journals (McNulty et al., 2013). It is increasingly evident that even the meagre qualitative research that reaches publication is pressured to conform with traditional quantitative research conceptions of validity and reliability leading to the domination of certain forms of theorising, or explanatory programmes (for a good discussion see Cornelissen, 2017).

Despite these discouraging figures for qualitative researchers, important governance scholars are setting new aspirations “to greater use of qualitative methods that explore processes and interactions in a real empirical context, and follow a more eclectic range of theoretical frameworks” (McNulty et al., 2013: 184). This study has attempted to contribute to such aspirations, yet without compromising the basic tenets of qualitative research in favour of other, equally fallible conceptions of validity, reliability and theorising (Cornelissen, 2017; Shaw, 2017).

The research design is therefore qualitative, exploratory and inductive, aiming at digging deeper into the chairperson role in environments characterised by uncertainty, low-munificence and poor firm performance (Withers and Fitza, 2017).

Sample

This study uses a non-probability, purposive sampling where selection criteria are derived primarily from the research question (Patton, 2002). As a general guide, Creswell (2007) recommends 25–30 interviews be undertaken for a general qualitative study. In a recent review of qualitative work in management studies, Saunders and Townsend (2016) find a range of

between 15 and 60 interviews acceptable, subject to the nature of the research question and conventions in the area of study. Prior studies examining the roles of CEO and/or chairpersons and board behavior have used similar sample sizes (e.g. Stewart, 1991; Kakabadse and Kakabadse, 2007; Pettigrew and McNulty, 1995; Kakabadse et al., 2001; Bailey and Peck, 2013).

In line with general recommendation for qualitative research and past studies in the field, the initial sample size envisaged was 20 individuals with significant experience as CEO and/or chairperson. Data saturation (i.e. the point in data collection where no new data emerges that modifies existing conceptual categories or creates new ones) (Glaser and Strauss, 1967) was reached at interview fifteen. However, to strengthen the validity of the themes' content and to take advantage of the unique access obtained to interview board directors, researchers continued to gather additional interviews, which served to confirm the themes that were emerging (Francis et al., 2010). Participants were selected on the basis of their substantial experience as chairperson and/or CEO roles in multiple boards of UK listed companies. The final sample size was 30 board directors.

The individuals composing the final sample were truly high-profile elites among the UK business upper echelons. Many held prestigious titles such as Lord, whilst many others had been appointed to the Order of the British Empire (OBE). Some had held important roles in the British government. Virtually all of the participants had been CEOs and/or chairpersons of multi-billion pound businesses in different sectors. Such a list of elite individuals made the research both highly interesting and challenging. From the 30 individuals that agreed to participate only one was a female. In October 2015, the FTSE 100 boards had reached 26.1 per cent female representation (Davies, 2015) and this study strived to ensure that the sample was representative of this. The lack of representation of women directors in the sample may be due to the existence of the 'old boys' networks' – male participants recommended other male

participants from their professional network to take part in the study. Also, the focus of the study on chairperson and CEO roles considerably reduced the number of possibilities. At the end of 2015, there were only three chairwomen and five female CEOs at FTSE 100 companies (only about 4 per cent). The only female director in this study sample represents 3.1 per cent of the total sample.

Furthermore, all participants were from a white background, with 27 White British (WB) and three from Other White Background (OWB). Table I, below, provides a characterisation of the sample, emphasizing the roles that were discussed, age, gender ethnicity and qualifications.

INSERT TABLE 1 ABOUT HERE

The age profile of the sample was also quite homogeneous. The average age of participants was 58.7, with chairpersons being older on average (61.8 years) when compared with CEOs (55.6 years). Equally interesting to note is the homogeneity of the sample in regards to qualifications. Out of the 30 participants, 20 (or 66.6 per cent) were either Chartered Accountants (10 individuals) or holders of a Master of Business Administration (MBA) or similar qualification (10 individuals). Eight participants had qualifications in a range of subjects from economics, geology, international relations and law. For two of the participants it wasn't possible to source their qualification.

Data collection

This study positions itself within the behavioural and contextual perspectives of boardroom study (Gabrielsson and Huse, 2004), aiming to examine the chairperson role behavior in context, from the perspective of chairpersons and CEOs (Hambrick, van Werder

and Zajac, 2008). Consequently, quantitative methodologies have been discounted on the grounds that they are not suitable for answering the research question, in that they fail to adequately capture behavioural variability in context; nor do they serve the exploratory nature of the study.

Given the obstacles in accessing the “black box” and live boards in particular (Leblanc and Schwartz, 2007), interview techniques have been selected by researchers as the primary tool with which to examine the behaviour of a firms’ governance roles (e.g. Leblanc and Gillies, 2005; McNulty et al., 2013).

Given the high status of the participants a technique of interviewing typical of political science was employed: elite interviewing. It has often been said that elites – business, political or otherwise – do not enjoy being, and often refuse to be, straightjacketed by a predetermined, sequential ordering of questions (Aberbach and Rockman, 2002; Kincaid and Bright, 1957). The use of open-ended questions is therefore characteristic of elite interviewing, specifically when: i) there is a requirement to probe for information; ii) there is little previous research on the topic, and; iii) when it is important to give interviewees maximum flexibility in elaborating their responses and engage in wide-ranging discussions (Aberbach and Rockman, 2002; Kakabadse and Louchart, 2012). In approaching the conduct of interviews in this way, there is a recognized trade-off between ‘the advantages of conversational flow and depth of response and the disadvantages of inconsistent ordering of questions’ (Aberbach and Rockman, 2002: 674). Such costs often come in the form of increased difficulty in producing ‘an analytical elegant end product’, by making coding and analysis more difficult (Aberbach and Rockman, 2002: 674). Further, a number of ‘traps’ may emerge when conducting elite interviews: i) one or more particular participants more persuasive than the rest can shape the dominant understandings of the interviewer; ii) personal bias towards a corporate view; and iii) exaggerated roles (Berry, 2002; McDonald and Westphal, 2010). In fact, on some occasions, it

was felt that participants were partially acting as ‘corporate spokesmen’ (Kincaid and Bright, 1957). Others might have slightly exaggerated or downplayed their roles in the contexts and situations that emerged. No doubt some were more persuasive and articulate, or had more extroverted personalities, making their points very convincing. The authors dealt with such situations through additional questioning (e.g. asking who else was involved and contributed) or by asking questions that the researchers knew were likely to be related (e.g. issues that emerged from previous interviews describing similar aspects or information in the public domain).

The interviews were conducted between April 2014 and October 2015 and took place at the participant’s offices in the city of London, lasting on average 60 minutes. The interviews were tape-recorded following permission from the individuals and were subsequently transcribed by a professional agency (e.g. Bailey and Peck, 2013). We did not want to direct the conversation by asking concrete questions about the chairman role, but rather to set a context from which such role could emerge in the process of interviewing. Consequently, we have asked participants to discuss their experiences as Chairperson / CEO during times of environmental distress such as large recessions, financial crisis, and technology disruption where firms were performing poorly. Given the difficulty to have chairperson-CEO pairs, we aimed at having a balance between chairperson and CEO experiences to compare and contrast the perception, experiences and expectations of chairs and CEOs in relation to the chairperson role in environments characterised by resource scarcity, complexity and uncertainty.

Data Analysis

The study uses thematic analysis to inductively identify the roles played by the chairperson in firms facing environments characterised by low munificence, complexity and failing performance. Thematic analysis is a process utilised by qualitative researchers to encode qualitative data and identify patterns and relationships (Boyatzis, 1998). Such methodology

involves an inductive approach to data analysis, using both theoretical and open coding (Glaser and Strauss, 1967). Corporate governance literature includes the notion of role as a general term rather than as an academic concept. This is surprising, as there is a wealth of role theory models and concepts which provide a rich lenses into the *actual* behaviour of board members holding particular roles as well as their interactions (e.g. Stewart, 1982; 1991; Fondas and Stewart, 1990, 1994). It is also surprising as the Financial Reporting Council (FRC, 2011) makes extensive use of the term of role to specify the responsibilities and behaviors expected from governance roles such as chairperson, senior independent director (SID) and Non-Executive Director (NED). Role behaviour is the product of the role occupants' interpretation of the role as well as the interpretation of what significant others expect from the role (Fondas and Stewart, 1990, 1994; Stewart, 1991). Since the object of analysis is the role of the chairperson in a specific environment, we have engaged the Demands-constraints-choices (DCC) (Stewart, 1982). According to this theory of role, roles have demands and constraints (and supports) which determine a certain degree of choice on how the role incumbent shapes the role. The chairperson role is thus constructed by the role incumbent received interpretation of its own and significant others expectations of behaviour (Stewart, 1982).

Interview data was separated by role (CEO and chairperson) and initial theory-driven coding (Glaser, 1992; Glaser and Strauss, 1967) was employed using the Demands-Constraints-Choices (DCC) model of role (Stewart, 1982). Data was thus coded for the demands, constraints, and choices, as well as for supports for each of the roles by two independent researchers. Areas of disagreement were resolved through discussion among researchers.

A second step checked for similarities and differences between demands, constraints, choices and supports across the roles of chairperson and CEO. We have contrasted perceptions of chairperson role behavior from the perspective of chairpersons themselves and from significant others (i.e. CEOs). Selective coding (Boyatzis, 1998; Glaser, 1992) was employed

to identify an emerging core theme (and associated sub-themes) that better explained variation in the data. An iterative process of going back and forth between the emerging themes and the literature allowed for a refinement of those themes and established relationships between them (e.g. Boyatsis, 1998; Glaser, 1992).

Similar data analysis procedures have been employed in boardroom studies looking at decision-making styles (Bailey and Peck, 2013), as well as in studies of the relationship between chairpersons and CEOs (Stewart, 1991).

The following data structure has emerged as a result:

INSERT FIGURE 1 ABOUT HERE

Findings and Discussion

Thematic analysis allowed the identification of 6 main roles played by the chairperson: expectations handler, informational, partner/executive, advisory, counselling and leader of the board. A further seventh role – that of buffering - emerged from the findings as a central organising category which allowed to classify the other six roles as primarily serving an insulating or regulating function. As such chairpersons insulate the CEO through: i) their expectations handler and; ii) partner/executive roles; their regulating function includes i) regulating the information flow between the board/shareholders and the CEO; ii) regulating CEO cognition, emotion and behaviour through their advising and counselling roles, and; iii) regulating board exchanges through their role as leader of the board.

Buffering role: Expectations of chairperson behavior

Buffering is an adaptive mechanism that allows firms to adapt to environmental jolts (Lynn, 2005) and the chairperson role might be more influential during poor performance (Krause, 2017) and in complex and low munificence environments (Withers and Fitza, 2017). In line with the this theoretical arguments, the findings from thematic analysis revealed that chairpersons play in fact a fundamental role of buffering in relation to the CEO and to the board in contexts of high uncertainty, low-munificence and poor firm performance. Such role of buffering is consistently perceived by chairpersons as one of their key roles. This role is reinforced by CEOs who generally expect chairpersons to exert this buffering role. Environments characterised by uncertainty, low-munificence and poor performance generate anxiety on CEOs and it is not uncommon for them to seek this buffering support from the chairperson. Mannor et al. (2016) have recently showed that executives facing job anxiety tend to rely more on social buffering and engage in less risky strategies when facing perceived loss (threat) contexts, but that their buffering behaviors are different when the environment has little perceived threats.

The extract below from a highly experienced chairperson depicts this buffering role as his/her main characteristic:

‘So the main characteristic of a chairperson, I think, is you’re there, you’re like a sponge in many ways, to be able to take the brickbats and, at the end of the day, you take the crap and the executive team take the glory. That’s the way I think it needs to be.’ (Chairperson 10)

The chairperson is depicted ‘like a sponge’ alluding to the fact that the role occupant absorbs tensions, demands and expectations (from the board and shareholders for example) and digests them on behalf of the system and particularly of the CEO. In turn CEOs expect chairpersons to be effective in acting as a buffer, and associate this role with the ‘ideal chairperson’.

‘... an ideal chairperson is one who dissipates waves, not extenuates them in either direction, the sort of people get in, it’s too one way or the other, and he doesn’t, a bad chairperson extenuates, so if the shareholders are complaining a bit, he, a good chairperson understands, absorbs and gives the CEO time etc, what he doesn’t do is he doesn’t make everything work. [chairperson name] was a superb chairperson in that sense that he naturally understood that.’ (CEO 3)

The above extract depicts again the chairperson as someone who ‘absorbs’ expectations and tensions arising from dissatisfied shareholders and relieving the CEO from particular demands. Literature on organisational buffering defines buffering as “the regulation and/or insulation of organisational processes, functions, entities or individuals from the effects of organisational uncertainty or scarcity’ (Lynn, 2005:38). Literature has often pointed to this role of buffering, yet either ignored it or conceptualise it differently. For example, Stewart (1991) study on chairperson-CEO relations has quoted chairpersons depicting their role as “taking the flack”, “advising the CEO on how he could more effectively handle difficult situations” or “support the CEO in those difficult situations...such as a public meeting to protest at the closure of a hospital” (Stewart, 1991: 519-521). These insulation and regulation roles have emerged strongly from our interview data with chairpersons and CEOs.

The findings point to the central role of the chairperson as a buffer in contexts of uncertainty and low-munificence, where a plethora of other roles are used with purposes of insulation or regulation of the CEO and of board exchanges.

Insulating Roles

Buffering is normally associated with some kind of insulation or protection from external influence. Buffering literature does not define insulation and regulation processes. However, insulation generally refers to an idea of protection or relieving someone from perturbation. In this study we find that chairpersons perform two insulating roles in relation to the CEO: expectations handler and partner.

Expectations handler role. Chairpersons play a fundamental role as expectations handler. Such role has been depicted by Tengblad (2004) as characterising the CEO, but this study shows that in contexts of high uncertainty, low munificence and poor performance this role is central to the chairperson activity. In such environments, the CEO is often the target of a number of different expectations and pressures from shareholders, the board and market analysts for example. It is the chairperson who emerges as the critical role to balance expectations, protecting the CEO from certain pressures. These pressures are around strategic direction and especially the time it will take to restore the company to growth and profitability. One chairperson explained:

‘...my thing as chairperson was to, then to explain to all the stakeholders, the true extent and the severity of the problem and what they could expect as a result. So the first thing is, in public companies especially you have to define success and you define the timetable, don’t let the market do it. People will always encourage you to say this is a problem but we can solve it and we’ll turn it around in a year or two, because a lot of people like to believe that’. (Chairperson 1)

In the above example a highly experienced chairperson explains how it is important to manage expectations relating to the time required to turnaround the company, and how there is a danger for CEOs to acquiesce to market expectations and therefore set unrealistic timescales and targets to appease the market or the board. Contrast this with the following discussion on a case where this was poorly handled:

‘but he didn’t, in terms of you calling it a vision, I don’t think he explained to the market the time you take to turn things around. I think he needed a lot more time, and a supportive chair and a supportive board would have given him the three year, four year target, because that’s a super target. And you don’t change it round quickly, and that’s why the new guys get the advantage of, I don’t know whether he’s kitchen sinking it or not, but he’s certainly got the advantage to rebase expectations on the levels of profitability’. (Chairperson 5)

Time and again the role of the chairperson as handling expectations around the work of the CEO emerged as a critical insulating mechanism to allow the CEO to maintain a realistic strategic direction and timescale. Handling expectations from critical stakeholders needs to be

done in a honest way – it is not the same as impression management. Consider the following chairperson view:

‘And therefore that whole issue of managing expectations is really important, but in an honest way so they don’t think you’re sandbagging or trying to protect your figures or anything like that’. (Chairperson 5)

The pressures on the CEO are sometimes so high that he feels compelled to start making promises to the market in terms of earnings per share and other key investor metrics which are not consistent with the more long-term view. As the CEO is going out of course, chairpersons often have to intervene. In such circumstances, chairpersons have to intervene and send strong messages to the market (either informally or formally):

‘I said, I’ve got a management team, I don’t want them bushwhacked because the market has no patience....’ (Chairperson 4)

This role played by the chairperson has already been recognised in the literature, albeit perhaps not so systematically. Lorsch and Selleke (2005) argue that “the legitimacy and prestige of a board chair have been described as highly valuable in placating unhappy shareholders” (p. 72), while others emphasised the chairperson as representing the firm to a variety of stakeholders and secure the required resources that allow the CEO to initiate strategic change (Certo, Daily and Dalton, 2001).

Partner role. The partner role played by chairpersons in relation to CEOs is widely established (Stewart, 1991). The critical component of this role, we argue, is that it insulates the CEO from certain demands by absorbing them, allowing the CEO to focus his/her attention in other matters. This partner role implies a certain specialisation of function (Hodgson et al., 1964), which relieves the CEO from particular demands and allows him/her to focus efforts where he/she can best contribute. It allows for example a balancing between short and long-term actions, often with the chairperson taking the long-term view (Roberts, 2002). The following CEO explained:

‘The chairman and chief executive work as a team. In a good team you don’t all do the same thing: there’s a centre-forward and a centre-back, and in a difficult situation the chairman has to move into a – you could call it an executive role, but it’s more of a leadership role and the chief executive – because there’s so much to do – is taking a line of responsibility for the operation’. (CEO 15)

This partner role, insulates the CEO and the management team from certain demands and responsibilities that can be distracting. Recent work has come to recognise the importance of the partner role. Hambrick et al. (2005) work on executive job demands, argues that relieving the CEO from some job demands enables better CEO decision-making. For example Krause (in press: 8) indicates that chairpersons may view “advising and guiding the CEO and/or reducing the CEO’s job demands to be fundamental attributes of his or her working relationship with the CEO”. Further, Krause (2017) has shown the prevalence of a collaborative approach on the relationship between chairperson and CEOs, where one fundamental aspect was relieving the CEO from board leadership through specialization, enabling greater focus in leading the business, or by representing the firm externally with a variety of stakeholders. The chairperson of a large entertainment business explained how he “brought a calmness”, ensuring that the CEO and the top team were not distracted and were focused on turning the company around:

‘The Senior Management Team weren’t distracted, they were actually getting on with it and people were able to get on with the day job instead of being pulled into meetings every single week. So I brought a calmness to that. That was a different role’. (Chairman 8)

When such partnership fails, because the chairperson is too distant and not willing to take on certain demands, the consequences can be dire. One CEO explained he was not properly insulated by the chairperson from the multiple stakeholder demands which wanted him to do different things operationally. This meant that the CEO was overburdened and was not able to cope with both the stakeholder demands and the operational trade-offs making the turnaround effort slower and ultimately having an impact on his own well-being and health .

‘I’m sure the chairman should have helped me, spotted what was going on. We should have had a much better division of responsibilities between the stakeholder management and the executive, the operational side ...’. (CEO 2)

Regulating roles

Literature on buffering is not explicit as to what regulation side entails. However, regulation is often connoted to ensuring something operates in a proper and balanced way, adjusted to what’s required. The regulating side of the chairperson buffering role, emerged as set of roles that regulate information flows, CEO cognition, emotion and behavior and board exchanges during meetings. This roles are next described in regards to their regulating functions and include: informational role, advisory role, counselling role and leader of the board role.

Informational role. Chairpersons perform an informational and boundary spanning roles (Mintzberg, 1973; Pfeffer and Salancik, 1978). Chairpersons and CEOs alike in this study have emphasised this role for the chairperson.

‘And if he has a discussion then [chairperson name] he is somehow containing it again and channelling it again and giving the feedback to us’ (CEO 10).

Such channelling of information entails a regulation of what information gets passed to the CEO and the management team, and importantly, how it gets passed. This chairperson role as the regulator of information flows between key governance, shareholders and executive roles has been emphasized in the past but remains relatively poorly understood (Roberts and Stiles, 1999; Carter and Lorsch, 2004).

Advisory role. The advisory role of the chairperson emerged as a further regulating mechanism. Chairpersons provide advice to CEOs on important matters such as strategy, risk and governance as well as on ‘political issues’. Often in situations of high uncertainty, low-munificence and poor firm performance the CEO seeks the advice of the chairperson, and

chairpersons also see this role of advice and guidance as integral part of their role (e.g. Krause, 2017; Roberts, 2002; Stewart, 199; Withers and Fitza, 2017). This advisory role emerged strongly as a mechanism for the CEO to calibrate strategies, plans and the pace and scale of change.

‘On strategic moves definitely, I take him early on board so that he sees the rationale and that he starts to challenge where he thinks that we could think further or better on aspects I have not yet taken into consideration – and there he has his experience and this is great to take profit from’. (CEO 8)

However, how much advice the chairperson provides depends on the situation, the urgency of response and critically depends on the levels of trust and perceptions of boundaries between the two roles. One CEO explained:

‘I’d have a lot of conversations with [chairperson name], so in a way you’re just trying to calibrate – so this is what I think we should do: let’s calibrate that. Initially, you had no time so you were basically saying, “We calibrated it crudely; we’re just going to do it”, but as time went on you were able to calibrate that more, think more, get more data and think about how you refined it’. (CEO 1)

Counselling role. In environments characterised by high uncertainty, low munificence and poor performance the pressures on the CEO increase and this often impacts on CEOs behavior. Chairpersons act as counsels (Stewart, 1991) to the CEO and through dialogue seek to maintain the CEO emotional stability or avoid the CEO taking decisions or actions based on emotions rather than evidence. There are situations which affect the CEO directly in her personal beliefs and values and can precipitate a departure, escalating conflicts and/or poor decision-making. One chairperson explained:

‘Provided you believe your chief executive is part of the answer rather than part of the problem – which is what we had believed and I made sure that the board had that view and I’ve conveyed it very strongly to the CEO on a number of occasions – because some of this stuff is very hard to take, particularly if it cuts against everything you stand for and is in your DNA’. (Chairperson 3)

This counselling role helps the CEO to maintain an objective view and even personal wellbeing. One must only remember the case of Antonio Horta-Osorio the CEO of UK’s Lloyds

Bank, who not so long ago had to step down for some time allegedly due to overwork and pressure. The effective chairperson is aware of the CEO well-being and emotional stability and intervenes when it is required.

‘I saw the CEO regularly one-to-one obviously between board meetings. He liked to come and get stuff off his chest which was important’. (Chairperson 7)

One chairperson described this role as taking the CEO to the “psychologist couch”:

‘And I, as chairman, particularly with the chief executive ... he was actually on the psychologist’s couch, if you can imagine this: you could’ve seen me here with my notes, him lying on the couch. I had just a massive outpouring of everything from his entire time in this business that he thought was wrong with it, that he thought was wrong with the leadership, that he thought was wrong with this individual and everything else. So I had to do a lot of listening. All part of the trust process: if he’s going to tell you his innermost secrets, you sit there and listen’. (Chairperson 13)

Leader of the board. A final role for the chairperson which emerged strongly from this study is the more classical role as “leader of the board”. Chairpersons and CEOs agree that this is the Chairperson domain *par excellence*. Chairpersons have great discretion as to board composition, NED engagement, CEO-Board engagement, committee composition and functioning, board agenda building and the conduction of meetings. While all these aspects are important, it is then important that the board meetings are effective places of challenge and debate. It is in his role as chair of the board meetings that the chairperson plays his/her further regulating role: the chairperson regulates the group processes in the board. These processes includes the presence and use of knowledge and skills, effort norms, and cognitive conflict (Forbes and Milliken, 1999). In effect, chairpersons regulate interpersonal exchanges during meetings, the amounts of tension and cognitive conflict that the board can take without compromising cohesion, the use of knowledge and skills and the degree of consensus and shared-understanding. Through an inclusive style the chairperson makes the maximum use of knowledge, experience and skills available around the board table. The chair focuses the

conversation, pauses it, summarises and concludes at different points, critically regulating board dynamics.

‘... when you get to chairman level, you need to do a lot more of: right – this is the issue; what do people think? And let the debate go, maybe direct the debate a little bit, pull people in, but try and let the debate happen. And then conclude and summarise and let the decision be a board decision rather than a chairman decision’. (Chairperson 5)

The chairperson ensures that controversial topics are on the board agenda and promotes vigorous discussion whilst maintaining board cohesion and unity of action. The chair regulates the amount of cognitive conflict and tension, whilst safeguarding the integrity of the board. This regulation function of the chair has been depicted in the literature has been at the crux of effective chairmanship (Kakabadse and Kakabadse, 2007a; Taylor, 2001).

‘... these are the situations where there’s lots of issues and lots of judgements to be made. And a good board should be one that can debate those issues openly and can manage argument successfully. The job of the chairman is making sure that issues come on the table and people do collide. Now it, you would love to think the board will be as one, there will be no conflict, but actually there are issues – discuss them, otherwise you will make a wrong judgement. But the executive team need that supportive guidance, and that doesn’t just mean saying yes’. (Chairperson 1)

The idea that chairs must “dose” the levels of cognitive conflict and disagreement in the boardroom was in fact very prevalent in this study. Consider the following chairperson perspective:

‘It doesn’t mean that you should never have disagreement in the boardroom, no, but you should be careful: you should dose it because if you, either it becomes a vote of non-confidence vis-à-vis an individual. The challenge for a chairman has to make sure that touchy items become a topic and not an item from the CEO. On the next board meeting we have two what I call topics, and everybody can there say draw a line or raise a flag because it’s a topic. It’s different versus if the CEO would say, “This is what I want to do”, because then you have to say no to the CEO or yes to the CEO. But here it’s brought as to “this is a topic” and everybody just, you have a guided discussion ... During the board meetings you make sure as a chairman that everybody has his point of view because you have different characters. You have some people that are very talkative. There are some people they are just saying nothing, but once they say something it is dot on. But try to make sure that at the end of an important discussion that you go round the table and ask each member their view, so they can’t hide by saying nothing’. (Chairperson 8)

The chairperson role as leader of the board emerged in this study as serving a regulating function. The chair emerged as the individual who regulates board processes, harnessing the variety of knowledge and experience to confront difficult challenges that arise in contexts of resource-scarcity, uncertainty and complexity.

Conclusions and Implications

This study is the first to the author's knowledge to systematically present evidence for the exercise of a buffering role by chairpersons in separate board leadership structures in contexts marked by resource scarcity, low munificence and poor firm performance. The evidence presented and the corresponding novel conceptualisation of the role of the chairperson opens promising avenues for future research. It adds to the resource-dependence literature by showing that chairpersons can organise the provision of resources within a broader conceptualisation of the role as a buffer. In such conceptualization, the chairman may provide resources that either insulate (for example through the provision of legitimacy, or handling shareholder pressures) or regulate (through additional advice and counsel) the CEO. This allows conceiving the chairman as maintaining the homeostatic balance between the CEO, the board, the shareholders and the wider environment in a manner that is conducive to firm adaptation and performance. The study also answers calls for a better understanding of what chairpersons actually do, specifically in environments marked by resource scarcity, low-munificence and poor performance (Krause, 2017; Withers and Fitza, 2017). It adds to previous conceptualizations of the portfolio of roles that the chairperson plays in relation to the CEO (Stewart, 1991), by providing a new empirical conceptualization of the chairperson as a buffer, encompassing a variety of other roles.

Future Research

Future research needs to further test which components of the buffering role are more important using survey techniques on a large sample of chairperson and CEOs. Questions about the relative balance between insulation and regulation and how this relative balance impacts board effectiveness and firm performance are of particular importance. The relative emphasis of chairperson on insulating or regulating roles may depend on firm, CEO, chairperson and contextual characteristics. For example, do new CEOs require more insulation or more regulation? When the chairperson is personally involved in the selection of the CEO does it tend to over-insulate him/her from pressures? Under which circumstances does too much regulation become dysfunctional? These and other questions require new studies that use factor analysis and regression techniques to further investigate the chairperson buffering role and account for a wider set of contingencies.

REFERENCES

- Aberbach, J.D., & Rockman, B.A. 2002. Conducting and coding elite interviews. *Political Science & Politics*, 35: 673-676.
- Ahrens, T., Filatotchev, I., & Thomsen, S. 2011. The research frontier in corporate governance. *Journal of Management & Governance*, 15:311–325.
- Bailey, B.C., & Peck, S.I. 2013. Boardroom Strategic Decision-Making Style: Understanding the Antecedents. *Corporate Governance: An International Review*, 21: 31-146.
- Benner, M. J., & Ranganathan, R. 2012. “Offsetting illegitimacy” How pressures from securities analysts influence incumbents in the face of new technologies. *Academy of Management Journal*, 55: 213–33.

- Berry, J.M. 2002. Validity and reliability issues in elite interviewing. *Political Science & Politics*, 35: 679-682.
- Boyatzis, R. E. 1998. *Transforming qualitative information: Thematic analysis and code development*. Thousand Oaks, CA: Sage.
- Boyd, B. K. 1995. CEO duality and firm performance: A contingency model. *Strategic Management Journal*, 16: 301–312.
- Brockner, J. 1992. The escalation of commitment to a failing course of action: Towards theoretical progress. *Academy of Management Review*, 17: 39-61.
- Broome, L., & Krawiec, K. D. 2008. Signaling through board diversity: Is anyone listening. *University of Cincinnati Law Review*, 77: 431–464.
- Carter, C. B., & Lorsch, J. W. 2004. *Back to the drawing board: Designing corporate boards for a complex world*. Boston, MA: Harvard Business School Press.
- Certo, S.T., Daily, C.M., & Dalton, D.R. 2001. Signaling firm value through board structure: an investigation of initial public offerings. *Entrepreneurship: Theory & Practice*, 26: 33–50.
- Chen, G., Crossland, C., & Luo, S. 2015. Making the same mistake all over again: CEO overconfidence and corporate resistance to corrective feedback. *Strategic Management Journal*, 36: 1513–35.
- Chitayat, G. 1984. Working relationships between the chairman of the board of directors and the CEO. *Management International Review*, 24: 65–70.
- Coles, J. W., McWilliams, V. B., & Sen, N. 2001. An examination of the relationship of governance mechanisms to performance. *Journal of Management*, 27: 23–50.
- Cornelissen, J.P. 2017. Preserving theoretical divergence in management research: Why the explanatory potential of qualitative research should be harnessed rather than suppressed. *Journal of Management Studies*, 54: 368-383.

- Council, F.R. 2011. *Guidance on board effectiveness*. London: FRC.
- Council, F.R. 2016. *The UK Corporate Governance Code*. London: FRC.
- Creswell, J. 2007. *Qualitative inquiry and research design: Choosing among five approaches*. (2nd Ed.). Thousand Oaks, CA: Sage.
- Czarniawska, B. 1985. *Controlling Top Management in Large Organisations*. Aldershot: Gower.
- Davies, M. 2015. *Improving the Gender Balance on British Boards*. London: Department of Innovation, Business & Skills.
- Daily, C. M., & Dalton, D. R. 1993. Board of directors leadership and structure: Control and performance implications. *Entrepreneurship: Theory and Practice*, 17: 65–82.
- Dechow, P. M., Sloan, R. G., & Sweeney, A. P. 1996. Causes and consequences of earnings manipulation: An analysis of firms subject to enforcement actions by the SEC. *Contemporary Accounting Research*, 13: 1–36.
- Donaldson, L. 1990. The ethereal hand: Organizational economics and management theory. *Academy of Management Review*, 15: 369–381.
- Donaldson, L., & Davis, J. H. 1991. Stewardship theory or agency theory: CEO governance and shareholder returns. *Australian Journal of Management*, 16: 49–65.
- Fama, E. F. 1980. Agency problems and the theory of the firm. *The Journal of Political Economy*, 88: 288–307.
- Fama, E. F., & Jensen, M. C. 1983. Separation of ownership and control. *Journal of Law and Economics*, 26: 301–325.
- Finkelstein, S., & Mooney, A. C. 2003. Not the usual suspects: How to use board process to make boards better. *Academy of Management Executive*, 17: 101–113.
- Fondas, N., & Stewart, R. 1990. *Developing Role Theory for Research on Managerial Jobs and Behaviour*. Management Research Papers MRP/90/1, Oxford:Templeton College.

- Fondas, N., & Stewart, R. 1994. Enactment in managerial jobs: a role analysis. *Journal of Management Studies*, 31: 83–103.
- Forbes, D. P., & Milliken, F. J. 1999. Cognition and corporate governance: Understanding boards of directors as strategic decision-making groups. *Academy of Management Review*, 24: 489–505.
- Francis, J. J., Johnston, M., Robertson, C., Glidewell, L., Entwistle, V., Eccles, M. P. & Grimshaw, J. M. 2010. What is an adequate sample size? Operationalising data saturation for theory-based interview studies. *Psychology and Health*, 25: 1229–1245.
- Gabrielsson, J., & Huse, M. 2004. Context, behavior, and evolution: Challenges in research on boards and governance. *International Studies of Management & Organization*, 34: 11-36.
- Garratt, B. 1999. Developing effective directors and building dynamic boards. *Long Range Planning*, 32: 28–35.
- Glaser, B. 1992. *Emergence vs. forcing: Basics of grounded theory analysis*. Mill Valley, CA: Sociology Press.
- Glaser, B., & Strauss, A. 1967. *The Discovery of Grounded Theory*. Chicago, IL: Aldine.
- Grant Thornton. 2014. *Corporate governance review: Plotting a new course to improved governance*. Available at http://www.grant-thornton.co.uk/Global/Publication_pdf/Corporate-Governance-Review-2014.pdf.
- Haleblian, J., & Finkelstein, S. 1993. Top management team size, CEO dominance, and firm performance: The moderating roles of environmental turbulence and discretion. *Academy of Management Journal*, 36: 844–863.
- Hambrick, D.C., Finkelstein, S., & Mooney, A.C. 2005. Executive Job Demands: new insights for explaining strategic decisions and leader behaviors. *Academy of Management Review*, 30: 472-491.

- Hambrick, D.C., Werder, A.V., & Zajac, E.J. (2008). New directions in corporate governance research. *Organization Science*, 19: 381-385.
- Hansen, G. S., & Hill, C. W. L. (1991). Are institutional investors myopic? *Strategic Management Journal*, 12: 1–16.
- Hillman, A. J., Cannella, A. A., & Paetzold, R. L. (2000). The resource dependence role of corporate directors: Strategic adaptation of board composition in response to environmental change. *Journal of Management Studies*, 37: 235–256.
- Hodgson, R. C., Levinson, D. J., & Zaleznik, A. 1965. *The executive role constellation*. Boston, MA: Harvard Business School.
- Jensen, M. C., & Meckling, W. H. 1976. Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3: 305–360.
- Kakabadse, A. P., & Kakabadse, N. K. 2007a. The return of the chairman. *Business Strategy Review*, 18: 62–65.
- Kakabadse, N. K., & Kakabadse, A. P. 2007b. Chairperson of the board: Demographics effects on role pursuit. *Journal of Management Development*, 26: 169–192.
- Kakabadse, A. P., Kakabadse, N. K., & Barratt, R. 2006. Chairman and chief executive officer (CEO): That sacred and secret relationship. *Journal of Management Development*, 25: 134–150.
- Kakabadse, A. P., Kakabadse, N. K., & Knyght, R. 2010. The “chemistry factor” in the chairman/CEO relationship. *European Management Journal*, 28: 285–296.
- Kakabadse, N. K., & Louchart, E. S. 2012. Delicate empiricism: an action learning approach to elite interviewing. In A. P. Kakabadse & N.K. Kakabadse (Eds.), *Global Elites: The Opaque Nature of Transnational Policy Determination*: 286–307. Basingstoke: Palgrave Macmillan.

- Kakabadse, A., Ward, K., Kakabadse, N. & Bowman, C. 2001. Role and contribution of non-executive directors. *Corporate Governance: The International Journal of Effective Board Performance*, 1: 4–8.
- Kincaid, H.V., & Bright, M. 1957. Interviewing the business elite. *American Journal of Sociology*, 63: 304-311.
- Krause, R. 2017. Being the CEO's boss: An examination of board chair orientations. *Strategic Management Journal*, 38: 697-713.
- Krause, R., Semadeni, M., & Withers, MC. 0000. That special someone: when the board views its chair as a resource. *Strategic Management Journal*, in press.
- Leblanc, R. W. 2004. What's wrong with corporate governance: A note. *Corporate Governance: An International Review*, 12: 436–441.
- Leblanc, R., & Gillies, J. 2005. *Inside the boardroom*. Canada: John Wiley & Sons.
- Leblanc, R., & Schwartz, M.S. 2007. The black box of board process: Gaining access to a difficult subject. *Corporate Governance: An International Review*, 15: 843-851.
- Levrau, A., & Van den Berghe, L. 2013. Perspectives on the decision-making style of the board chair. *International Journal of Disclosure and Governance*, 10: 105–121.
- Lorsch, J. W., & MacIver, E. 1989. *Pawns or potentates: The reality of America's corporate boards*. Boston, MA: Harvard Business School Press.
- Lorsch, J.W., & Zelleke, A. 2005. Should the CEO be the chairman? *Sloan Management Review*, 46: 71–74.
- Lynn, M.L. 2005. Organizational buffering: Managing boundaries and cores. *Organization Studies*, 26: 37-61.
- Mace, M. L. G. 1971. *Directors: Myth and reality*. Cambridge, MA: Harvard University Press.

- Mannor, M.J., Wowak, A.J., Bartkus, V.O., & Gomez-Mejia, L.R. 2016. Heavy lies the crown? How job anxiety affects top executive decision making in gain and loss contexts. *Strategic Management Journal*, 37: 1968-1989.
- Marginson, D., & McAulay, L. 2008. Exploring the debate on short-termism: A theoretical and empirical analysis. *Strategic Management Journal*, 29: 273–92.
- McCabe, M., & Nowak, M. 2008. The independent director on the board of company directors. *Managerial Auditing Journal*, 23: 545–566.
- McDonald, M.L., & Westphal, J.D. 2010. A little help here? Board control, CEO identification with the corporate elite, and strategic help provided to CEOs at other firms. *Academy of Management*, 53: 343-370.
- McNulty, T., Pettigrew, A., Jobome, G., & Morris, C. 2011. The role, power and influence of company chairs. *Journal of Management and Governance*, 15: 1-121.
- McNulty, T., Zattoni, A. & Douglas, T. 2013. Developing corporate governance research through qualitative methods: A review of previous studies. *Corporate Governance: An International Review*, 21: 83-198.
- Mintzberg, H. 1973. *The nature of managerial work*. London: Harper & Row.
- Mintzberg, H. (2009). *Managing*. Harlow, UK: FT Prentice Hall.
- Parker, H. 1990. The company chairman: His role and responsibilities. *Long Range Planning*, 23: 35–43.
- Pettigrew, A., & McNulty, T. 1995. Power and influence in and around the boardroom. *Human Relations*, 48: 845–873.
- Pfeffer, J. 1972. Size and composition of corporate boards of directors: The organization and its environment. *Administrative Science Quarterly*, 17: 218–228.
- Pfeffer, J., & Salancik, G. R. 1978. *The external control of organizations: A resource dependency perspective*. New York: Harper & Row.

- Pye, A. 2000. Changing scenes in, from and outside the boardroom: UK corporate governance in practice from 1989 to 1999. *Corporate Governance: An International Review*, 8: 335–346.
- Pye, A. 2005. The importance of context and time for understanding board behavior. *International Studies of Management & Organization*, 34: 63–89.
- Rechner, P. L., & Dalton, D. R. 1991. CEO duality and organizational performance: A longitudinal analysis. *Strategic Management Journal*, 12: 155–160.
- Roberts, J. 2002. Building the complementary board. The work of the Plc chairman. *Long Range Planning*, 35: 493–520.
- Roberts, J., & Stiles, P. 1999. The relationship between chairmen and chief executives: Competitive or complementary roles? *Long Range Planning*, 32: 36–48.
- Saunders, M. N. K., & Townsend, K. 2016. Reporting and justifying the number of interview participants in organisation and workplace research. *British Journal of Management*, 27: 836-852
- Shaw, J.D. 2017. Advantages of Starting with Theory. *Academy of Management Journal*, 60: 819-822.
- Short, H., & Keasey, K. 1997. Institutional shareholders and corporate governance in the United Kingdom. In K. Keasey, S. Thompson, & M. Wright (Eds.), *Corporate Governance*: 18-53. Oxford: Oxford University Press.
- Slatter, S. S. P., & Lovett, D. 1999. *Corporate recovery: Managing companies in distress*. Washington, DC: Beard Books.
- Spencer Stuart 2014. *Spencer Stuart board index*. Available at <https://www.spencerstuart.com/~media/PDF%20Files/Research%20and%20Insight%20PDFs/SSBI2014web14Nov2014.pdf>.

- Staw, B.M. 1981. The Escalation of Commitment to a Course of Action. *Academy of Management Review*, 6: 577-587.
- Stewart, R. 1982. A model for understanding managerial jobs and behavior. *Academy of Management Review*, 7: 7-13.
- Stewart, R. 1991. Chairpersons and chief executives: An exploration of their relationship. *Journal of Management Studies*, 28: 511-528.
- Suchman, M. C. 1995. Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, 20: 571-610.
- Taylor, B. 2001. From corporate governance to corporate entrepreneurship. *Journal of Change Management*, 28: 128-147.
- Tengblad, S. 2004. Expectations of alignment: Examining the link between financial markets and managerial work. *Organization Studies*, 25: 583-606.
- Withers, M.C., & Fitza, M.A. 2017. Do board chairs matter? The influence of board chairs on firm performance. *Strategic Management Journal*, 38: 1343-1355.
- Yermack, D. 2004. Remuneration, retention, and reputation incentives for outside directors. *Journal of Finance*, 59: 2281-308.

TABLE 1**Sample demographics**

Role	Age	Gender	Ethnicity	Qualification
Chairperson 1	60	M	WB	MBA
Chairperson 2	70	M	WB	Law
Chairperson 3	66	M	WB	NA
Chairperson 4	63	M	WB	Accounting
Chairperson 5	56	M	WB	Accounting
Chairperson 6	62	M	WB	MBA
Chairperson 7	54	M	WB	Accounting
Chairperson 8	64	M	OWB	MBA
Chairperson 9	68	M	WB	MBA
Chairperson 10	64	M	WB	Geography & Economics
Chairperson 11	62	M	WB	Engineering
Chairperson 12	61	M	WB	MBA
Chairperson 13	61	M	WB	Accounting
Chairperson 14	54	M	WB	Accounting
CEO1	56	M	WB	Accounting
CEO2	53	M	WB	MBA
CEO3	49	M	WB	Accounting
CEO4	52	M	OWB	Accounting
CEO5	62	M	WB	MBA
CEO6	52	M	WB	MBA
CEO7	50	M	WB	Economics
CEO8	56	M	OWB	International Relations
CEO9	54	M	WB	Accounting
CEO10	58	M	WB	Accounting
CEO11	64	M	WB	Economics
CEO12	66	M	WB	NA
CEO13	53	F	WB	Management Studies
CEO14	54	M	WB	Accounting
CEO15	57	M	WB	Geology
CEO16	61	M	WB	MBA

Note 1: WB – White British; OWB – Other White Background; AMP – Advanced Management Programme; NA – Not Available.

FIGURE 1

Data structure of the chairperson buffering role

