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The Chairperson of the Board

An exploratory study in Swedish Enterprises

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Master Thesis in Business Administration

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Abstract

Background: This study is an initial attempt to answer to the lack of qualitative research specifically focusing on the of the board chair. Historically, this role has been considered as undervalued and misunderstood, however, more recently scholars are devoting an increasing interest and attention to this role. Evidently, there is a higher awareness for corporate governance matters, yet only a few studies have inquired into this phenomenon. In fact, scholars point out that chairpersons are among a group of individuals that are particularly hard to access for the purpose of academic research. While this role has been studied mainly in the US context, there is no study that has been conducted in the Nordic region.

Purpose: The purpose of this thesis is to explore the role chairperson in Swedish enterprises and gain an understanding of the aspects that characterize this role.

Method: Relativist Ontology; Social Constructionist Epistemology; Qualitative Exploratory Interview Study; Data Collection through in-depth interviewing; Purposive Sampling technique; Conventional Content Analysis

Conclusion: The results show that the chairpersons can be understood from two perspectives, namely ownership and environment. We find a profound difference between the chairperson in a listed and non-listed company. We provide academic, managerial and societal implications, and devote attention to the implications for owners.

Prologue

Our lives are characterized by life-long learning, continually seeking new experiences and knowledge. What we have learned from working in this intensive period of the studies is to appreciate the chances that we have been given. Meeting inspiring personalities that shared with us their life experience and allowed us to become part of their world, at least for a while long. We are thankful for that and this thesis shall be seen by the readers as our commitment to give back something to world of academia and practice through our written words. Our experience at JIBS was remarkable and we are glad to have been chosen to attend this Master's program. With our final "Master Piece", we invite the reader to immerse in the following pages and reflect upon our written words, thoughts and comments. We feel courageous about having taken on this difficult subject and proving to ourselves that our academic commitment and hard work in the last years have paid off. We hope that you enjoy reading this thesis and we welcome comments and feedback to our contact details, below.

For comments or remarks contact the thesis authors at *chair.swe[at]gmail.com*

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1. Introduction

The purpose of this section is to introduce the reader to the background of our thesis, outline the problem and then present the purpose of this study.

In recent years, the corporate governance landscape has dramatically changed and as a consequence, the level and scope of involvement of chairpersons (hereafter “chairperson”, “COB”, “board chair” or “chair”) in their companies have been altered as well (Bezemer Peji, Maassen & van Halden, 2012). A variety of corporate scandals has prompted the society to be more alert to corporate governance matters (Levrau & van den Berghe, 2013), which resulted in governments and regulatory authorities to impose ever more comprehensive regulatory frameworks, corporate governance codes and so forth (Bezemer et al., 2012). Further, there is an increasing interest and attention from scholars onto the role of the chairperson (see Cadbury, 2002; Coombes & Wong, 2004; Kakabadse & Kakabadse 2008, 2007a, 2007b; Dulewicz, Gay & Taylor, 2007), yet, this research is to a large extent dispersed and we still know relatively little about board chairs.

Scholars claim that the chairperson is largely undervalued and misunderstood, and his/her position has been diminished as a consequence to the lionization of the Chief Executive Officer (hereafter “CEO”) (Kakabadse & Kakabadse, 2008). In past decades, the CEO has transformed into a celebrity, dominating the headlines of newspapers, while the role of the chairperson has been diminished (Kakabadse & Kakabadse, 2008). Thus far, extant scholarly literature has mainly focused on the US context in studying these managerial elites. In the United States, the dominant paradigm of role duality has marginalized scholarly interest in studying the chairperson, because this role was most often assumed by the CEO (Pugliese, Bezemer, Zattoni, Huse, van den Bosch & Volberda, 2009). Still today, the majority of scholars publishing about board leadership are affiliated with the US context, as shown in a recent literature review by Yar Hamidi and Gabrielsson (2014). This dominant focus on the Anglo-Saxon governance tradition has done its part in overlooking the role of the board chair. One must acknowledge that still today, many Americans argue that a combined role of CEO and chair actually leads to greater efficiency and better performance (Oakley, 2016). This contrasts with the UK, and

continental Europe, where it is good governance practice to separate both functions (Guerrera, 2007).

Former chairperson Sir Adrian Cadbury described that the role of directors of boards was becoming more demanding and that this was even more so for the role of the chairperson (Cadbury, 1999). Later on, Mr. Cadbury noted that the chairmanship became more specialized in recent years, and his role actually became more challenging than it was appreciated in the public (Cadbury, 2002). Contrary to the traditional view that chairpersons pursue the role on the side, in many cases, it has become a separate occupation, sought after by a certain group of individuals that is not interested in managing companies but rather sees the chairmanship as their calling (Cadbury, 2002). There is no doubt that the burden on boards is increasing, which has led many chairs to become more professional and effective in discharging their duties (Kakabadse & Kakabadse, 2007a). Nowadays, the business environment is so much more dynamic, volatile and unpredictable that shareholders and other stakeholders have heightened expectations towards the chairperson and the board of directors (Lijee & Vijayraghavan, 2016). The recent study of Meineke, Hellerstedt and Nordqvist (2018) provides further evidence for this development based on analysis of the public discourse of business press.

More recently, there is an increased interest and awareness about the Nordic corporate governance model (Lekvall, Gilson, Hansen, Lønfeldt, Airaksinen, Berglund, ... & Sjöman, 2014). To our knowledge, there are only very few studies that have aimed at exploring the chairperson in a particular context, notably Parker (1990), who made a first comprehensive interview study about UK chairpersons, and in present times, Bezemer and colleagues (2012), who devoted scholarly attention to the Dutch chairmanship. Yet, the Nordic region remains largely unexplored, and the role of the chairperson in this context is still obscure. This implies an urgency for scholarly attention to this unexplored phenomenon, which leads us to conduct this research in Sweden. In fact, there is evidence that the Swedish corporate governance tradition has far-reaching implications for chairpersons. For instance, the majority of companies are still, today, characterized by strong ownership concentration, and there is a clear division of responsibility that entails far-reaching authority to the chairperson and his/her board (Lekvall, 2009).

It comes as no surprise that many scholars have pointed out the paucity of qualitative research specifically focusing on the chairperson (Dulewicz et al., 2007; Krause, Semadeni & Withers, 2016; McNulty & Pettigrew, 1999; Pettigrew & McNulty, 1995). Looking at the study of Yar Hamidi & Gabrielsson (2014), we find that the majority of studies on board leadership have used archival data or quantitative methods to describe the phenomenon. To this extent, it is known among researchers that boards and their members are relatively hard to access for studies, implying that their problems and challenges often remain secret (Dulewicz et al., 2007; Gay, 2001). They concern a set of people thought by many to be too elusive and private to study (McNulty & Pettigrew, 1999), in part because they are reluctant to share their thoughts, given the risk of litigation and loss of reputation (LeBlanc, 2004). Thus, it takes courage from us as the researchers to explore organizational elites, because they have been outlined as severely hard to access for the purposes of academic studies (Odendahl & Shaw, 2002).

Given the discussion above, we hypothesize that the chairperson is the focal point of major developments. We believe that gaining a thorough understanding of the phenomenon will advance the academic discipline and provide practical implications. We would like to understand the role of the chairperson from different perspectives, and thus be able to develop implications both for academia and practice. As such, we propose that our research addresses two gaps in the extant literature. First, there is ample research about boards of directors, while this is much less so for the role of the chairperson (Bezemer et al., 2012). It is, therefore, our motivation and interest to contribute new insights through direct engagement with Swedish chairs. Second, the chairmanship has not been explored in this particular context and thus we propose that the growing interest and attention towards the Nordic governance model justifies our aim to explore this phenomenon in its particular given context. Therefore, *the purpose of this thesis is to explore the role chairperson in Swedish enterprises and gain an understanding of the aspects that characterize this role.*

2. Theoretical Framework

This chapter is a summary of the theoretical background of this thesis, featuring the academic discussion in relation to corporate governance, specifically the board of directors and the chairperson, followed by our reflection of the evolution of corporate governance and description of the Swedish context.

This literature review is an analytical summary of the existing body of research in light of our research topic. We adopted a traditional literature review process and thus draw upon the most interesting and relevant sources for our study (Easterby-Smith, Thorpe & Jackson, 2015). In addition, we make use of grey literature (textbooks and reports among others), which provides an advantage as compared to the systematic literature review. The relatively unexplored research topic justifies the use of this type of literature and provides us with valuable insights beyond the available academic literature.

2.1 Academic Reflection

2.1.1 Board of Directors

Looking at the current body of knowledge on corporate governance, we can find numerous studies conducted on the roles of a corporate board, but the role of the chairperson (Abdullah & Valentine, 2009). To better understand the arena of corporate governance surrounding the chairperson, we suggest that the typology of roles of boards, as suggested by Hung (1998), provides a comprehensive understanding of the major theoretical contributions of the previous century to describe the sphere surrounding the chairperson (see figure 1).

Hung (1998) concludes that the view on governing boards has been isolated, focusing on particular theory, that addresses certain aspects of boards, while neglecting others. Based on the dominant theories of resource dependence theory, stakeholder theory, agency theory, stewardship theory, institutional theory, and managerial hegemony, Hung (1998) proposes six roles of boards, which we will review here. The first two roles of boards stand in relation to the external environment of companies, specifically the linking- and coordinating role. The linking role resides on resource dependence theory (Pfeffer, 1972) and assumes that companies are dependent on the access to resources and therefore they seek to establish linkages through the directorship of boards (Hung, 1998). According to Pfeffer and Salancik (2003) four types of benefits derive from the resources that corporate boards provide to the company. These are expert advice, channel of communication to the external organizations, assistance to acquire necessary commitment from external

environment and legitimacy (Pfeffer & Salancik, 2003). The coordinating role resides on stakeholder theory (Freeman, 1984), which states that a number of stakeholders can affect or are affected by the doings of the organization. Developed on instrumental premises, stakeholder theory concludes that companies must pay careful attention to all relationships rather exclusively focusing on agents-owners or CEO-chair relationships (Freeman, 1999). According to this theory, stakeholders come from different walk of life and acclaim legitimate right to enjoy the benefits of their contributions to the company (Donaldson & Preston, 1995). Despite criticism about this theory, Sternberg (1997) claims that this theory is a valuable reminder for the key to social responsibility.

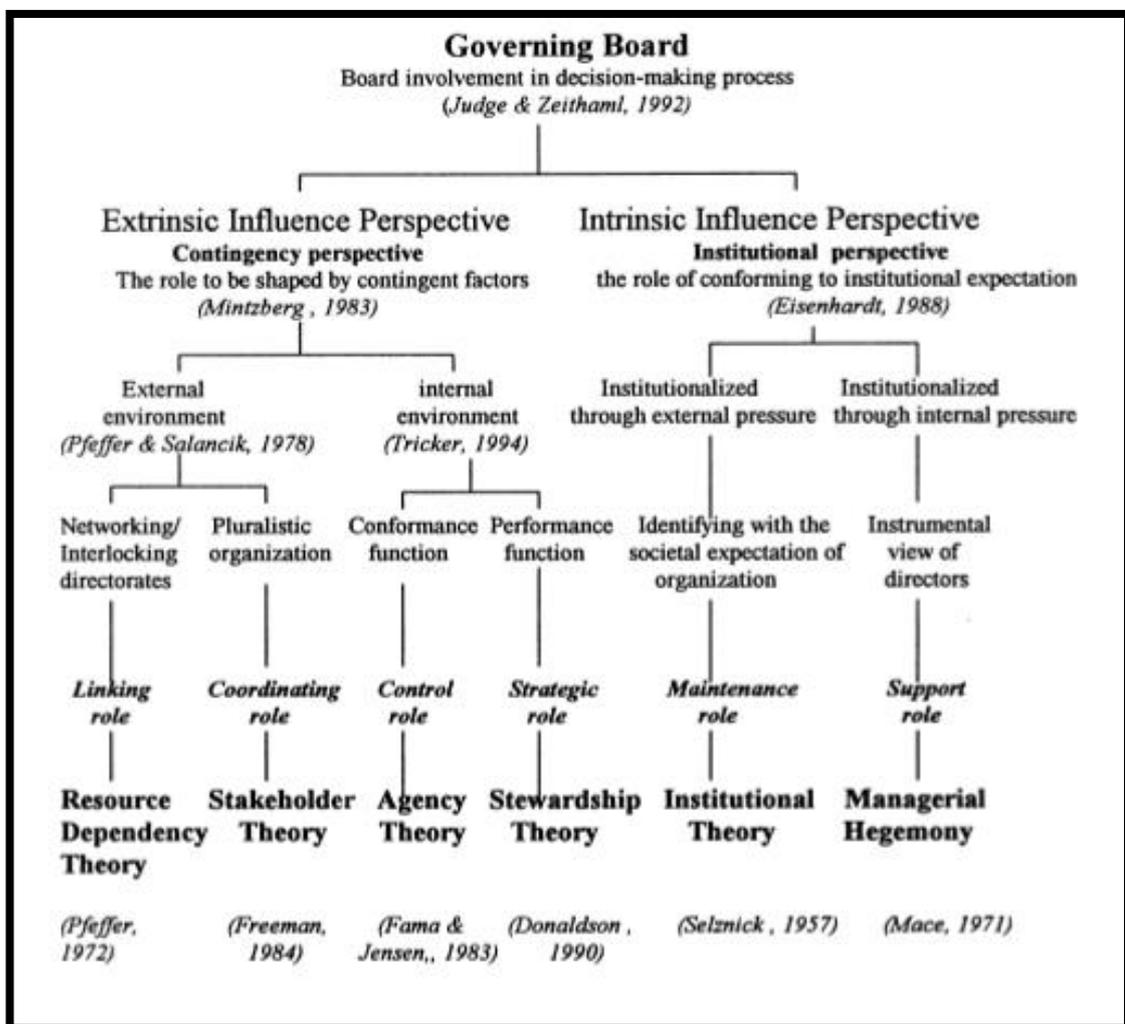


Figure 1: A typology of the theories relating to roles of governing boards (Hung, 1998, p. 105)

Following the reasoning of Hung (1998) the second two roles of boards relate to the internal environment of companies, specifically the control- and strategic role. The

control role is based on agency theory (Jensen & Meckling, 1976), which emphasizes particularly on the separation of ownership and control of the company and conceptualizes a relationship where an agent is assigned to perform some tasks on behalf of the principal/s. Eisenhardt (1989) adds that both parties engage in cooperative behavior, while Tricker (1994) criticizes agency theory for ignoring the implications of group interactions and company culture (e.g. ethnic culture). For instance, scholars claim that the chairperson and CEO are likely to possess conflicting objectives and lacking mutual trust (Koskinen & Lämsä, 2017). Therefore, the role of the chairperson is primarily defined as the safeguard of shareholder interests (Kakabadse & Kakabadse, 2008). In addition, studies point out the opportunistic individualism of the agent (Abdullah & Valentine, 2009), and agency costs deriving from this behavior (Jensen & Meckling, 1976). Given these aspects, scholars are skeptical towards the idea of separating the CEO-chair double role (Schulze, Lubatkin & Dino, 2003).

The strategic role is anchored in stewardship theory (Donaldson, 1990) and states that, unlike agency theory, the agent (usually CEO) actually wants to do a good job (Donaldson, 1990). In fact, there is no problem in terms of motivating the agent or misalignment of interest between management and ownership (Hung, 1998). As such, the strategic role is more closely aligned with role duality (Davis, Schoorman & Donaldson, 1997). In this role, the board is very involved with management (Hung, 1998), and is in line with Lynch (1979) who states that it is beneficial to have active and participative boards that engage into deep discussions with management. This concept, unlike an agent-principal relationship, believes that the duality of roles leads to better leadership, and a strong leader should hold both the CEO and chairperson position (Davis et al., 1997). It draws the picture of a morally strong role model that protects, guides and maximizes shareholders' wealth through ensuring superior performance of the firm (Davis et al., 1997). Contrasting to the previous school of thought, this theory advises empowering the management of the company with ample autonomy (Davis et al., 1997). It posits that unifying the role of CEO and the chairperson will eventually diminish the agency costs and will portray the person at the top as the "fate of the corporation" (Davis et al., 1997, p. 26). Donaldson & Davis (1991) point at the absence of scholarly attention to the clear delineation of roles, and proper delegation of responsibilities between the roles of the CEO and chairperson. In fact, the authors state that a combination of these

two theories, namely agency- and stewardship theory, would lead to a better result than a standalone one (Donaldson & Davis, 1991).

The last two roles that Hung (1998) describes are related to the institutional perspective, specifically the maintenance- and support role. The maintenance role resides on institutional theory (as cited in Hung¹, 1998), which according to Ingram and Simons (1995) implies that companies are constrained by the social rules and (taken-for-granted) conventions. This role focuses on indoctrinating the organization by analyzing and understanding the external environment of the company (Hung, 1998). The support role rests on the concept of managerial hegemony (as cited in Hung, 1998), which implies that modern companies are managed by professionals and boards are merely rubber stamps and have little to no involvement into the strategic decisions, which are dominated by the professional managers (Hung, 1998). This role claims that boards never get involved in strategic decisions unless they are confronted with a crisis situation (as cited in Hung, 1998). The support role implies that boards are seen as a support tool of management (as cited in Hung, 1998), and their ability to make impartial decisions is limited due to their dependence on the supply of information by the management (Hung, 1998).

Johnson, Daily and Ellstrand (1996) reflect on three distinct roles of boards: the control role, the service role, and the resource dependence role. Given our previous discussion as to the work of Hung (1998), the service role emerges as an additional perspective to understand corporate boards. In their study, Johnson and colleagues (1996) describe the service role by stating that it “involves directors advising the CEO and top managers on administrative and other managerial issues, as well as more actively initiating and formulating strategy” (p. 411). The service role (Johnson et al., 1996) shows similarities with the support role (Hung, 1998), yet it is amplified to the involvement of the board in the strategic work. In fact, Johnson and colleagues (1996) portray the service role as critical in supporting management. For instance, Johnson and colleagues (1996) review the work of Daily and Dalton (1992, 1993), who claim that management may benefit from the extensive knowledge of outside directors. Their finding suggests a positive

¹ The original source could not be accessed.

relationship of outsiders on the board and the performance of smaller companies (Daily & Dalton, 1993).

In recent studies, Nicholson and Kiel (2004) state that the chairperson has a key advisory role in the firm, and Krause, Semadeni and Cannella (2013) devote attention to the service role by describing it as advice and guidance of management. Notwithstanding, scholars have worked towards the understanding how the director's expertise impacts the firms on whose boards they serve (Krause et al., 2013). Directors' board positions outside the organization, i.e. the personal network, can improve, under certain circumstances, the ability of the said directors to contribute to the firm. Though, the value of such contributions is argued to be context-dependent (Krause et al., 2013).

While Leblanc (2004) claims that it remains uncertain if the CEO acknowledges the board and its chair as a strategic asset, Krause, Semadeni and Withers (2016) have devoted recent scholarly attention to this phenomenon. They suggest that firms may adopt the resource-based view and see the chair as a unique firm resource (Krause et al., 2016), which is different from that of the board. They propose that the contributions of the chair are adding to the competitive advantage of the firm (c.f. Hitt, Bierman, Shimizu & Kochhar, 2001). Recently, scholars found that the chairperson is responsible, through their critical resources, for nine percent of the variance of firm performance (Withers & Fitza, 2017). The authors mention that apart from advising and counseling, chairs provide preferential access to a network of individuals outside the organization (Withers & Fitza, 2017). This is also expressed by Heyden, Oehmichen, Nichting and Volberda (2015), who state that older chairpersons have an established network and more experience, in other words: "the older the better" (Kakabadse, Knyght & Kakabadse, 2013, p. 342). These findings describe a shift in the understanding of the chairperson that moves away from the traditional perspective commonly portrayed in the extant literature.

2.1.2 Chairperson of the Board

Looking at the extant literature on the role of chairpersons, there is a voluminous number of studies that have been conducted in the US context (Pugliese et al., 2009), which is characterized by the lionization of the CEO (Kakabadse & Kakabadse, 2008). Historically, in the United States, the CEO has received most of the scholarly attention

and has been visualized as a standalone heroic figure that needs “unambiguous power to lead” the company (Lorsch & Zelleke, 2005, p. 73). The duality of roles has been deemed, until recently, as the key to ensure effective and efficient management of the board (Oakley, 2016). This governance structure empowers the CEOs with bigger capacities and results in the rise of high profile CEOs in US companies at that time (Kakabadse & Kakabadse, 2007a). The presence of powerful CEOs in the industries made it challenging to differentiate and to explore the unique roles and contributions provided by the chairpersons (Kakabadse & Kakabadse, 2007a). The consideration of the role of CEO as the corporate hero contributed in diminishing the role of chairperson in the company (Kakabadse & Kakabadse, 2007a). The duality of roles allows the CEO-chair to steer the corporation by personal guiding principles and personalities (as cited in Kakabadse & Kakabadse, 2007b). Expectedly, most of the studies conducted in the USA concentrated on exploring the role, contribution, and soft skills of that one strong leader at the top (Kakabadse, Knyght & Kakabadse, 2013). This notion can be posited as a hint towards answering why there has been less discussion in the extant literature on the role of chairpersons, and why the role is perceived as undervalued (Kakabadse & Kakabadse, 2007a).

On the contrary, separation of roles significantly reduces the load of responsibilities from the CEO, and at the same time, installs higher accountability by giving back the supreme power to fire the CEO under the custody of the board chairperson, according to Owen and Kirchmaier (2008). Yet, researchers, for example, Lorsch and Zelleke (2005), expressed doubt about the existence of compelling arguments for role separation, whereas, in fact, the existing literature has failed to provide significant evidence that role separation leads to better performance, financial or otherwise, for the company (and the shareholders) (Westphal, 2002). There is a development in the last two decades that has proclaimed a change in the leadership structure at the top of the organization, what concerns role duality. The United States is witnessing a dramatic increase in independent chairpersons across the S&P 500 firms (Braithwaite, 2012), and globally the numbers of combined CEO-chair roles have dropped to a record low (Oakley, 2016).

The role of the chairperson is distinct from that of the board and the CEO, thus, role clarity is a very important aspect to be taken into consideration when studying the board chair of

companies (Levrau & van den Berghe, 2013). The current body of knowledge describes the chairperson as an exceptional individual. Stewart (1991) lists five unique roles of the chairperson, namely, partner, executive, mentor, consultant and representative. The chairperson is the conscience of the organization who “sets the tone” (Owen & Kirchmaier, 2008, p. 199) and ensures that the company “is legally, morally, and commercially on the track” (Kakabadse & Kakabadse, 2007a, p. 60). S/he is the safeguard of shareholder interests and ultimately responsible to them for any corporate wrongdoing (Kakabadse & Kakabadse, 2008). Chairpersons are commonly understood as the bridge between the management team and the board, and increasingly influential in setting the cultural tone in the organization (Kakabadse & Kakabadse, 2007b). This role is also equally important for ensuring effectiveness both for the board and the enterprise (Kakabadse & Kakabadse, 2007b). This is important because of the idiosyncratic nature of boards in terms of both operational and strategic issues and the different personalities and attitudes perceived by the boards (Kakabadse, Kakabadse & Barratt, 2006). Dsouli, Khan and Kakabadse (2013) claim that “the chairperson’s role is more of a moderator between shareholders, other board committees’ members and the CEO, hence their skillfulness in managing board-sensitive relationships, individual egos and mitigating interpersonal collision in a complex and subtle way is crucial for effective boardroom dynamics” (p.107).

The chairperson is conceptualized as the key to ensure that the board plays a complementary role to that of the CEO, specifically through his/her skills, experience, knowledge, temperament, and values, simultaneous with a minimal ambition of executive power in the firm (Roberts, 2002). Stewart (1991) was among the first to investigate the CEO-chair relationship and portrayed the dyad as either complementary or subordinative. Roberts and Stiles (1999) comment that complementarity in the relationship requires trust, confidence and respect. More recently, Kakabadse, Kakabadse and Knyght (2010) explain that the effectiveness of the CEO-chair relationship is mainly dependent on the chemistry between both individuals.

In their research aimed at defining “what makes an outstanding chairperson”, Dulewicz and colleagues (2007) find that chairpersons must be individuals of high integrity and ethical standards, lead on governance matters, be both empathetic and effective, have

critical thinking ability, and mentor, develop and challenge their colleagues (fellow board directors). Kakabadse and Kakabadse (2007b) refer to the “juggling of conflicting pressures” (p.170): realizing shareholder value on the one hand, while having to nurture the business culture on the other hand. Recently, there is evidence that boards are struggling with the mounting expectations that rest on their shoulders with regards to their contribution, because the regulatory framework does not provide for the extensive engagement of boards into the business, thus creating tensions amongst corporate boards (Bezemer et al., 2012).

How and to what extent chairs can provide resources to the firm may have a significant impact on the performance (Withers & Fitza, 2017). Parker (1990) suggests that a chairperson must possess both outward-looking and forward-looking abilities, given that he is the one expected to create “tomorrow’s company out of today’s” (p.36). It is through his/her leadership skills that the chairperson determines the effectiveness of the board (LeBlanc, 2004), and sets the tone for his/her fellow directors (Owen & Kirchmaier, 2008) as to the desired course of action. In spite of the fact that the chairperson does not have formal authority over his colleagues on the board (Pick, 2009), Garratt (1999) suggests that they must nevertheless accept and acknowledge that the chairperson is the boss of the board. S/he is the one who intervenes during the crisis situation or when it is required a change of direction (Kakabadse & Kakabadse, 2007a). S/he should create “space” that allows the board members to raise their views, feelings, and beliefs over particular issues (Kakabadse, Kakabadse & Barratt 2006, p. 143). They add, this capacity to work through the board tensions, and ultimately achieving a shared perspective is a very critical attribute of the chairperson.

Scholars claim that the position of the board chair is becoming more demanding (Bezemer et al., 2012), and the job also becomes less desirable given the high level of personal risks involved (Owen & Kirchmaier, 2008). For instance, the changing institutional context, stronger focus on regulation and compliance, corporate scandals, increasing media attention and so on, as described by Bezemer and colleagues (2012) make it increasingly necessary that chairpersons have a variety of skills and competencies, including high political- and social competency, maturity and relational skills (Kakabadse, Ward, Kakabadse & Bowman, 2001). He assumes a key advisory role in the firm that is

particularly pronounced in the mentoring relationship with the CEO (Nicholson & Kiel, 2004). The separation of CEO and chairperson role has also given more freedom to the board and its chair in challenging the CEO (Coombes & Wong, 2004). The chairperson must be sensitive to the contextual demands, transmit the “power” of the board to the CEO and enable him/her to turn that power into strategy and other elements (Kakabadse et al., 2006, p. 144). Kakabadse and colleagues (2006) state that power in this context means turning tensions between board members into synergies and making them usable for management. In this way, the chair and CEO are key for the strategic direction of the company (O’Shannassy & Leenders, 2016). Hillman, Cannella and Paetzold (2000) state that companies use, at least in some instances, their boards as strategic assets.

2.2 Evolution of Corporate Governance

After describing the role of boards and their chair, we turn to the underlying institutional context, which has far-reaching implications for understanding the phenomenon under study. Evidently, the development of corporate governance is partly the result of a variety of corporate scandals, which have made the society more alert to governance matters (Levrau & van den Berghe, 2013). In response, governments and regulatory authorities have imposed more rigorous institutional frameworks, regulations and policies (Bezemer et al., 2012). Thus, this section focuses on the evolution of modern corporate governance, touching upon the different governance models and discussing the Swedish corporate governance framework.

Globally, the corporate governance landscape can be broadly distinguished in two competing governance models, referred to as *Anglo-Saxon model* and *Rhineland model* (Heyden et al., 2015). The former model is prevalent in the United States and the UK and consists of both executive and non-executive directors (Heyden et al., 2015). In comparison, the *Rhineland model* is found in Germany, France, Denmark among others, and consists of two separate bodies, namely an executive- and a supervisory board (Heyden et al., 2015). Companies adopting the Anglo-Saxon model are often described as more effective in the boardroom performance, i.e. winning the bureaucratic challenges thanks to the presence of executive directors, who contribute to the decision-making process of the board and raise issues that would otherwise be overlooked (Kesner & Johnson, 1990). In contrast, legislative requirements of the Rhineland model empower

the separate supervisory board to play a vital role in ensuring that the company is acting to uphold the best interest of the company stakeholders (Bezemer et al., 2012). Given the chairperson's independence in this model, s/he possesses greater responsibility to make sure that everyday management of the company is adequately supervised (Bezemer et al., 2012).

In European countries, such as the UK and Germany, governing structures are largely found accommodating a separate CEO and chairperson. In the UK, financial scandals and corporate collapses have aided in the transformation of corporate governance and resulted in the development of numerous studies, e.g. Cadbury Report in 1992, Greenbury Report in 1995, Hampel Report in 1998 and the subsequent development of corporate governance codes, such as the Combined Code, and the UK Corporate Governance Code (Mallin, 2013). The report developed by Sir Adrian Cadbury is often regarded as one of the most influential contributions in the study of corporate governance as it has contributed in the development of multiple codes around the world (Mallin, 2013). It proclaims that the role of the chairperson plays a fundamental role towards the effectiveness of the board and states that the person assigned to this role must have the confidence of the members and auditors of the board (Cadbury, 1992). Arguing in favor of the role separation, this report claims that separation of roles would bring better financial control than a combined role (Owen & Kirchmaier, 2008), and it would install a higher accountability in the board, which would act as the primary safeguard against fraud and incompetence (Cadbury, 1992). This proposition of role separation was widely accepted in later studies (see Hampel, 1998; Higgs, 2003). Hampel (1998) reflects upon the recommendations made by Cadbury (1992) and suggests that companies, which are planning to adopt a combined CEO-chair role, should provide enough justification in support of their decision.

Higgs (2003) disapproves of the idea of recruiting former CEOs as the chairperson of the company because he believes that through this recruitment, the newly appointed chairperson would simply consider their knowledge in the company as taken for granted. Thus, the chairperson fails to ensure a sound flow of information to the non-executive directors (Higgs, 2003). Further, the appointment of the same person as chairperson of multiple boards should be restricted (Higgs, 2003). The Combined Code published in

2003 agreed to Higgs' proposition regarding the appointment and performance evaluation of the chairperson and stated that it is crucially important to ensure that the chairperson of a company has ample time to devote to his position in the company (Combined Code, 2003). The concept of the ideal chairperson as depicted in this Combined Code visualizes a person that not only represents the company but also understands and interprets the views of the shareholders and the developmental needs of the company (Combined Code, 2003). The updated version of Combined Code in 2008, however, revised the provision regarding chairperson's involvement in multiple organizations, asking to disclose such involvements to the board before the appointment, and noting these in the annual report of the company (Combined Code, 2008).

After the financial crisis, Sir David Walker was appointed to review the post-crisis corporate governance situation in banks and other financial institutions, result of which was reported as Walker Review in 2009. Walker (2009) made thirty-nine recommendations to install a better corporate governance in the board, of which some suggestions were directly concerned with the role of the chairperson. Albeit most of the recommendations were still discussing the common roles of this position on the surface level, they also discussed the scope of the position regarding the CEO-chair relationship and accountability of chairpersons towards meeting the stakeholders' interest (Walker, 2009). Neither any visible changes were observed or mentioned regarding the role of the chairperson in UK companies, nor any reference was made regarding the chairperson's responsibility in addressing challenges in the institutional context or business environment (resulted in UK Corporate Governance Code, 2010).

In the USA, however, there was no evidence of the development of nation-wide codes for corporate governance, rather some state and federal level institutional guidelines (Mallin, 2013). Delaware, with its flexible approach, has been attracting the majority of the listed companies on the NYSE to get registered and adopt the corporate governance approach offered by this state (Mallin, 2013). The Conference Board, which is a non-profit organization in the US, has introduced an interesting discussion regarding the role of the chairperson - contrasting to the traditional duality of role as practiced in the USA - and proposed that, as these roles are different in nature, there should be two different persons appointed to the respective positions (Conference Board, 2003). Proposing this role

separation, the Conference Board further stated that during the transition period of separating the role, a company should establish the position of a *Presiding Director*, who performs most of the duties of the chairperson (Conference Board, 2003). This report has visible similarities with European corporate governance, given that it also suggests that the chairperson should invest ample time to company affairs, hold ultimate discretion to decide on (and approve) the meeting agenda, schedule meetings and other duties (Conference Board, 2003). Later on, a group of highly acclaimed business leaders (Tim Armour, Mary Barra, Warren Buffett and Jamie Dimon among others) took an initiative to set some corporate governance principles in the USA. Their final propositions are flexible regarding the provision of having a separate chair and CEO role, given that the board explains clearly to the shareholders why they have separated the role (Commonsense Corporate Governance Principles, 2016). This proposition somehow echoes the concept of *comply-or-explain* as mentioned in the UK corporate governance codes (see Combined Code 2003, 2008; UK Corporate Governance Code 2010, 2016. Historically recognized as a “country-level institutional parameter” (Heyden et al., 2015, p. 168), the trend towards choosing among board structures (e.g. one-tier or two-tier boards) is now being given more flexibility in different countries. For instance, in the Netherlands, parliament has sanctioned provisions allowing to choose the board structure as needed by the company, while, in France, the application of the Commercial Code of 1996 is designed to provide for this flexibility (Van Wijngaarden & Franke, 2012).

2.3 Evolution of Board Leadership

The evolution of corporate governance, largely viewed from the institutional perspective in the previous section, can be understood from the academic perspective, looking at the comprehensive work of Yar Hamidi and Gabrielsson (2014). Their main contribution consists of a synthesis of extant literature on board leadership, as reflected in table of figure 2. Based on their analysis, six independent streams emerge, which have explored the chairperson and his/her leadership. Yar Hamidi and Gabrielsson (2014) make an initial attempt to reflect on the extant literature by tracing developments and trends in the research on board leadership. Our first impression is that previous studies have largely focused on quantitative methods, which is in line with other authors, such as Krause, et al., 2016, who have pointed to the paucity of qualitative research in this discipline.

	Board reform stream	Money talk stream	Contingency stream	Pragmatic stream	International stream	Behavioural stream
Main focus	Leadership structure and firm performance	Costs and benefits of independent board leadership structures	Board leadership in context	Boardroom practice	Board leadership across national contexts	Process of board leadership
Breakthrough Main era	1985 1991-1994	1991 1994-1997	1991 1994-2000	1990 1997-2003	2000 2000-	1998 2005-
Intellectual roots	Managerial hegemony theory and agency theory	Agency theory	Eclectic – based on agency theory but also other complementary perspectives	General management principles	Agency theory	Behavioural theories
Main corporate governance context	US	US	US	UK	Various	Europe
Main corporate context studied	Large, publicly listed corporations	Large listed corporations	Various	Various	Large listed corporations	Various
Main methodological approach	Quantitative	Quantitative	Quantitative	Qualitative	Quantitative	Qualitative
Main data sources	Archival data	Archival data	Archival data and questionnaires	Interviews	Archival data and questionnaires	Questionnaires

Table 1: The six research streams on board leadership (Yar Hamidi & Gabrielsson, 2014, p. 123)

With regards to the first stream, board reform stream, Yar Hamidi and Gabrielsson (2014) claim that studies have focused on boards as rubber stamps, given their symbolic function under the premises of managerial hegemony. As it can be seen from the table, these studies have been conducted in the US, mainly focusing on large, listed companies and applying the concept of agency theory. The second stream, money talk stream, focuses on the same context and looks at the concept of CEO duality. In particular, the concept of agency theory is used to emphasize on the costs and benefits of role duality for shareholders (Yar Hamidi & Gabrielsson, 2014). The third stream, the contingency stream, as the two preceding streams focused on the US context, arguing that there is no best way of board leadership. Rather, it infers that even role duality can have positive effects, thus introducing the concept of stewardship theory (Yar Hamidi & Gabrielsson, 2014). The fourth stream, the pragmatic stream, was initiated from scholars who have a business background. It focuses on boardroom practices in the UK context, which includes the study of Parker (1990), and introduces qualitative methods into the discipline (Yar Hamidi & Gabrielsson, 2014). The fifth stream, the international stream, emphasizes the focus on national contexts that are underrepresented in the extant literature (Yar Hamidi & Gabrielsson, 2014). Thus, this stream can be understood as an alternative to the strong emphasis of the US-context in studying corporate governance (Aguilera and Jackson, 2003). The final stream, the behavioral stream, is critical towards the concept of agency theory, mainly because researchers from Europe argue for other, potentially

behavioral, aspects that influence boardroom decision making. They argue that these studies are often set in corporate governance contexts with rather concentrated ownership structure (Yar Hamidi & Gabrielsson, 2014).

2.4 The Swedish Context

The continental European corporate governance structure is characterized by an influx of the stakeholder perspective, while the Anglo-Saxon countries often prefer the shareholder governance model (Kakabadse & Kakabadse, 2007a). Lekvall, (2009) finds that Swedish companies have adopted a third alternative as to the governance structure commonly deployed in the United States or Europe, as depicted in figure 2.

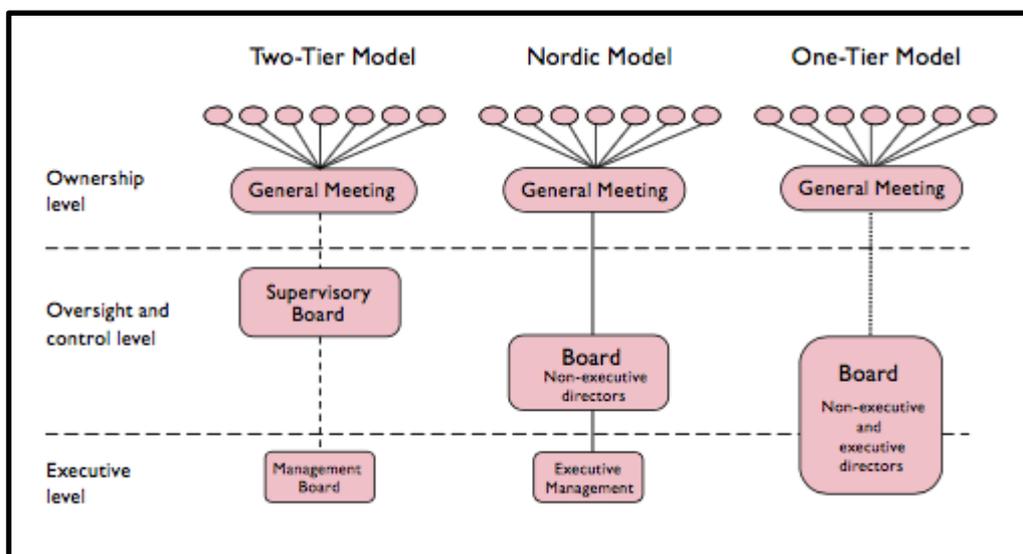


Figure 2: The Nordic vs. the one-and two-tier governance structures (Lekvall et al., 2014, p. 60)

The main difference of the Swedish model is that members of the board are all or predominantly non-executives. In Sweden, the regulatory framework, that is the complex set of written and unwritten rules, norms and practices, has three main components: statutory regulation, self-regulation, and non-codified rules, norms and practice (Lekvall et al., 2014). The statutory regulation refers to the companies act, which is mandatory for both listed and non-listed companies, and features distinct regulations for both types of companies. For instance, the chairperson of a listed company is restricted from being the CEO of that same company. Further, no more than one employee of the company management (usually the CEO) can be part of the board of a listed company (Lekvall,

2009). The self-regulation component is crucial in that it describes the regulation that the business sector enforces upon itself (Lekvall et al., 2014). For instance, the Swedish Corporate Governance Board is a regulatory body that consists entirely of representatives of the private sector and comprises a unique feature of corporate governance as compared to other governance traditions. The third component relates to the norms and value system, which is particularly strong in the Nordic region that is characterized by a high degree of social control (Lekvall et al., 2014). The essence of the Nordic model (figure 2) is that the shareholders shall be in command, both board and management are understood as agents of the shareholders, which is enforced with a clear hierarchical governance structure (Lekvall et al., 2014). Gilson (2014) comments that the Nordic model's combination of an active owner and protected minority shareholders is a successful alternative to the intellectual hegemony of the Anglo-Saxon, market-based governance model.

Based on the component of self-regulation, the Swedish Corporate Governance Board has codified the rules of corporate governance in accordance with the *comply-or-explain* principle shared across the Nordic region (Lekvall et al., 2014). The code was designed to enable companies to reflect on their corporate governance and to install better transparency in their everyday practices (Swedish Corporate Governance Board, 2017). Aligning with the *comply-or-explain* principle, this code provides companies with ample flexibility to explore and to adopt governance practices suited to the need of the respective company, and to report the deviations, if any, with proper justification (Swedish Corporate Governance Board, 2017). As a result, it is quite evident that this code allows companies to construct their individual entity by developing case-by-case solutions to the respective needs instead of adhering to the standard rules (Swedish Corporate Governance Board, 2017). Albeit strong adherence to the prescribed code is often considered confining the companies from exploring their identities, simultaneously, it also possesses a potential of a better standard for corporate governance in listed companies (Swedish Corporate Governance Board, 2017). Table 2 is an excerpt of the Swedish Corporate Governance Code and depicts the general responsibilities and activities to be performed by the chairperson, in Sweden.

Chairperson of the Board of Swedish companies

- Organizes and leads the work of the board to create the best possible conditions for the board's activities
- Ensures that new board members receive the necessary introductory training, as well as any other training that the chair and member agree is appropriate
- Ensures that the board regularly updates and develops its knowledge of the company
- Be responsible for contacts with the shareholders regarding ownership issues and communicate shareholders' views to the board
- Ensures that the board receives sufficient information and documentation to enable it to conduct its work
- In consultation with the chief executive officer, draws up proposed agendas for the board's meetings
- Verifies that the board's decisions are implemented, and
- Ensures that the work of the board is evaluated annually

Table 2: Chairperson General Responsibilities; adapted from Swedish Corporate Governance Board (2016, p. 21)

Despite the relatively unique corporate governance structure, Sweden has experienced an increase in foreign investment now accounting for more than a third of the total stock market. Many are large institutional investors from the US or the UK that cannot fully appreciate the specific features of the Swedish corporate governance model (Lekvall, 2009). The obligation to apply the Swedish Corporate Governance Code was not the case for the foreign companies operating in Sweden until an instruction from the authoritative body was issued on January 01, 2011 (Swedish Corporate Governance Board, 2017). As a result, foreign companies that have shares and Swedish Depositary Receipts (SDR) at any regulated market in Sweden, are now subject to either comply both to the Swedish Corporate Governance Code and the regulation of the company's country of origin, or, to explain any deviations from the code (Swedish Corporate Governance Board, 2017). Non-compliance with the code with legitimate justification is not a rare practice in the Swedish context. Yet, referring to the annual report of 2017 published by the Swedish Corporate Governance Board, it was evident that most of the incidences of non-compliance had happened due to the mounting pressure from the ownership structure.

Other deviations from the code include, for instance, appointing the chairperson as the head of the nomination committee (Swedish Corporate Governance Board, 2017).

2.5 Final Remarks

Huse (1998) remarks that qualitative research would aid in the scholarly quest to get an in-depth understanding of board leadership, which is reflected in the findings of Yar Hamidi and Gabrielsson (2014) who show through their analysis a continuous lack of qualitative studies in this discipline. Further, we suggest that the findings of this literature review justify the purpose of this study and guide this research project with the aim to complement the existing body of knowledge. We draw from the theory of board leadership, which has produced a large number of publications concerning the work of boards. Further, we take the evolution of corporate governance into consideration, in particular, the developments of UK corporate governance. This is because the Swedish governance model has adopted many stipulations and shows a general resemblance of the UK model, rather than the US model. We combine this theoretical understanding with the literature on Swedish corporate governance, to frame our research project in its given context. The existing body of knowledge with regards to the chairperson is discussed in light of our findings, in the discussion section. In support of our research purpose, we outline our research method in the next section.

3. Methodology

The purpose of this chapter is to present the inductive research philosophy and research approach. Further, we describe the motivation to adopt a qualitative, exploratory interview study, discuss the method of sampling and access, interview design and data collection. The reader is introduced to the research participants, the data analysis method and procedure, the trustworthiness of this study, and finally the research ethics guiding this research project.

3.1 Research Philosophy

Based on our exploratory research purpose, we first establish that we want to engage with chairpersons in different kinds of Swedish companies, both non-listed and listed, across industries, sizes and so forth. To gain the desired understanding of the phenomenon, we aim to include those chairpersons in our sample who are also experts in the area of board advisory, chairperson education and regulatory affairs, in Sweden. We suggest that the chairmanship in the Swedish context can be understood from different points of view, thus we adopt a relativist stance to address our research purpose. This ontological position implies that reality is defined and experienced differently by different people, resultantly there is no single reality that can be discovered, but rather different perspectives onto the issue (Easterby-Smith, Thorpe & Jackson, 2015). We expect that each chairperson in this study will potentially have his or her own take on the phenomenon. This circumstance allows us to explore the Swedish chairperson from several different perspectives, which corresponds well with the chosen ontological position. To that end, our research is informed by a social constructionist epistemology, which implies that reality is socially constructed (Easterby-Smith et al., 2015). This epistemology demands that as researchers we appreciate and put focus on the experiences of our respondents with the aim to increase the general understanding of the situation under study (Easterby-Smith et al., 2015). This can be achieved through the collection of rich (primary) data, i.e. incorporating the perspectives of different stakeholders (Easterby-Smith et al., 2015).

As a starting point for this thesis, we conducted a traditional literature review, which is an analytical summary of the existing body of research in light of the particular research field (Easterby-Smith et al., 2015). It shall enrich the understanding of the topic, highlight

flaws in the previous research, identify gaps and thus explain what our research project is adding to the existing literature, i.e. justifying the research. This thesis has adopted the traditional literature review process, i.e. drawing on the most interesting and relevant sources (Easterby-Smith et al., 2015). The use of grey literature provides an advantage as compared to the systematic literature review, in that additional perspectives, e.g. from practitioners, are taken into consideration. In this context, we also draw on an unpublished manuscript from the Center for Family Enterprise and Ownership (CeFEO) at Jönköping University. In this study, Meineke and colleagues (2018) suggest that the role of the chairperson is perceived as undergoing change and there is an increasing attention and interest for the chairperson, by the public, in recent years. The absence of literature particularly focusing on board chairs (and in Sweden), makes this thesis research interesting and relevant to pursue.

After reviewing the existing literature on the subject, we adopted an open, exploratory approach to discover what findings would emerge after the collection of empirical material. Iteratively, we reshaped the literature review after completing the empirical findings and analysis section of the thesis, adopting the appropriate frame of reference to understand the findings. This means, that additional literature was added, which explicitly suited the findings and helped us to put them into context to prior existing theory.

3.2 Research Approach

The adoption of a social constructionist epistemology is closely associated with qualitative research (Easterby-Smith et al., 2015). In line with Saunders, Lewis and Thornhill (2009), we seek “to generate a direction for further work” (p. 502), and thus adopt an exploratory interview study to develop initial concepts about Swedish chairpersons. The nature of the chosen epistemology implies that access to rich information can be difficult and often researchers struggle to reconcile discrepant information that has been collected (Easterby-Smith et al., 2015). More in general, qualitative studies are harder to control from the perspective of pace, progress and end points (Easterby-Smith et al., 2015).

This thesis follows an inductive approach, which allows theoretical notions to emerge alongside with the collection of empirical material (Saunders, Lewis & Thornhill, 2016).

Rather than imposing theoretical concepts at the outset, this approach gives freedom to the researchers to discover and explore these concepts during the thesis process. The exploratory nature of our thesis is justified, given that only a limited number of inferences have been made about chairpersons, thus far. The absence of a rich understanding about the chairmanship, including the Swedish context, make an exploratory, inductive interview study the appropriate research approach. Based on the findings from the public discourse analysis of Meineke and colleagues (2018), as well as, the extensive mixed study of Bezemer and colleagues (2012), we suggest that the chairman deserves scholarly attention and currently still lacks academic scrutiny. Hence, our exploratory focus of this study helps to address this gap in the extant literature by adding new insights and knowledge to the body of research.

3.3 Research Strategy

Based on the purpose of this thesis, exploring the chairperson in Swedish enterprise, our aim is to develop concepts in the process of data collection and analysis. The relative lack of qualitative research in this field, which has been cited more often in the academic discipline, in recent years (see Krause et al., 2016; Levrau & v.d. Berghe, 2013; Kakabadse & Kakabadse, 2007a; Dulewicz et al. 2007; LeBlanc, 2004), justifies the use of an exploratory research strategy to broaden the understanding of the precise nature of the phenomenon (Saunders et al., 2016). Beyond the scholarly request for research in this particular field, there are indications that the role of the chairperson is changing in recent decades, also as a consequence of the changing institutional and business context (Bezemer et al., 2012). Therefore, we interview experts in this field, who are chairpersons with ample experience and knowledge about the given phenomenon.

From the exploratory nature of this study, along with the inductive approach that is suitable for a social constructionist stance, we derive an exploratory interview study as a most appropriate research strategy to be used for our research purpose. This also means that we do not impose a theoretical framework from the outset, but rather let it emerge from the data itself. In this way, we hope to maximize the generalizability of our findings.

3.4 Method

3.4.1 Sampling Strategy & Method of Access

It is known among researchers that boards and their chairs are difficult to access for the purposes of research (Dulewicz et al., 2007). In fact, most often these managerial elites are inaccessible to scholars. Their ability to shield themselves from outsiders with different gatekeepers, such as Personal Assistants (hereafter “PA”), and the need of researchers to negotiate access to exclusive physical space, e.g. boardrooms, make it difficult to conduct research in this field (Odendahl & Saw, 2002). The chosen research philosophy compels us to investigate the chairmanship through a small number of participants that are chosen with pre-defined criteria in mind (Easterby-Smith et al., 2015). We argue with the assumption that many realities can exist about the chairmanship, thus we wish to gather multiple perspectives to gain an understanding of the phenomenon. As researchers, we are confronted with the difficulty in gaining access to individuals that possess the expert knowledge and allow us to collect rich data. As per the qualitative research tradition, we employ a non-probabilistic sampling strategy to select a purposive sample and ensure that its choice does not in itself influence the research outcome (Easterby-Smith et al., 2015). We aim to retain one strength of social constructionism in this thesis, namely the ability to make generalizations beyond the present sample, which can be understood in terms of knowledge creation (Easterby-Smith et al., 2015). For this reason, we intended to collect a heterogeneous set of respondents, which shall enable us to draw upon different perspectives.

Given our prior existing knowledge and experience, the company that chairpersons govern must have a sufficiently large size to operate with a board that is not characterized by *box ticking* or *fika-rast* as the Swedish people refer to. We did not make a distinction between companies that are held privately (i.e. non-listed companies) and those that are listed on the stock exchange. We conducted initial research about companies in the surroundings of Jönköping (Sweden) and focused on companies that have a board of directors featured on the website of *Allabolag*². We informed ourselves through the websites of the companies about the work of their boards and basic information about the

² Allabolag.se is a Swedish website that provides comprehensive information about Swedish companies, including financials, management and board of directors.

chairperson. Initially, we opted for chairpersons of companies that we came to know during the duration of the master program at Jönköping International Business School. Further, we extended this approach to chairpersons that have had prior or existing contact with the university and potentially hold a positive attitude towards student research. The response rate for this part of the sample was relatively low, thus we expanded our search to companies in the wider geographic areas of Southern and Middle-Sweden. We conducted *cold calls* to follow up on initial emails that we sent out to the gatekeepers (PAs and so forth) or board secretaries, investor relations officer or similar. During the initial correspondence, we informed the target individuals about the purpose of our study and the proposal to conduct an interview about their experience and expertise in the area of our interest. We contacted a large number of individuals or companies and gained access to nine chairpersons for the purposes of conducting an interview.

Sampling bias cannot be ruled out completely given that access to the desired individuals is a difficult undertaking. Our research participants generally experience a lack of time that can be devoted to researchers, thus it might be the case that our sample is skewed towards individuals that have a personal interest in our research and a positive attitude towards engaging in interviews (Saunders et al., 2009, p.327). Different company sizes (e.g. turnover, employees) and governance structures (e.g. publicly listed, private) are an important aspect for the generalizability of studies (Yoshikawa, Si Tsui-Auch & McGuire, 2007). Therefore, we opted for the purposive sampling technique that we have described above (Easterby-Smith et al., 2015). The participants to our research have come across different institutional contexts, have been exposed to foreign markets and experienced trends such as globalization, as well as crises such as the financial crisis of 2007/08. They are chairpersons with a good standing in their respective industry and among the Swedish business community. Apart from the nine chairpersons in this study, we have interviewed one representative of the Swedish Corporate Governance Board who is a renowned expert on Swedish corporate governance and long-standing member of the regulatory body, in Sweden. We argue that the sample provides appropriate rigor and strengthens the trustworthiness of the findings that have been drawn from the interviews. The total number of interviews amounts to 13 hours 13 minutes (with ten participants) and has required extensive travel by the researchers to ensure face-to-face conversations, which we deemed very important for this study. We have conducted two interviews on

the premises of Jönköping University, two interviews in the broader Jönköping area, three interviews in Stockholm, one each in Gothenburg and Malmö, and one via Skype. The nature of our study and the respondents we sought out during the research process resulted in a large number of declines to our interview requests, as we have already stated above. The reasons for declining our invitation for an interview were among other things the lack of time and insufficient alignment of interests between the respondent and the researchers.

3.4.2 Interview Design & Data Collection

According to Easterby-Smith and colleagues (2015), in-depth interviews are “an opportunity to probe deeply and open up dimensions and insights” (p. 336) about a given topic. The semi-structured interview technique is based on a set of questions so that the researcher has some degree of flexibility in addressing them during an interview (Easterby-Smith et al., 2015, p. 139). A researcher who makes use of in-depth interviews commonly seeks “deep” information and knowledge that is deeper than is sought in surveys, informal interviewing, or focus groups (Johnson, 2002). This technique is particularly useful to explore the case at hand, following Johnson (2002) who points out that for “multiple perspectives on some phenomenon [...] in-depth interviewing is likely the best approach” (p. 105). Given the profile of our respondents (presented in section 3.2.2), in our thesis, the word *deep* implies that we wish to gain a thorough understanding of the given phenomenon. According to Johnson (2002), it will allow us to grasp the different views on the phenomenon that we are studying, uncover the meaning of that phenomenon and arrive at meaningful findings.

An interview study is time-consuming to undertake, and researchers must make themselves aware of the fact that it requires considerable skill to be perceptive and sensitive, while also refraining from imposing own opinions or views onto the interviewee (Easterby-Smith et al., 2015). For the purpose of this thesis, we deploy a semi-structured interview guide (Appendix 1) to address relevant topics in accordance with the research purpose and as a reflection of our interest as researchers. We have developed the interview guide based on the literature review and findings from the unpublished manuscript of Meineke and colleagues (2018), which features interesting findings that we wanted to explore further. At an early stage of the research process, in

February 2018, we met with an expert on board advisory, who later on became part of our sample to explore and discuss our interest to study the chairmanship in Swedish enterprises. Subsequently, we opted for three preliminary interviews that we used to test our questions and made modifications based on the feedback from the interviewees and our personal reflection that resulted from reviewing the recordings. We significantly altered some areas of the interview guide and incorporated contemporary topics that are of increasing relevance to the practitioners. The questions take institutional and business developments into account and touch upon issues that are discussed in academia, media and among practitioners. The exploratory nature of this thesis restricted this process to the extent that we wanted to discover and explore various areas and let the insights emerge during the interviews.

We made two important observations in the preliminary interviews. First, our aim is to interview chairpersons of non-listed and listed companies, implying that the former might have different issues than the latter. Second, we are enthusiastic to probe into context-specific issues that we might find during the interview, e.g. the chairperson's tenure within the company, which concern aspects that can vary widely across different respondents. In spite of minor variations, the interviews were conducted according to the same areas of interest and can be considered rigorous from an academic standpoint. Neither did it alter the scope of the interview nor did it deter the particular focus of us as interviewers from the purpose of the study. To the contrary, we believe that asking these specific questions about the respondent's context assisted in building trust during the conversation and showed our interest and preparation for the interview (e.g. researching details about the respondent). We experienced that this element of the interview actually made us appear more professional and knowledgeable, given that the interviewees are people of high standing and deep experience – usually with a very long career in business. It was also a unique opportunity for us to probe with several questions particularly looking into certain aspects. We argue that this approach contributed valuable insights that would otherwise have been overlooked or left out.

Therefore, we propose that the advantage of semi-structured interviews, as compared to structured interviews, is that the questions give a higher degree of confidentiality to the respondent, and thus his/her responses tend to be more personal in nature (Easterby-Smith

et al., 2015). They give us the opportunity, as researchers, to identify non-verbal clues, such as voice, gestures, or facial expression, that can lead to follow-up questions to dig deeper into a particular aspect (Easterby-Smith et al., 2015). Resultantly, the use of face-to-face interviews is definitely preferred, compared with other less optimal methods, such as Skype. This is because we believe, that this type of interview gives us as researchers the ability to collect empirical data of higher quality. Except for one of the interviews in our study, all the data collection was performed deploying face-to-face interviews with the research participants - increasing the potential benefits of the interviews. Interviews via Skype or telephone provide less of an opportunity to create a close relationship during a conversation and in our view, they are more detached and impersonal. In one case, unfortunately, we had to revert to conducting a Skype interview, because of the scheduling problems. Nevertheless, given that we had previously met with that participant, there was no problem for us to create a good atmosphere during the interview.

To ensure that the respondents were not inclined to give prescribed answers to our questions, they were not briefed about the actual interview guide, in advance. Nonetheless, all respondents had a good understanding of the topic under consideration and had a general idea about the specific scope of the interview. Provided the informed consent (Appendix 2), interviews have been recorded and subsequently transcribed to ensure data reliability. Upon request of the respondent (COB2), one interview has not been recorded, and instead, handwritten notes have been obtained during the interview, which replace the transcription. We remark that both researchers have taken individual notes, which subsequently have been compared and merged. Thus, we reduce the chance of misinterpretation of the respondent's verbal answers.

All the interviews were conducted at the place of convenience or choice of the respondents. We emphasized in our initial request for the interview, that we want to ensure that interviewees are comfortable and that the environment for the meeting allows them to talk without distractions or other types of impediments (Easterby-Smith et al., 2015). Furthermore, it was also a relevant aspect to take into consideration for the recordings to be made from each interview; loud and hectic environments will make later transcription more bothersome and lead to potential loss of information due to the

recording quality. We can state, however, that the recording quality was of excellent nature, given the special recording device that was used to tape the interviews.

The transcriptions of the recordings have been made using a *four-eye principle*³: one of the thesis authors prepared the preliminary transcript, then the other one listened to the recording and double checked the written transcript. In this way, we minimized the risk of typos, errors or misunderstandings and were able to base the analysis on accurate information, reflecting the statements from the respondents in the best possible way. On several occasions, we had to review the audio recording together to discern the meaning of a particular passage. We argue that the *four-eye principle* had an additional advantage, namely that it helped us to familiarize ourselves with the data of each interview and *dive (or immerse)* into the empirical material in such a way, that we put more emphasis to previously overlooked details.

All the interviews have been conducted in English. We must acknowledge that none of the respondents was a native English speaker, though all of them had a very good command of the English language. Nevertheless, we have to account for potential errors that might have occurred as a result of misunderstandings or suboptimal use of language from either party (interviewer, interviewee). On several occasions, we observed that some of our research participants found it challenging or difficult to find the right words during the interview. Though, we are not aware of any instance that poses significant challenges to us as researchers. During the interviews, we tried to mitigate this problem by rephrasing the question or summarizing the interviewee's answer to verify that understanding has taken place (Easterby-Smith et al., 2015).

3.4.3 Research Participants

In the following section, we will present the definitive sample of respondents in this study. Several characteristics are described to inform the reader about the qualifications and suitability for this research project. Whenever this is appropriate, we will give some reasoning for the choice of this participant and the expected value this adds to our study. In the remainder of this thesis, we choose to refer to the chairman as chairperson or *COB*,

³ The *four-eye-principle* is our own creation.

in particular, to discuss the empirical findings, analysis, and discussion. We invite the reader to come back to this section and review information to aid in the understanding of the subsequent sections.

COB1 (age n/a)	S/he has five years of experience in chairing non-listed companies. S/he has worked in several industries in the SME context, chairing firms between 20 - 250 mSEK ⁴ . S/he is also a board advisor and has ten years of experience working with entrepreneurs and owners. In particular, s/he specializes in ownership directives and strategy formulation. The interview with COB1 lasted for 1h 30 min.
COB2 (age 67)	S/he is a seasoned chairperson with seven years of consecutive experience chairing a 500 mSEK manufacturing company. S/he has extensive auditing experience and has worked for many non-listed companies during his/her auditing career. The interview with COB2 lasted for 1h 20min.
COB3 (age 58)	S/he has extensive experience in the financial market, advising regulatory authorities, both in Sweden and abroad, and has been chairperson in both listed and non-listed companies. In his/her current assignment, s/he chairs a 2.8 bSEK ⁵ listed company in the financial sector and provides an additional perspective from his/her time as a regulatory advisor. The interview with COB3 lasted for 1h 06 min.
COB4 (age 38)	S/he is an entrepreneur, and owner of two manufacturing companies, of which he is the chairperson in one of them, with a turnover of approximately 30 mSEK. S/he is the youngest respondent in the sample and has been in the COB position for two years. The interview with COB4 lasted 1h 09 min.
COB5 (age 61)	S/he is CEO and owner of a non-listed manufacturing company and chairperson of a family-owned machinery business with a turnover of 100 mSEK. S/he has extensive practical experience as CEO and holds the chairperson position for ten years consecutively. The interview with COB5 lasted 1h 15 min.
COB6 (age 60)	S/he has been CEO for more than 20 years in various large, both listed and non-listed companies, which were most often family-owned. His/her engagement today consists of 8 chairmanships, the most relevant being a media conglomerate (>1 bSEK). S/he is also involved in regulatory activities in Sweden and very knowledgeable about the Nordic corporate governance model. The interview with COB6 lasted 1h 27 min.

⁴ mSEK is an abbreviation for million Swedish Kronor

⁵ bSEK is an abbreviation for billion Swedish Kronor

COB7 (age 63)	S/he has deep experience with governmental organizations, as a policy maker, and with journalistic activities, while also engaging with training and education of boards. S/he chairs a 3 bSEK real estate business and holds extensive foreign experience in managerial positions. The interview with COB7 lasted 1h 17 min.
COB8 (age 69)	S/he holds experience of chairing a family-owned manufacturing company for a period of five years, next to chairing a start-up and an educational service company. S/he has extensive experience in managing companies, working as CFO and in positions related to mergers and acquisitions. The interview with COB8 lasted 1h 04 min.
COB9 (age 66)	S/he chairs a 6 bSEK consumer goods business. S/he has a breadth of experience of running companies, as the CEO, in several foreign countries, including the US, and has been the chairperson for 10 years consecutively. The interview with COB9 lasted 1h 26 min.
EXP (age 76)	S/he has ample experience with the Nordic corporate governance, has been contributing to the development and formalization of modern CG in Sweden, is an author and advisor to the regulatory body. The reason to interview EXP resulted from the interest in his/her written work and the understanding of us as researchers that the input would be a valuable contribution to better understand the chairperson in the Swedish context. The interview with EXP lasted 1h 39 min.

Table 3 Research Participants

3.5 Analysis Method

The analysis of data in qualitative research can be performed using a variety of different approaches (Easterby-Smith et al., 2015). In this thesis, we deploy content analysis, a technique that aims at interrogating the interview material based on the ideas and concepts that we derive from the material itself (Hsieh & Shannon, 2005). Content analysis is one of numerous techniques used to analyze textual data in qualitative research (Hsieh & Shannon, 2005); it can be used in a variety of approaches, both inductively and deductively (Easterby-Smith et al., 2015). Here, we use conventional content analysis to analyze the primary data collected through in-depth interviews. Conventional content analysis is the appropriate method of choice when the aim of the study is to describe a phenomenon, for which there is little prior existing knowledge, theory and so forth (Hsieh & Shannon, 2005). Given the inductive approach of this thesis, and the use of in-depth

interviews, content analysis is an excellent analysis method. Even though, our aim is to analyze the content of our interviews, we believe that the chosen method of data collection, namely in-depth, face-to-face interviews, is justified and gives our study a higher degree of rigor.

The procedure for content analysis states that the researchers should focus on the emerging factors or concepts that appear relevant for the research purpose (Easterby-Smith et al., 2015). In the present case, we aim to identify these factors and concepts through the process of analysis and refinement, thus arriving at some form of final concepts or conceptual ideas that explain or describe the phenomenon of study. The inductive approach of theory generation (or more precisely the aim of generating concepts or ideas) that characterizes our thesis implies that we derive findings directly from the empirical material rather than imposing pre-defined theories common using a deductive approach. Content analysis, as most qualitative analysis methods, requires that researchers code the empirical material for the purposes of analysis and interpretation (Easterby-Smith et al., 2015). Given that we are dealing with an exploratory interview study, the factors that will determine the coding are identified and refined in the analysis process of the material itself. Conventional content analysis implies that the textual data is read word by word, subsequently codes are introduced by highlighting the exact words that appear to capture the key concept or idea (Hsieh & Shannon, 2005). Next, notes and impressions are noted down by the researchers, followed by initial analyses: codes emerge and are categorized step-wise and in an iterative process, taking into consideration how codes relate and link to one another (Hsieh & Shannon, 2005). The advantage of this method is that we do not impose preconceived categories or theoretical perspectives onto the empirical data (Hsieh & Shannon, 2005). In order to arrive at the findings, we begin by identifying pieces of text with similar content. We then separate the passages from the rest of the interview and allocate them into categories, along with similar passages from other interviews (Morse, 2014). Subsequently, when each of the categories has a sufficient number of passages, the categories are analyzed to identify the common characteristics, then categories are labelled and defined, to establish their relationship to one another (Morse, 2014). The results from the conventional content analysis are addressed in the empirical findings section of this thesis.

There are several challenges associated with conventional content analysis that we point out here. First, the inability to create a precise understanding of the empirical data (Morse, 2014). Second, content analysis is limiting our ability for theory building for reasons of sampling and analysis procedure, when compared to more sophisticated methods, e.g. grounded analysis (Morse, 2014). Our aim is to use content analysis inductively to derive conceptual understandings of the phenomenon and establish initial ideas, which could potentially be developed further in future research. Thus, the choice of method is consistent with our research purpose to explore concepts that are emerging from the empirical material. In accordance with the requirements for conventional content analysis, semi-structured interviews have been conducted to collect the data (Morse, 2014). To aid the chosen analysis method, and to improve the quality when carrying out the coding, we use the coding software MaxQDA. This software allows the coding and subsequent grouping of individual codes into categories or themes to take place more efficiently. Further, coding can be compared and summarized between transcripts and analyzed and interpreted comprehensively. After the coding has been completed, the data was exported to Excel for further refinement, analysis and interpretation. The final coding journal (Excel sheet) can be accessed upon request.

As a first step in the analysis, we familiarized with the empirical data by first transcribing the voice recordings and subsequently peer-reviewing each other's transcriptions. Without imposing theoretical concepts onto the data, we have allowed the themes to emerge from the data itself. Thus, the first step of the analysis process took place during the coding of the interviews. We grouped and coded the text passages in MaxQDA in an iterative process. We performed the entire coding together, meaning that we went through the interview, line by line, discussed the meaning and coded the text passages into one of the categories. The categories emerged during the analysis process and were subsequently refined and to some extent re-coded in the Excel sheet, as described above. The coding process was guided by the research purpose, i.e. exploring the chairperson in the Swedish context. Our aim was to give the reader a rich understanding of the chairperson and thus we have created narrative summaries that are presented in the empirical findings sections further down below. After completing the coding process, we turned to the actual analysis to understand what do the findings mean and how can they be understood in light of the research purpose.

The first level of analysis resulted in the themes that are shown in the empirical findings sections. They represent the first layer of interpretation, giving the reader a clear picture of the breadth of information that was collected and how we made sense of it. It represents the way in which we understand the role of the Swedish chairperson. The findings are based on the coding and have been presented in such a way, that the reader can get an understanding of the phenomenon that is in line with our research purpose. In the discussion section, we focus on reviewing the key aspects of the empirical findings in light of the existing literature. We clearly outline the aspects that we are deriving from the material and provide a more in-depth analysis of two perspectives in our study.

3.6 Trustworthiness of this Research

The term trustworthiness, coined by Guba (1981), refers to the four criteria for assessing naturalistic inquiries (qualitative research): credibility, transferability, dependability, and confirmability. More generally, trustworthiness refers to the level of quality that qualitative research provides. After completion of this study, we would like to give other researchers the opportunity to assess the quality of our thesis. Essentially, this section shall convey that our study addresses the “real thing”, that it is applicable in other contexts, is neither skewed by the use of certain methods nor depending on the researchers in this thesis (Guba, 1981). As such, the four criteria proposed by Guba (1981) provide a rigorous framework that guides our thesis process.

Lincoln and Guba (1985) state that in order to establish trust in a study, it is important to ensure credibility of the study. We argue that in accordance with the inference of Shenton (2004), our research methods are well established and provide the reader with a lengthy and coherent description thereof. The credibility of our study is further strengthened given the lengthy and persistent engagement with nine chairpersons and one expert, as proposed by Guba (1981). Furthermore, Guba (1981) emphasizes the collection of thick descriptive data to allow for comparison of contexts. In our study, we suggest that the collection of empirical data (above 13 hours of interview), subsequent transcription and analysis provide for the thick description of context that is desirable to ensure credibility. In accordance with Shenton (2004), we conducted frequent peer debriefing sessions between us as researchers as well as our supervisor. Furthermore, Shenton (2004) proposes that

researchers should deploy tactics that help to ensure honesty of the informants when collecting empirical data. We argue that in our study we satisfy this aspect given our comprehensive informed consent (Appendix 2) that allowed participants to withdraw from the study at any moment. Thus, in line with Shenton (2004), our research participants attended to our questions with a genuine interest and willingness to contribute to this thesis.

In order to ensure transferability, Shenton (2004) states that researchers should explain the boundary of the study and provide additional information which needs to be considered before any attempt at transference. Shenton (2004) refers to six issues in relation to transferability: number of organizations and their locations, restrictions on participating individuals, number of participants, data collection methods, number and length of data collection, and time period of data collection. In our study, we provide detailed information about the participants, including the selection criteria, the length of engagement through (face-to-face) in-depth interviews as well as the time frame of this study, given the academic calendar of Jönköping International Business School. The data collection took place in several locations in Sweden between February and April 2018. We believe that we fulfill the criteria given the provision of detailed information about the underlying assumptions of this study. Our claim is in line with Shenton (2004) who states that the provision of a sufficiently thick description of our phenomenon is enabling the reader to properly understand and compare the instances of the phenomenon described in this thesis.

The criterion of dependability shall enable other researchers to conduct the same study, even if they may not be able to derive the exact same results (Shenton, 2004). Similarly, Guba (1981), refers to this process as stepwise replication, which shall be guided by the extensive description in the research methods chapter of this thesis. In line with both Shenton (2004) and Guba (1981), we clearly outline the research design and its implementation in our study, so that the reader has the ability to gain a thorough understanding of the research process. Further, we clearly describe how we have searched and selected the participants, as well as the method of data collection and analysis. Thus, we confirm that our thesis is in line with the suggestions of Shenton (2004) concerning the criterion of dependability.

Miles and Huberman (1994) propose that the confirmability criterion is actually the researcher's concern for objectivity. In accordance with Guba (1981), we suggest that the transcripts of our interviews shall allow other researchers to arrive at similar conclusions as we have drawn in the present thesis. Further, we argue that to the extent possible, we adhere to the recommendation of Miles and Huberman (1994), to describe the methods that we have used and any other underpinnings or beliefs that may influence our research outcome. In particular, we emphasize our extensive descriptions about the data collection, analysis, and interpretation. We have ensured that the empirical material is reported in a way that we do not impose our own interpretations or views onto the data, but rather report an objective summary of our interviews. Further, our use of quotations facilitates the reader's understanding of the line of thought and helps in the understanding of the findings and interpretations that we have subsequently derived from the empirical material.

3.7 Research Ethics

Scholars claim that managerial elites, e.g. chairs, concern a group of individuals that is thought by many to be too private for studies (McNulty & Pettigrew, 1999). We acknowledge that the access to our research participants was accompanied by considerable difficulty. Taking account of the sensitive nature of this thesis, we are zealous to convey that our research project adheres to the highest standards of academic research. First of all, we developed a comprehensive informed consent (Appendix 2) that explains how we go about the data collection and analysis, as well as the use and storage of the data during and after the thesis process. We wanted to give the respondents assurance that we adhere to the highest standards of confidentiality and data protection, anonymity of the participants to this research (and the companies that they serve), and protection of the privacy of the respondents. The informed consents have been signed and obtained from each research participant. During the thesis process, we became aware of the Market Abuse Regulation (MAR), that applies to representatives of listed companies, with the goal of making the disclosure of insider information to third parties punishable by law. Even if the nature of the information that is exchanged during the interview is not in itself sensitive, we take note of the fact that publicly exposed individuals will be reluctant to speak openly about their work. It was our intention to provide remedy for this

circumstance through the procedures of data security and anonymization of the respondents in our thesis. We are confident that the expectations and requirements as per the informed consent are satisfied and underline our drive to conduct high quality academic research. We formerly comply with the ethical standards, set forth by Easterby-Smith and colleagues (2015).

During the interviews, we make use of a special recording device that is used exclusively for the purposes of this study. Recordings are transferred to a password-secured data server, that can only be accessed by the researchers. The respondents have been informed about the handling of data accordingly, through the provision of the informed consent. This also includes the signed documents (i.e. informed consent), transcripts and any other textual or digital information that has been collected about the participants. The data will be stored for a maximum of twelve months after the completion of this study, while the transcriptions of the interviews will be stored on a password protected USB stick for a period of three years – if necessary. The interview transcripts could potentially aid in further studies or inquiries. Thus, they are kept safely under the control of the researchers. If further inquiries are to be undertaken, the participants of this study will be informed accordingly, and their consent will be obtained.

We clearly outline here that integrity has the highest priority for us as researchers. The fact that our respondents are well-renowned business professionals makes this even more urgent to have sophisticated ethical standards in place. From our point of view as researchers, we do not see any potential conflicts arising within companies as a consequence of our study. We have used the official channels of communication to gain access to the participants, the participants have been interviewed as per their explicit consent. At any time, they had the possibility to exit the interview or choose to withdraw from the research project. None other than the researchers and the thesis supervisor are aware of the identities of the participants in this study. No traceable evidence of their identity shall remain intact, and therefore all material featuring their name and so forth, will be deleted. Throughout this thesis, we use “s/he”, “his/her”, “himself/herself” to disguise the gender of each participant and ensure that no inferences can be made as to the true identity of our respondents.

4. Empirical Findings

This chapter outlines the understanding of the chairperson (COB) as follows. The first section introduces the reader to the demographic aspects of the chairperson, namely his/her professional background, attitudes and responsibilities. The subsequent section deals with the challenges, both internal and external. The third and final section takes a closer look at the success strategies of the chairperson.

4.1 Professional Background

In the section, we look at the professional experience that the chairpersons have shared with us during the interviews. It gives the reader an understanding of the relevant aspects that characterizes the role of the chairperson.

It is important that a chairperson holds prior experience of leading company, pointed out by all participants in our study. COBs in our study have diverse experience ranging from leading company as the CEO (all except COB1, COB2, and EXP), board member (all participants), owner (COB4, COB5, COB6, COB9), consultant (COB1, COB2) to other senior management positions (except for COB1). COB3, COB6, COB7, COB8, COB9 have previously served on boards of both listed and non-listed companies, among whom COB3 and COB7 have experience of working in public, i.e. government-owned, companies. Further, COB3, COB6, EXP have contributed in developing a regulatory framework for Sweden, COB3 helped his/her company through the listing process, COB7 holds experience of teaching board members and chairpersons. Experience of working abroad was also evident among some of the participants, namely, COB3, COB6, COB7, COB8, and COB9.

COB3, COB6, COB9 and EXP believe that it is crucial to have experience of working as the CEO, as it helps to understand the operational side of the company (COB3, COB6, COB9), the information advantage of the CEO (COB6) and how a good chairperson reacts in different situations (COB9). Prior experience helps in controlling potential clashes and producing a better output from the board. Further, it helps in dealing with board members who are often reported as people with high ego (COB7, EXP). Moreover, experience makes COBs aware of the fact that implementing strategies usually takes a

long time (COB7). COBs with experience can read and understand people in a better way (COB9) and can understand how dependent people are on them (COB7). In the case of non-listed companies, a seasoned chairperson can also guide the young owner/s during the succession process (COB2, COB4).

Regardless of their prior positions, it is practically impossible to compare the tasks and skills of the chairperson in one company to another, COB9 argues. Yet, having vast experience pays off in a sense “[...] *that you have seen these things not for the first time, that you see these problems and it is not the first time you handled these kinds of questions etc.*” (COB5). Pointing out to the benefits of working in different projects, COB1 says, “*I find it very good to have widespread in my assignments, and I share a lot of things.*” Learned experience can be transferred to subsequent projects or involvement (COB6, COB8). Prior experience, for example, working with regulatory authorities (COB3), dealing with policies and bureaucracies (COB7), and journalistic background (COB7) can also bring advantages to the chairperson. Professional experience has also been regarded as one of the key tools to overcome crisis situations during our interviews. As crisis can be fatal for the company (COB8), the chairperson has to act as quickly as possible (COB8), or, better make sure that company does not run into crises (COB3, COB8). COB3 believes that poor management of crisis situations can lead to the company’s demise. COB3 says, “[...] *for crisis management, experience is extremely important [...] when the company goes through dramatic changes, I think seasonality and experience is very important*”, which makes the chairperson aware of unexpected events and crisis situations. While crisis management, at least in listed companies, requires a high degree of transparency, a chairperson may be required to deal with crisis situations “[...] *behind the scene*” (COB3).

COB7 describes that it is common to see people panicking in crises, however, having prior experience of dealing with these situations helps chairpersons finding better strategies to overcome the challenges, says COB3. S/he adds “*I have experience of it, I know how to manage it, or, I have a toolbox on how to deal with it.*” Going through numerous crises, COB3 says, “[...] *I am not comfortable, because one should never be comfortable in crisis.*” COB7 adds, “[...] *It is so useful to have been in several crises, you should be scared and have respect in the right way and don’t be upset. I used to say,*

everyone is breathing so let's calm down, people won't die". All this may seem tough in the beginning, and mistakes can happen; but with experience everything gets better and makes someone a better chairperson, says COB5. S/he goes on to say that *"You need experience, you need to have been through these kind of issues one or two times before and you have to find out the different roles and different hats from CEO, chairman, owner [...]"*. S/he says, it is important to make a priority list by analyzing how these situations may look like, if not addressed in due time. S/he suggests to *"[...] start with other more pressing problems. Having a priority and overview of the problems, so that you know what you have to do is important. This you tackle from experience and you see if there are some problems that will worsen if you wait – or not."*

Finally, COB9 believes, *"[...] the life of the CEO or the chairman is easy, as long as you deliver."* As a chairperson, his/her main strength is not about running the business, rather drive policies and strategies, says COB7. However, *"You need experience to be a good chairman, and experience you cannot get without hard work and many years of work."* says COB5. S/he continues, *"You will not start like a chairman that will not be a good outcome."*

4.2 Personal Attitudes

In this section, we compile a number of personal statements that illustrate the personal approaches of chairpersons towards their role. It gives the reader an understanding of the mindset and posture of chairpersons in our study.

Apart from their professional experience, COBs hold different personalities and attitudes towards the everyday business issues, as we found in our interviews. They enjoy their positions as the head of the board (COB4), love to work with their companies (COB5), consider the company as his/her *baby* (COB3), or as *home turf* (COB7), and even says, s/he does not work as the chairman merely for the remuneration (COB9). Despite being involved in multiple companies, COB1 believes that s/he could contribute much more to the companies that s/he is involved with. COB9 considers that leadership styles differ among people, as everyone possesses unique ideas of doing things. For example, COB7 believes the traditional way of running boards i.e. *"[...] follow up and control, follow up and control"* does not add too much value to the board, COB9 considers having women

in board brings a better balance, COB4 describes the work of the head of board more in terms of background tasks.

Reflecting on his/her position, COB1 considers himself/herself as a responsible person. COB9 says, *“I am a very tough guy. I have fired many, many people, many CEOs in my life, so I have no problem to do it [...] if people don’t deliver, they are gone.”* S/he continues, *“I want to improve, I am only here to deliver, nothing else.”* COB6 also agrees to this fact and says, *“[...] you can really feel you still develop despite the age I have reached.”* COB7 says, *“I don’t think I am so unique”*, while this is also reflected in COB9 when s/he says, *“[...] to be honest I don’t think that the chairman and the board – I think to a very big extent it is overvalued.”*

4.3 Responsibilities

In this section, we reflect on the responsibilities and duties of chairpersons with respect to general tasks, the work with the CEO, owners and the board. In broadens, the understanding of the role of the chairperson and introduces the reader to the areas of responsibility of board chairs.

4.3.1 General Description

According to COB9, there is the classic company role, which is something the chairperson has to live up to, and that is changing step by step. Within that role, one decides about strategies, i.e. how to go forward, and also runs the board meetings. S/he points out that every chairmanship is different, with different kinds of people, different markets and competitors, so basically a different context. COB9 explains that the responsibilities according to the company statutes and regulations are the same, but that is only a small portion: chairpersons are the speaking partners to the CEO, they have to develop the business and take strategic decisions and so forth. EXP elaborates that back in the 1980s or 1990s, the chairperson was very anonymous, and it was the CEO who was the one that represented the company. Today, at least for the major listed companies, it is rather the chairperson than the CEO who represents the company, says EXP. The chairperson addresses questions about ownership or major structural matters, and more commonly s/he is representing and talking for the company (EXP). COB3 recalls that when s/he first became chairperson, *“[...] it was a shock for me as a chairman until I could realize how much different it was [...]. The difference between a board member and chairman is*

always getting bigger all the time. But it's because of the pace of change that has increased. You always had to be on top, now you have to be more on top." This is similar to the words of COB6 stating that "[...] when you are a chairman, that differs quite a lot from being a member of the board [...]", which s/he explains is foremost due to the extreme information advantage that the chairperson has as compared to the rest of the board.

COB5, COB7, COB8 and COB9 all point to the important role of being a speaking partner to the CEO. COB9 elaborates more by saying that the chairperson must have the skill to employ the right management, that is his/her most important role and the key to any company. That means that it is the responsibility of the chairperson to understand how the company is and how it works (COB5), what the company needs (COB9) and what the spirit in the company is (COB5). Then, it is up to the chairperson to pick the right CEO for the company, says COB9. Furthermore, the chairperson has the responsibility that the company is driving the strategy in the right way, and to plan for that accordingly, says COB7. In his/her view, the job is twofold: the formal, strategic side and then the informal, personal side (being a good discussion partner and so on). S/he states that being the chairperson is very much about handling people and COB9 concurs by saying that the business is all about the people. S/he adds that *"If you don't motivate people, if you don't have the people behind you, and they don't trust you, if you don't trust them, then it doesn't work."* (COB9)

Being the chairperson means that one is the bosses' boss, therefore the chair has the leadership role, the coaching role, and the *"buck stops here"* role, says COB3. S/he adds that it is a role of big responsibilities and the chairperson must, legally or contractually, allocate whatever time will be necessary for the future, which today is unknown. If the company has huge difficulties, the chairperson has to come in: *"Sometimes you have to jump in very actively but you should understand who drives the company and what is your role as a chairman."* (COB7) In these situations, it is important to be quite cautious about keeping oneself within his/her role (COB3): *"[...] it is important that you don't get too involved because the governance structure of having a separation between owners, board, and management, there is a purpose for that"*, says COB3.

The chairperson is also described as stabilizing the company (COB2 and COB5), and “[...] *having the deep knowledge to ensure that nothing will be forgotten.*” (COB5). According to COB2, the chairperson should be well-informed about the happenings in the society, the company and acquire knowledge by traveling to other places. That requires the chairperson to be open to new developments in the environment, to ensure that the company is behaving decently, says EXP, and the chairperson has to make sure that the company maintains that position as a “good citizen”, together with the board. According to EXP, the chairperson should have the business environment in constant check, but also the political environment and the whole outside world that the company operates in.

In practice, the role is very much about being a team leader, say COB3 and EXP. It is not so much about signing documents but really knowing how to implement strategy and so forth, says COB7. The chairperson makes sure that everything works well, by being the “grease in the machine”, says COB3. S/he explains that the chairperson ensures that owners are satisfied, that the board works well, and that the management is on the right track. COB2 adds that the chairperson really guides the journey of the company, that is his/her main role. For instance, when the company is changing or expanding rapidly, going through different maturity phases, the chairperson is and should be more present, adds COB3. Similarly, COB5 explains that the chairperson is the one who takes the responsibility during economically challenging situations (e.g. economic downturn), and tries to handle these crises in the company. It is then also his/her responsibility to protect the reputation of the company, e.g. when some issue is exploding in the media, claims COB7. COB3 states *“The chairman, is the ultimate, ultimate responsible.”*

COB3 argues that it is more difficult to be in the chairperson role, as compared to management. In line with the previous statement, COB6 adds that “[...] *it is really different in this independent role, you really have to take a step back, that is something I have said for decades but have fully understood it here in my heart only in the last 5-10 years.*” COB7 concurs and explains that being neutral and independent, those are the reasons why s/he was elected chairperson by the owners. Then of course, the chairperson is the CEO’s boss (COB3), s/he is the external oversight, helping management and guiding the journey of the company (COB2). According to EXP, the chairperson has to

question the CEO and s/he has the responsibility to ask, “Do we have the right CEO?” (also, COB8, COB9), “Do we have the right board?” (also, COB2, COB3, COB7), “Is the board working well?” and so forth. In the view of COB5, the chairperson must have an eye to see if the company has some problems that need to be taken care of. S/he states that it is about making sure that all the connections in the company work, with stakeholders to the inside and outside of the company. Then it is his/her responsibility to question “do things need to change?” (COB3) The chairperson is the one to point out things that need to function in different ways, in the future, says COB4. S/he adds “[...] *it is obviously easy to tell folks what to do but then you have to be responsible for what happens.*” And then, at least in non-listed companies, you have put in a little bit more heart, says COB5.

According to COB3, the chairperson should be physically close to where the management is. For instance, taking a cup of coffee or the like to engage on a personal level, is pointed out as very important by COB3 and COB9. Then, the chairperson should know the value of money, have a good understanding of the balance sheet and possibly be a generalist with a wider knowledge base, says COB5. The chairperson is making sure that the company runs properly, according to company law but also according to policies such as CSR, explains COB6. COB7 adds that another important responsibility of the chairperson is to ensure that there is a healthy culture in the company.

4.3.2 Chief Executive Officer

COB6 refers to his routine of meeting with the CEO, in an organized form, once a week (also COB8), or every 2nd or 3rd week (also COB9), if it is a calm period (less demanding business situations). His/her way of working is to maintain a list of items: “[...] *what we are going to do, when we are going to do it, and when it will be ready. And this list we show to the board three or four times a year, so the board has a clue on the way we are working.*” (COB6). In contrast, COB1 states that “[...] *you have a board meeting once every month. So, I have a phone call or telephone conference with the CEO, once a week, half an hour, just to catch up what’s happened and what’s going on.*” COB7 maintains a flexible approach towards the interaction with the CEO: “[...] *we check in every week or every ten days or something. [...] I send a text message to ask how everything is going, if it is going fine, so he [CEO] can share also what is top of mind for him.*” For instance,

COB7 states that *“As a chairman you have to agree upon the strategy on a constant basis.”* All the COBs are acquainted with digital tools of communication when interacting with CEO (vis-à-vis board members).

The main responsibility for the chairperson is to select the right CEO, because then, says COB9, the job will be an easy one. Thus, having the right CEO in place, the chairperson can sit down, and lean back, follow up and decide on strategy and keep the CEO happy – as long as s/he does a good job. Both COB7 and COB9 emphasize that the chairperson needs to give the CEO confidence, so that s/he can feel secure of having the chair’s support. COB3 prefers a healthy relationship between the chairperson and CEO, and says, *“[...] it is very important that you like your CEO and s/he likes you.”* While you are the head of the CEO (COB7), the bosses’ boss (COB1, COB3, COB4), it is also the chairperson’s duty to coach the CEO, and to be his/her discussion partner. The coaching function is particularly emphasized by COB3 COB7 COB9, while the speaking partner, as laid out above, is another important aspect. COB3 explains that the chairperson has to be coaching the CEO, s/he has to be supportive and also guide the CEO whenever that is necessary. COB7 states that the chairperson *“[...] role is really also quite informal because the chairperson is the only person that the CEO can discuss a lot of things with.”* There are many issues that go beyond the board or the management team, thus the chairperson is the trusted advisor, as COB5 explains.

Protecting the CEO is another responsibility that has been mentioned frequently (e.g. COB7, COB8). COB7 states: *“I think the chairperson should understand that it is him/her who should go out there and protect the CEO if it is a critical situation.”* The chairperson continues to do so until s/he finally decides that it doesn’t work any longer (COB7). In times of crises, the chairperson is supposed to work closely alongside the CEO, COB3 states. For reasons of legitimacy, however, the chairperson should also be aware that interfering too much in the business will weaken the CEO or even destroy his/her position, says COB9. COB3 explains that there is a respect situation, and the formality and the respect should be kept, avoiding that the role of the chairperson and the CEO get too blurred. COB8 says that in spite of the risks of becoming too involved, the chairperson should be able to warn the CEO, for instance telling him/her *“[...] have you seen that this could have consequences?”* Thus, the chairperson must manage to run a

fruitful dialogue (COB8) and act as an inspiration to the CEO (COB4). Comparing the roles of chairperson and CEO, COB6 adds “[...] *I am representing myself now before I was representing my companies [...]*”.

4.3.3 Owners

It is important to emphasize that the dynamics of the chairmanship are very much different in listed and non-listed companies, says COB9. In listed companies, as long as the chairperson meets plans and over-delivers as compared to what was expected, the owners will leave the chairperson alone, says COB9. COB3 describes that there is a limit to how much s/he can talk to the owners because s/he cannot give more privileged information to one and not the other. In non-listed companies, the chairperson role is more about being the speaking partner to the owners, says COB5, or the chairperson might even be in the role of the babysitter, say COB2, COB4, and COB8.

In the case of the listed company, COB3 has to make sure that the dominant owners (and the board) have a harmonic relationship. EXP states that shareholder dialogue is a key responsibility for chairpersons, today. S/he explains that “[...] *the chair needs to have a close relationship with the important shareholders, to understand how they view the company and how they want to develop*”. As chairperson of a non-listed company, the exchange with owners is much more frequent and intensive. For instance, COB8 explains that s/he had to help and stimulate the owners to develop a proper owner’s directive: “*I had to give them some suggestions just to provoke them to come back and to really think about what they wanted.*” The chairperson has the duty to carefully listen and understand if they agree among themselves, says COB5. In the case of COB2 it was very important to guide the owners and help them run the business. The owner’s directive was frequently mentioned (COB1, COB6, COB7, COB8) as an important element among non-listed companies, and even considered as a tool by COB7.

Chairpersons in listed companies find that all the information is well defined, and an efficient flow of information makes it very similar to work in different companies (COB5). In non-listed companies, the chairperson goes to the owner(s) and asks “[...] *what should I do, what is the owner directives?*” (COB6). S/he faced the situation of dispersed ownership in the hand of a family with more than 80 owners. Naturally, the

chairperson cannot talk to all of them, thus his/her role was to make them form some sort of council to avoid having them interfere in the day-to-day business and channeling their ideas for the company more efficiently (COB6). In another case, COB5 states that the chairperson needs to devote quite a lot of time to actually motivating the owners and maintaining a spirit inside the company.

4.3.4 Board

As the head of the board, the chairperson must ensure that the board works in the interest of the company (COB7). COB7 claims: *“I mean as a chairperson, I think it is quite good in Sweden in these days, because in the boardroom discussion you are there representing all the shareholders.”* His/her ambition as a chairperson is to create an environment for good, strategic discussions. It is the duty of the chairperson to ensure that the board does not get trapped in formalities and focuses on the business at hand, says COB3. S/he argues that the complexity in this has increased very much in recent years, and the chairperson’s role in guiding through that is extremely important. In the view of COB7, the duty of a chairperson on the board is to organize and drive the board agenda for the year in a good way, meaning that s/he addresses all the formal things but also secures that there is enough time to dive into risks and strategy. Both COB6 and COB7 agree that the chairperson has an enormous information advantage on the board, and must ensure that important aspects are – at least to some extent – shared with the board members.

COB6 states that the duty of the chairperson is to be a group leader and not a member expressing his/her view. The chairperson facilitates discussions, says COB2, while COB3 considers this as making sure that the team moves into the right direction. COB1 simply states that the chairperson must drive the work of the board forward. EXP adds that the chairperson has to make sure that the board is always aware of what is going on. COB7 describes that *“You work hard, you work with the details, even if you are not in the operations.”* COB7 and COB8 describe that the chairperson must secure that everyone on the board contributes, i.e. to see to it that all the members speak. According to COB2, the chairperson must fulfil the task of regularly evaluating if the mix competences on the board accurately reflects the needs of the company.

Further, the chairperson has the important responsibility to summarize so that decisions are taken to the minutes, says COB8. Here, the chairperson must also ensure that the right decisions are taken, says COB2. They must be taken impartially, taken in due time and at the right moment (COB2). COB8 considers that it is a good practice to record reasons for those decisions in the minutes as well. Then, the chairperson is also the one who ensures that all the important aspects are reported to the board, vis-à-vis from management, and that they are then also discussed. Both COB2 and COB3 describes that the chairman decides when to meet, how to meet and what to talk about. COB7 adds that the continuous task of the chairperson is to “[...] *plan the meetings and secure that the meeting’s quality and that the company is preparing in the right way – it is just the chairperson who can do that!*” Essentially, the chairperson has different ways of procuring the information for the agenda. All COBs (and EXP) agree that the predominant source of information is the CEO, and in particular COB5 states that there has to be a constant dialogue with management, to get a feeling for how the operations are working. For instance, COB7 combines lunch meetings, text messages and phone calls with the CEO to keep the conversation going, with regards to the board agenda. S/he adds that when it comes to the planning of the agenda, s/he also has a lot of ongoing discussions with the lawyer in the company. So, s/he lets his/her [lawyer] do a lot of preparation and planning for the meetings, and then, on an ongoing basis, s/he shares with the CEO.

The actual board meeting has to operate in a disciplined fashion, says COB7, so that enough time is spent on forward-looking activities. COB9 describes that s/he tries to keep discussions about formalities to a minimum and handle them as efficiently as possible. Boards need to be able to discuss and challenge strategy, says COB7, something that was not the case 15 years ago, but a necessity in this fast-moving world. COB2 describes that it is the duty of the chairperson to discuss the vision, follow up on it and maintain a helicopter view throughout board meetings. According to COB3 there has to be a balance between the historic issues and issues such as “what will happen tomorrow?” – not to get kidnapped by control issues. COB9 constitutes that s/he does not tolerate politics in the boardroom, saying “*I tell boards as the chairman, if I see any tendency of politics, I am going to kick those members out.*”

Listed companies usually have the formal requirement, as per their statutes, to have a certain number of meetings (formal board meetings). COB9 states “[...] as a chairman I am responsible to ensure that we have six [...] we need to have at least six to follow up on the finances and how the company delivers on budgets and so on. [...] six is the minimum.” While there are varying positions on the number of meetings that are held per year, between four (COB2) and twelve (COB1), the formal meeting structure is found in both listed and non-listed companies. During the meetings, there are continuous discussions about markets, and surveillance of competitors, says COB2. COB1 mentions that in preparation of upcoming board meetings, s/he schedules “reflection time” in the calendar, “[...] where I force myself to work [mentally] with that type of company.” (COB1). COB5, who is chairing a non-listed company, adds that “[...] as a chairman you need to have very good daily, weekly and monthly routines so you can catch the problems.”, and explains that this concerns mainly to stay close to the owners between board meetings. In another case, COB4 states that information exchange often happens when s/he is physically present in the company, and that is because they have a specific task that they are working on. COB5 summarizes “The board is not the place where you celebrate victories, it is more the place for handling crises [...]. It is maybe not so glamorous if you understand me right. Of course, you can feel some confidence if you don't need to handle crises because you follow the strategy and the vision and the business plan and so forth.”

4.4 Challenges

In this section, we focus on internal and external challenges for chairpersons. The former concerns the CEO-chair relations and board work among others, whereas the latter one concerns regulatory challenges and exposure among others. The reader is introduced to the ample set of challenges that chairpersons in the Swedish context have to deal with, today.

4.4.1 Ownership Challenges

COB9 comments that non-listed companies are different to the extent that the chairperson has one or very few owners that s/he talks with, and they are very often also members of the board. Thus, the chairperson might have easier access to them, though COB5 states that the involvements of owners is also making the work for the chairperson more challenging. S/he argues that the owners were used to do a little bit what they wanted,

which means that they could make quick decisions based on their daily involvement with the company. In contrast, COB1 explains that owners don't usually understand the requirements for governing their business, stating that they wouldn't take their ownership role seriously. In spite of having direct access to the owners, COB8 explains that the owner's directive was practically non-existent during the first few years of his tenure.

Chairpersons in non-listed companies are often chosen for their neutrality, their experience from bigger companies or foreign assignments, says COB7. As an outsider, one often faces owner-managers, e.g. the CEO who belongs to the owner family, or board members who are owners. COB7 adds that beyond the requirement of knowing about the business or how to be a chairperson, it is most probably necessary to also be a psychologist or therapist for the owners. COB5 says that in these circumstances, the chairperson becomes the glue between owners and helps to find common ground among them. Thus, owners would expect someone who is a coach, a speaking partner, and a person they can trust, says COB5. Because ultimately the chairperson (and his/her board) is (are) supposed to be “[...] *good advice to the owners.*” (COB5). Nevertheless, COB8 states that there are situations in non-listed companies where the owners bypass the chairperson, e.g. give direct orders to the CEO. In such a case, the chairperson should have the integrity to step up and say “[...] *if you don't listen to me, I have no function to fulfill in this company, so I will leave.*” (COB8). Relating to a similar case, COB5 states that even though there are decisions made on the board, the owners may at any time decide to do otherwise. One cannot force decisions as the chairperson in a non-listed company, and must avoid ending up having an open fight in the board meeting, “*That will never, never, never work*”, says COB5.

In listed companies, the relationship with owners is more detached and the chairperson follows the official guidelines with regards to his/her responsibilities, which according to COB7, is a helpful tool. COB9 elaborates that owners have little interest in the companies they own, rather they sit with the finger close to the “sell button” because they are only interested in the share price of today and tomorrow – especially institutional investors, such as pension funds. These investors understand the big picture of a company, what it is doing, but they don't understand the details, says COB9. Institutional owners are not interested in personal meetings with the chairperson, to avoid the risk of having too much

insider knowledge. According to COB6, the challenge is for the chairperson “[...] to understand and interpret what the grey mass of owners actually wants to do with the company.” S/he states that a problem for boards in listed companies is that “[...] they really don’t know what their owners are after.” In non-listed companies, the chairperson might ask for the owner’s directive, but in listed companies, today, chairpersons face higher expectations to do the right thing on the board, because listed companies have bigger expectations on their own abilities, says COB3.

Chairpersons in the listed company have more freedom to do what they want, say COB7 and COB9, but then the whole responsibility lays on their shoulders, too. As long as management performs well, there is relatively little pressure from the owners and it makes life easier in a way, says COB9, “[...] because you have more power in your hands.” COB6 points out that it is extremely important that the chairperson does not start misusing that power, e.g. becoming an owner on their own without owning the company. The challenge with listed companies is that the stakeholder relations picture is becoming increasingly complex. COB3 argues that “[...] you no longer have owners who know how to run the business, and know how to invest. The investors, the only thing that they care about is the return on equity. They don’t care how you achieve it, as long as you follow the rules.” COB3 explains that instead of having one or very few dominant owners, “[...] you have a bigger spectrum of investors, that might not necessarily have the same view.” The chairperson might end up facing misalignment between the owners and the board, as to the purpose, i.e. what they want to achieve as a company, which can become very difficult for the chairperson, according to COB3. COB6 comments on this by saying that the board can become the clay in such a case: the chairperson can challenge upwards to the owners and question downwards to management, for instance asking the CEO if he thinks the owner’s directives are doable. According to COB6, that is a very good process when there is non-complementarity on matters such as the purpose or strategic direction.

Globally, the ownership of companies is to 90% in the hands of institutional investors, that is funds managing people’s money, says COB3: “[...] those professionally sort of managed pools of money have driven these demands for transparency and for governance and for board professionalization etc.” As a chairperson, there is much more pressure to work in a transparent way and showing how one is working as the chairperson, claims

COB7. S/he adds that the role of the COB is also more accentuated because the expectations on the chairperson not to fail are greater. This is in line with COB3 who states that the time and energy that s/he invest in the job has increased, because of higher expectations and higher demands on achieving results within short time horizons.

4.4.2 CEO-chair interaction challenges

Engaging with the CEO has been mentioned by each and every participant in our study, and there are challenges that the chairperson must consider. COB9 argues that CEOs are quite sensitive towards certain things and the chairperson must, therefore, find out how to get the maximum out of a CEO. In that respect, it is important to learn and understand how the CEO differs between companies, says COB9. Every CEO is different, there are different personalities, they have different skills, and different strengths, comments COB9. S/he explains that *“There is not one type of person, you cannot put them in the oven and bake them and say, now there is the CEO coming out – it is not working like that.”*

It is emphasized that between the chairperson and the CEO there has to be frequent discussion and interaction (COB7) and the expectation towards the chairperson is to create a good and harmonic chemistry (COB3). If there is no chemistry and/or harmony in the relationship, the interaction *“[...] becomes more need to do stuff, rather than real engagement.”* (COB3). Trust and confidence play an essential role in that relationship, say COB5, COB8 and COB9. COB5 adds that only then management will address problems directly to the chairperson, instead of trying to hide them. Both COB5 and COB8 state that the chairperson should not forget that it is his/her role to evaluate the CEO in his/her supervisory role. It is important to keep in mind that the chairperson should never go *“[...] behind the CEO’s back [...]”* to access information inside the company, because then *“[...] he [CEO] lost control [...]”*, says COB7. For the appointment and dismissal of the CEO, the chairperson must understand who has the drive, and/or the interest to take such a job, says COB9. When the chairperson makes a mistake, i.e. hiring the wrong CEO, then s/he must have the guts to take the CEO out. Often, the chairperson waits too long, because s/he doesn’t want to face his/her own mistake in hiring someone who is not the right person for the company.

When guiding the CEO, the chairperson is always at an information disadvantage vis-a-vis “[...] *the guys that actually run the shop.*”, says COB3. Facing unforeseen events, the chairperson is more active and might be present on a daily basis, comments COB9. When there is a shift in the management (e.g. CEO) during a time when the company is undergoing some sort of transition, the role as the bosses’ boss becomes more accentuated, states COB3. In other cases, the CEO may quit unexpectedly, then this person’s motivation goes down rapidly because most likely s/he has a new job, says COB9. “*Even if you have the right to keep that person for another twelve months, you will probably try to avoid that because they won’t do a good job.*”, COB9 adds. Finding somebody new is always tough, COB9 continues, but the chairperson is the main responsible and “[...] *you have to trust yourself to make the right choice.*” Moreover, COB9 states that it is the chairperson who must communicate such an event to the market: “[...] *this will happen [new appointment] but it will need time.*” Another case could be that the CEO has a skiing or car accident, recalls COB9, and cannot work for a period of several months. Then the chairperson might have to step in and show presence in the company, though not operationally, but to spend time in the office and add value to the rest of the management. Regardless of the circumstance, the company should “*know and understand where the line is, [...] because if you don’t do that, you take away responsibility, and you take away pride and power from the CEO.*” (COB9)

4.4.3 Board challenges

The challenges to work as the chairperson on the board of directors was discussed quite intensively during our interviews. COB7 says that the work on the board is much more challenging, as compared to 25 years ago, when the chairperson could just say yes and no. Today, it is really a chairperson’s responsibility to develop the quality of the discussions in the boardroom (COB7). So, in fact, there are no silent members on the board any longer, and the chairperson has to get the views from every fellow director, particularly if there are important decisions to be taken, says COB8. The so-called old-boys-network is disappearing from the boardroom and board members are much more qualified today, which means as a chairperson one must have to be on a higher level, says COB6. It is really a question of leading a very qualified group of people who often have high egos and thus the chairperson has to be a good leader to make the board work good as a team, explains EXP. S/he adds “*You have to be able to get the best out of the very*

independent and qualified board members and make them work as a team together.” The board has to adapt to the demands at stake for the company at a certain point in time, says COB3.

In the view of COB9, the worst thing is if you get people on the board who are not qualified for the job. Then, s/he says, it is tough to be chairperson because one tries to use every board member, asking them questions, for instance “what is your opinion?”, or “could you add something to this question?”, and fails to get any response. In addition, chairpersons must ensure that they really secure an outside view and broaden the perspective during the discussions, says COB7. COB8 adds *“One important thing for the chairman, if he is an outsider, and also other outside board members, it is to really give the outsider’s perspective.”* According to COB7, *“[...] there must be an awareness about the geopolitical awareness given that the whole world is changing.”* There is a real danger that given his/her involvement into company projects, and even if the chairperson tries to be impartial, s/he won’t be able to see an outsider’s perspective, which can be very valuable (COB6). So, the chairperson must ensure that the views of an intelligent board are really up on the table, says COB6. S/he explains *“[...] if I want to run a view, I can! That’s an example of overrunning the discussion, and that is why I have to step back.”* (COB6). COB7 adds that *“[...] it is important to understand what role the chairperson has in the board of not corrupting people [...].”* S/he states that it is a lot about how the chairperson lets people talk: s/he must have the courage to interrupt others if they lose focus, thus the major challenge lies in leading the meeting. For instance, COB7 states that *“We have always had old men with a lot of confidence, they talk too much, and have a big ego and you have to handle that as a chairman.”* The chairperson might have to go into detail with some issues, but only when it is strictly relevant, s/he concludes.

According to COB9, oftentimes board members are overwhelmed with the mounting formalities that have to be discussed during board meetings: *“[...] they are not putting their engine when these topics come up to a certain degree and in some cases”*. COB6 claims that this is because boards spend too much time on formalities, given that they haven’t set up a structure where this works smoothly and without too much interference. COB7 comments that the tricky thing is how the chairperson arranges the agenda: strategic issues should come first to avoid running out of time at the end of a meeting.

This coincides with another challenge that chairpersons face, namely to understand the extent to which they should share information with the board. For instance, COB3 states: *“I meet the CEO regularly but then the other people in the board do not. So, how do I make sure that they have the confidence [in the CEO]?”* S/he explains that a board situation it is formally different, legally different, but also in practice it is different (to management), because you don’t work so closely together, and you meet infrequently. Thus, another major chairperson’s challenge is to recognize if the board is still on track and prepares the company for the future. If board members are frustrated or have the feeling that they were not in control, it is the task of the chairperson to make sure that the team is moving in the right direction, says COB3. Ultimately, the board must challenge the CEO and not get too easily persuaded by him or her, says EXP. S/he states that one should have been in the CEO role to really have a credible stand against a Chief Executive. COB6 adds that it is a challenge for the board, to always be very well aware of what is happening in the company.

4.4.4 Involvement challenges

There is a broader range of issues that a chairperson has to think about, says COB8, and the world has become a bit more complicated. According to EXP, chairpersons are not anonymous anymore, they are replaced more often than before, for instance if the owners are unhappy with the development of the company. Previously, chairpersons could go on and would change the CEO, if there had been problems with the business. Today the chairperson is more often replaced and the new chairperson then changes the CEO. Thus, the chair is seen as much more responsible for the performance of the company as compared to many years ago, says EXP. The fact that chairpersons become increasingly important for the performance of the company is certainly a challenge for many of them, says EXP. They are more vulnerable, and if the company doesn’t perform well, their position will be shaky. Interestingly, many chairpersons think this is good, because it gives them a stronger position, although perhaps more dangerous. EXP explains: *“You cannot anymore be a chair in a board meeting, you have to be much more active, you must have a constant and close relationship and dialogue with the CEO.”*

One chairperson explains that the continued involvement with the company, over a longer period of time, can lead to complacency. S/he states that *“[...] you don’t listen carefully,*

you become too comfortable perhaps, you are not on your toes.” (COB3). According to COB6, the challenge lies in having inspiration from a number of sources, which can for instance be that the chairperson has a CEO position elsewhere (including chairmanships and board positions). S/he explains that *“[...] there is the risk that you become obsolete”* if one is only in the same environment and has little to no inspiration from other places. Further, in two cases, high growth of the company (COB4) and foreign expansion (COB2) have also been regarded as challenging issues. According to COB3, while facing these situations, as the chairperson of the company, it is necessary to make sure that the outcome of tasks is of highest quality, even if it costs a lot of money and time for the company.

4.4.5 Multiple Roles

Given that the chairperson is the one who takes ultimate charge of the company, COB3 believes that a chairperson should not be involved in more than two or three assignments. S/he says, *“[...] this is very dependent on the phase of the company's development and it also might vary very much in time. And that's why there's been so many discussions lately of the importance of not having too many memberships.”* S/he adds, in listed companies, the nomination committee nowadays would not nominate someone as the chairperson of the company, *“[...] if they feel that you already have too much to do. They make that judgment as well.”* COB1, who is involved with companies from different industries, finds it challenging to be well informed and keep updated all the time, as the discussions in the boards are always different among these companies. Yet, according to COB1 and COB6, there are many similarities between different industries which can help in understanding different discussions happening in the board meeting - and/or translate to other contexts. COB5 does not criticize chairpersons having multiple roles, rather, s/he is concerned about the time availability and says, *“[...] of course the lack of time - I cannot be everywhere at the same time.”* COB1 also believes that having multiple roles without proper time management can become challenging, which is true even for the personal life. EXP states the habit of having several chairmanships should be restrictive. S/he says, one should not be the chairperson of companies that are connected in any way. COB6 believes, having multiple roles helps in developing negotiation skills, for example, s/he says, *“[...] if you sit and negotiate with a bank and you see how that bank acts, that can help you in another company dealing with the same bank.”* One thing that EXP mentions

concerns Sweden as a small market, as s/he says, “[...] *the business community is smaller, the number of really good CEO, Chairman or Chairwoman is limited. So, there is a pressure on the really good people.*” When these qualified people are approached for a position in a company, they tend to accept the proposal rather than denying it, EXP. COB1, from his/her perspective, refers to the poor remuneration package offered to the board members in Swedish non-listed companies as a reason of chairpersons assuming multiple roles. S/he urges to “*Make it more like a profession, make it well paid.*”

4.4.6 Regulatory Challenges

EXP explains that there has been a continuous development of the role of the chairperson. Traditionally, in the 1980s and 1990s, the understanding was that the chairperson is a *primus inter pares* (first among equals). This meant that s/he led the board meetings, sets the agenda with the CEO and s/he did not have any particular responsibility beyond that. According to EXP, this has changed successively into the situation where the board chair has specified additional responsibilities according to the law, which has been a major legal change in the 1990s. Then, several interviewees have referred to the “tsunami” or wave of regulations that have come from the European Commission (hereafter “EC”) over the years. COB6 comments, “[...] *the time I really spent on the business shrunk [...]. And that is generally a problem but it is more the amount.*” Similarly, COB3 says that nowadays many chairpersons complain that there are so many rules that this is taking over the discussions on the board, and there is not enough time anymore to focus on the business.

The legal structure between EU member states is also important, because as long as there is no harmonization of the corporate laws, it will, at least to some extent, be impossible to have a unified regulation or rule within the EU, which creates problems for the chairperson, states COB6. Thus far, the *Swedish Corporate Governance Board* in cooperation with Swedish lawmakers and institutions kept or disarmed many of the rules coming in from the EC (COB6). Today, there are a lot of things that are pushed towards the chairperson by the society, the politicians, and to a certain degree by institutional owners, so it is not making it easier to run companies, but much harder – and mostly for management, because they are doing the hard work, says COB9. S/he adds that being the chairperson, one cannot just say “we skip this”, but you have to go through the rules and

policies and talk about them. In fact, s/he states that many things are of interest for companies: areas where one could build value for the company, the prestige of the company, the attraction as an employer, all that is important for any company, and one cannot just disregard that, concludes COB9.

The development of the regulatory framework in Europe started with the recommendation made by the EC which required the member countries to develop their own national codes, because the EC failed to develop a common code due to diversity in corporate governance across Europe (EXP). As EXP says, “[...] *the mistake that the commission has done, they have based their regulations, almost entirely on the Anglo-Saxon system and trying to impose that system across Europe where the frameworks are often quite different.*” In Sweden, the need for a national code was influenced by some business scandals which led the government to conduct an inquiry to restore the confidence of the society (EXP). As a result, Sweden, formed a common group with people representing the private sector, who developed the Swedish Corporate Governance Code in the year 2005. Sweden was not early to develop a code, as people thought that it was not so necessary, given that many aspects of modern corporate governance were already integrated into Swedish law and general practices, says EXP. Concerning the oversight of the code implementation, initially it was intended to be handed over to the government, but “[...] *people refused it and said that either do it as a self-regulation under the private business sector or we don't do it.*” (EXP). Though initially there has been a lot of discussions about the feasibility of introducing this code in Swedish market, people got used to it over time (EXP). To ensure companies are having more flexibility, this code applies the “comply-or-explain” principle following the report of Cadbury, 1992 (EXP). From his/her experience of working with the regulatory authority, EXP states, they would accept companies adopting flexibilities and explaining the reasons instead of complying fully to the code, as they do not want to make the code binding. While referring to some roles of the chairperson, with the same impression of the previous argument, the code leaves companies quite some independence (EXP). Installation of this code, in the view of EXP, has brought more legitimacy to the chairperson as a representative of the shareholders, and made the role of the chairperson quite important in the company.

Increased regulatory demands, mostly from the EC, have made the corporate governance more time consuming and challenging than before, says COB9. Despite some benefits, COB9 considers these regulations as “[...] *completely catastrophic and not value creating all the time [...] the regulations are just overdone.*” There has been increased pressure of compliance issues in terms of corporate social responsibility, sustainability, gender balance on board and so on due to the increased pressure from EC (COB7, COB9). COB7 appreciates to see these suggestions being followed by the companies, though COB9 reminds us about the mounting pressure from the institutional owners in listed companies, who are more concerned about the financial output. According to COB9, too much focus on additional requirements may result in companies losing track of the real business. COB6 says, “*The Nordic corporate governance model is threatened severely by the rule-writing rage of the EU.*” To his/her eyes, these regulatory requirements from the EC do not fit in this Nordic region, given the corporate governance in this part of Europe is more framework-oriented and gives more scope to the companies to act in different ways. Additionally, COB9 leaves a skeptic remark towards the policy makers in the EC saying, “[...] *they have never seen a customer, they have never seen a supplier or management, they have never seen a board meeting and they have no clue how the business works. They just sit there and take a lot of decisions without having real detailed information how it works.*” In contrast, COB3 appreciates the Swedish code, and says, “[...] *I love the Swedish corporate governance structure, it is very crystal clear on the roles*”. COB7 believes that having these regulatory requirements helps the chairperson in the board meetings where s/he can say, “[...] *we expect you [management] to deal with these issues, because it is regulation. So, it speeds up the whole process.*” S/he says, “[...] *I think it is good. It helps you to push transformation and improvement.*” COB3 says, “[...] *the regulatory demand will not decrease*”, which is evident with the newer regulatory requirements, for example, Market Abuse Regulations (MAR) (COB3 and COB9) and General Data Protection Regulation (GDPR) (COB6). To win the challenges, COB3 advises the chairperson to have all these issues ready in the agenda.

4.4.7 Exposure

As compared to 1980s, business is more public, nowadays, both in the case of listed and non-listed companies (COB8). S/he says, for listed companies, “[...] *it's obvious that you get in light, mainly of course the CEO but also the chairman*”, whereas, in non-listed

companies, particularly those that are located in small cities or municipalities, “[...] you will get a light on you, if there’s a bad thing happening on the company. Because then you will have local press and local media wanting to have your comments.” COB9 also agrees to the notion pointed out to the chairperson of listed companies and adds, “[...] when you are listed, it is public, everybody is going to ask questions and you have more focus on you.” To illustrate the development and challenge of media exposure, COB8 refers to a personal experience, “[...] we sold the consumer goods operation. All the employees were very, very opposed to that. Because, they realized that many of them would lose their jobs. I think there was two lines in the paper at that time about it. I think today it would have been much more public.”

Media attention brings increased complexity both to the management and the board (COB9). Even a quick termination of an employee can make local media suspicious, thinking something bad has happened (COB8). When the company is discussed on media, it can hurt the company itself and the chairperson has to play a major role at that time to address the media and to explain what has happened, what steps are taken to solve the problem and so on (EXP). Referring to the people involved in company scandals, COB6 states that, “[...] they are not board members anymore in any company because no one wants to touch them: (A) it destroys your reputation, and (B) you will be in the newspaper.” However, exposure can also be considered as a good thing, as COB7 states, “[...] There is more spotlight on everything we do and that has changed a lot of things, which is very good.” For instance, s/he explains that the requirements for transparency are an excellent example of a way in which companies are pressured to change.

4.4.8 Business landscape

Business, nowadays, faces additional challenges such as money laundering, terrorism, human trafficking and so on (COB9). Besides, the discussion on corporate social responsibilities (CSR) (COB8), sexual harassment, ethical responsibilities, and having a sustainable agenda puts pressure on corporate boards (COB7). To this list, COB8 adds environmental policies and equality issues as challenging factors. Unanticipated events, for example, import duties in a foreign market where the company has business operations, or cancellation of orders can also be treated as business challenges to a large extent (COB8). Participants of our study are concerned about the recent trend of

digitalization (COB1, COB2, COB3, COB4, COB7, EXP), globalization (COB1, COB2, COB7), outsourcing (COB2), robotization (COB2) and so on. COB7 says, digitalization has been a common topic on the board agenda, nowadays. COB3 considers that it has lowered the barriers of entry for the newcomers, for which, “[...] *the competitive landscape looks very different in tomorrow than yesterday.*” Companies, regardless of their size, can quickly enter in global markets (COB7), the customers are globally dispersed (COB2). This results in increased global competition (COB7), “[...] *there is different types of questions today than 5/10 years ago*” (COB1). COB3 says, “[...] *the stock market has developed, and it is more volatile, there are broader spectrum of investors, the regulatory requirements are higher [...] the pace of change that has increased.*” The flow of information has increased (COB1, COB2), even though, “[...] *the information and the possibilities to get information are also much better.*” (COB8).

Companies can face numerous internal challenges coming from different directions, for example, profit drop (COB5), failure of the communication system (COB5), transition of the company from entrepreneurial phase to a more structured phase (COB3), resignation of CEO (COB3), fraud (COB3), misalignment of the interests between board members and the chairperson (COB7) and so on. COB3 adds, “[...] *The big work comes when there is a bid on the company.*” According to COB3, transition periods in the company and shifts in management can be highly intensive. Lack of motivation (COB5), internal conflicts (COB5, COB4), an unclear idea about the goal from the owner’s side (COB6) are also pointed out as major internal challenges by our research participants. COB9 adds, “*Politics in business is the worst thing.*”

In parallel to these emerging challenges, the corporate governance landscape is undergoing continuous development since 1990, says EXP. Looking at the Swedish market, EXP says, a great increase of institutional owners is evident during the period 1980s to 2005, which resulted in the presence of this type of ownership in stock exchange roughly around 50-60%. These owners come from both Swedish and foreign markets, with a short-term view that focuses on the financial returns of the investment, for which EXP says, “[...] *I often use the word that they are investors, when the majority in Sweden are owners. There is a difference between owners and investors. Investors go in and out, but, the owners live with the company for a longer time.*” However, after the introduction

of the Swedish Corporate Governance Code, these institutional owners are more involved in the governance of companies (EXP). They are more professional and demanding (COB6), and they regularly participate in the general meetings of the company (EXP). *“[...] one important change that came with the introduction of the code, that was the introduction of the Swedish version of nomination committees”,* says EXP. It was considered by the regulatory authority in Sweden that setting up a nomination committee by the board is not a good practice, thus, it was proposed that the nomination committee should be formed with major owners in the annual general meeting, which will eventually nominate the board members and chairman of the company (EXP). This setting was widely accepted, and today it is considered as the formal setting of the nomination committee, in Sweden and Norway (EXP). S/he also mentions that, *“[...] the understanding and the respect for the Nordic model has increased quite significantly in just the last five years among Anglo-Saxon investors.”*

Undoubtedly, boards are facing more issues to be discussed during the board meeting (COB2). That is why, boards are a more integral part now (COB2), they spend more time on board meetings (COB2), and during the strategic discussions, nowadays, they try to have an idea about the future (COB5). COB6 believes professionalism in board work has increased in last 15 years. To reflect on the pace of change, EXP provides an example, *“[...] if you now look back to hot companies how they were governed back in 80/90s you can hardly believe this is possible, and people thought they were living in modern times. Today that would look very archaic. So it has been a period of a rapid change.”* The board has to be extremely careful considering that competitors can come from different sides (COB3). They must be less bureaucratic and try to understand what is going on around the business landscape (COB7). They must be aware of the business, both in governance and business development side (COB1). To thrive, they should be more strategic, fast, agile, and able to run higher level of business development (COB1). COB3 comments, *“[...] it’s a much bigger difference between being a chairman and being a normal board member that you could ever think until you do it.”*

4.5 Success Strategy

In this section, we provide the reader with an understanding of the individual strategies of chairpersons that they deploy in order to address challenges and opportunities.

We have found mixed responses while asked the participants regarding their success strategies. COB9, while describing about his/her activities, says, a chairperson should have a good connection and a good team to create value in the company and intervene as little as possible in the operational business. On the contrary, COB4, COB5 and COB8 state that the chairperson is involved in detailed discussion, e.g. marketing. COB9 believes, a chairperson should adjust his/her roles in a way that employees “[...] *feel that they really eat, drink, breathe this company.*” The chairperson should allocate more time on looking to the future instead of controlling events that happened in the past (COB3). “[...] *The reason is not to discuss the result of the last year or the last ten years, but to see what is the goal; where we put the flag in the company; what will be the target we want to reach?*”, says COB5. S/he explains that “[...] *you cannot just sit on your old merits and experience but you must learn every day and I would say that when I retire [as CEO] I won't be such a good chairman, because you need to be a little bit up in the daily questions.*” Motivation is highly important to the chairperson and “[...] *you need to stay on your toes to be successful*”, says COB5. COB1, COB2, COB3, COB5 and COB9 believe that it is important to have fun in the work and to find the job interesting. One must not try to be someone else, added by COB9. COB3 opts to live close to the office for a better communication and physical meetings with the management. S/he states “*For me, digital interactions can never replace the physical meetings. They can complement, they can complement a lot, but they can never replace.*” COB1 adds that “*The company has to be in your mindset, every day.*”

COB3 considers there should be a mix of competences on the board, and when it is time to prepare the company for the future, it is necessary to have fresh eyes and new ideas from people who have done different things. S/he believes that changing the board should be a natural process given that the needs of the company vary over time. COB4 adds that “[...] *the core competencies of the board members will create the future direction of the company.*” There should be a good structure in terms of timing, professionalization, good reporting and so on, according to COB1, as s/he says, “*I haven't seen any case where you*

don't benefit from being structured.” Then, s/he adds “[...] *it takes about one year, you know, to build this kind of professionalism. You notice a remarkable difference after one year, you know how you have done work proactively and strategically when you have all these things in place.*” Meeting the formal requirements and maintaining a high-quality environment in the company is highly important (COB7). The chairperson should be structured and reflective on the questions that arrive on the board, even if doing so requires additional time (COB1). COB1 continues that the chairperson should make it clear to the board members why s/he is in the board (COB1). S/he says that there should be a good strategy and the board should take the job seriously, so that the company can move faster, and that’s how the chairperson can make a great journey to the success (COB1). Sometimes “[...] *it is a good idea to ask the individuals one by one if they are for or if they are against and the reasons for that.*” says COB8. Having competent advisors, even if they are often expensive, is always necessary when it is time to initiate a business, or to take it to international market (COB1).

Board material is a crucial part to ensure success, as COB7 says, “[...] *the better board material you have, the quicker you can go into the strategic issues.*” Pointing out the fact that often board members consume too much time in discussing bureaucratic issues in board meetings, COB7 brings the strategic issues first in the agenda so that the important issues gets more priority in the beginning. There should be clear willingness to drive the critical issues and move forward and the chairperson should always make sure that everything goes smoothly (COB7). S/he says, convincing owners against their personal preferences can be challenging, yet, the chairperson can win this challenge given s/he has a good strategy that works for the company’s best. COB1 and COB5 also state that the chairperson should try to change the mind of the owner/s if it is necessary for a better result to the company. Such situations can arise when the chairperson realizes that s/he cannot fulfil all of the owner’s directives (COB6).

While driving a change or when the company grows rapidly, a chairperson should be more present in the company (COB3). High engagement, promoting the feeling of one group among the employees are key to create a successful company (COB3). The chairperson should be supportive to the subordinates, yet, be ready to replace them, if necessary (COB3). There should always be a backup plan to reach the goal set by the

company (COB5). At the same time, the chairperson should have the respect and judgement for himself/herself to understand whether s/he has something to add to the company or not (COB9). It is important that the chairperson is aware of the potential issues that can be addressed by the media and is always prepared for finding out those issues before they get media attention (COB7). To survive crisis situations, for example, the financial crisis, COB5 believes, “[...] *it is important to protect the balance sheet.*” Agreeing to this statement, COB2 says that during the last financial crisis (2008), his/her company did not fire any employees, which indeed helped them retaining the knowledge of the company intact and regaining market growth quickly. Similarly, COB8 states that the company must be careful when cutting down personnel in crisis situations to avoid harming the company’s development.

COB9 believes, the company atmosphere should provide fun and comfort to the people, particularly to the CEO, so that s/he feels courageous to raise his/her voice to challenge the board and the chairperson, when necessary. The chairperson should be aware of the spirit in the company and act in a way that the employees always have a spirit, motivation and confidence (COB5). COB8 claims that in spite of visible differences between the chairperson and the CEO, both should have a relationship that allows for constructive criticism to take place. For instance, COB9 asks the CEO to evaluate his/her performance once a year. Chairperson and CEO must have a good and trustworthy relationship while running a company (COB3, COB7, COB9). The chairperson should push the CEO (COB4), yet, they have to like each other (COB3) and understand each other well (COB9). A chairperson should have a clear idea whether s/he trusts the CEO or just evaluates the CEO based on the final facts and figures in reports (COB7). COB8 explains that the chairperson must have confidence in the CEO to take the right decisions for the company - even if it is less obvious at first sight (from the point of view of the chairperson). S/he should have a long relationship with the company (COB5), rather than being appointed for one or two years (COB9). According to COB8, chairpersons should always have integrity.

Summing up, COB3 says, as the chairperson, “[...] *you have the best tool, the biggest tool, the most important tool at your hand, that is that you own the agenda*”, while, COB7 says, “[...] *to have a good strategy is an antidote to conflict.*” COB2 also agrees and says,

“[...] We will be able to manage the next crisis as we have the ground structure and risk analysis.” Nevertheless, the chairperson should be mentally and physically healthy so that s/he can overcome the pressing challenges coming to his/her position (COB1).

5. Analysis: Beyond the Classic Role

The purpose of this chapter is to provide the reader with a more elaborate understanding of the chairperson based on our analysis of two perspectives that we deem important to gain a thorough understanding of the phenomenon.

This section presents our analysis of the empirical findings in light of the emergent perspectives that we have discovered in the data, and which shall aid us in understanding the role of the chairperson. We believe that two perspectives are critical in our empirical material, namely the ownership- and environmental perspective, which are both novel in light of the existing research and help us to gain a thorough understanding of the role of the chairperson. This section thus presents the way in which we make sense of the data, and how we understand our empirical findings according to two distinct perspectives. The ownership perspective emerges as important paradigm in the sphere surrounding the chairperson, defining and shaping his role and having substantial impact on his responsibilities, challenges and so forth. The environmental perspective that we present here gives initial support to prior claims that the environment is changing and the ultimate responsible within the company is the chairperson. S/he is the person who addresses these changes and drives the company towards the direction that better fits to the interest of the owners. This brings us to the departure point that to understand the role of the chairperson we shed light on these two key perspectives, and elaborate and interpret our empirical findings accordingly.

5.1 Ownership Perspective

The ownership perspective is important in our analysis because it has tremendous implications for role of the COB. We argue that ownership is a critical theme in our interviews and chairpersons have referred in particular to the challenges of dealing with owners. At its core, we understand that the ownership structure is different in every company, resultantly the work of the chairperson is different in any of these companies. Thus, the role and scope of the chairperson is largely defined by the ownership context. This provides an initial answer for the inability of compiling a comprehensive list of

responsibilities, given that they might differ substantially between different ownership structures.

Chairpersons in our study have claimed that there is a difference in the understanding of the role, depending on the ownership situation. Our empirical materials support this claim and sheds light on the differences between the chairperson in listed, and non-listed enterprises according to their responsibilities and challenges. Thus, we interpret that there is a difference between the chairperson in a listed company and a non-listed company, and this has major implications for the role of the COB. It appears that the COBs in listed companies are much more professional, yet they face a broader spectrum of regulatory and societal pressures. In contrast, COBs in non-listed companies have to deal to a greater extent with internal challenges, such as, misalignment among the owners. They are primarily concerned with the owner's directive for defining the vision, while the COBs in listed companies are -concerned to meet the financial expectations of their investors/shareholders, i.e. bottom line and profit.

“[...] in these family-owned companies it is always complicated because the chairperson is an outsider and the CEO sometimes belongs to the family or the family is on the board” (COB7)

“[...] it is much easier to work with a private company because you have fewer owners [...] it is very much a different story to be listed or private – both as management and chairman.” (COB9)

We can understand from the quotes that there is a stark contrast between chairpersons in a non-listed or listed company. In the non-listed company, the COB has to engage in a much more personal relationship (*putting heart in the company*) and oftentimes s/he is the glue between the different owners. By that we mean that the COB must have a genuine interest in the company, because his/her task might extend beyond that of the formal requirements. For instance, we observe that the COBs in our study might assume the role of a babysitter, therapist, or psychologist in relation with owners. We can argue that chairpersons in this setting must be much more aware of the dynamics that result from the presence of the owner(s). It is very common that the COB faces owners that are highly

involved in the business (e.g. owner-managers). They tend to assume a high level of personal responsibility and often can take quick decisions, which makes the role of the COB difficult. In spite of the owner's involvement, they often lack the knowledge of governing their own company. Thus, we argue that the chairperson in non-listed companies plays an important role that is most pronounced in the strong relationship with owners and understanding what it is that they want to do with their company.

The owners should look up to the COB and have deep respect for his/her experience and knowledge. The role of chairpersons in non-listed companies is therefore regarded as providing good advice to the owners and described as a guiding hand that leads the company to success. Because the chairperson has a more personal relationship with the owners, and spends significantly more time with them, s/he has a somewhat easier role as compared to the COB in a listed company. This is because they claim to have a clearer idea about what the owners want for the company. It further establishes our interpretation that chairpersons in non-listed companies need to have a thorough understanding of the ownership dynamics, which, we believe would be quite challenging for chairpersons from the listed company context. We understand that the chairperson in listed companies has a distant relationship with the owners, because s/he faces a large spectrum of investors, that can easily exceed thousands. They are dispersed and often have little knowledge about the company or the business, such as institutional investors. Their primary concern is the big picture, which means that they focus on the financial return of their investment.

“[...] If you really have a distributed ownership structure, it is your role as a chairman to understand and interpret what this grey mass of owners actually wants to do with the company.” (COB6).

In contrast to the non-listed companies, these owners are usually not engaged in the business and maintain a distance to the board and the chairperson. Instead of being actively involved, they select a professional board that drives the company. Resultantly, chairpersons in listed companies have more freedom and greater power in their hands, both in guiding the board and shaping the strategy of the company. We argue that it can be a balancing act for the chairperson to avoid misappropriating this power, i.e. acting as an owner without actually owning the company. At the same time, these chairs are subject

to enormous expectations from the owners to continuously outperform, thus there is a much higher responsibility resting on their shoulders, as compared to non-listed companies.

“[...] the amount of time and energy that you engage has increased, because of this higher expectation somehow. And there are higher demands on achieving results, as you know the time horizons of achieving results are short.” (COB3)

“[...] those professionally sort of managed pools of money [institutional investors] have driven these demands for transparency and for governance and for board professionalization etc. I think the big part of the powers behind the change is those pools of other people’s money [...]” (COB3)

In general, as long as the chairperson delivers on his/her promise, there is likely to be little to no interference from shareholders into the business. They do not impose their own ideas for the company onto the board, as it is the case in non-listed companies. Nevertheless, we have also seen where the chairperson of a listed company had very few dominant owners, in which case there can be a much clearer idea of the strategic direction. Thus, we suggest that the role delineation is strongly connected to the ownership perspective, as we have laid out in this section. We sum up that the ownership perspective impacts the role of the chairperson regardless of the ownership structure in question. Yet, the implications for listed and non-listed chairpersons are contrasting and suggest two potentially conflicting mindsets. Thus, we argue a thorough understanding of the role of the chairperson is deeply rooted in the ownership perspective. To our knowledge, this perspective has not been described academically, and during the collection of empirical material it emerged as a critical theme to be taken into consideration.

5.2 Environmental Perspective

The second perspective, termed environmental perspective, is important to take into account given that we initially hypothesized that there is “something going on” in the environment, i.e. major trends. In fact, we establish that the role of the chairperson is influenced by environmental developments, which have led to an amplification of responsibilities and challenges, as we have shown in the empirical findings. We argue

that there is no recipe for success that is generalizable but rather that the chairperson is adopting different postures depending on the environment that s/he is operating in. We propose and present our argumentation for the dynamic nature of the chairperson role, and elaborate on our interpretation of the findings in light of the second perspective.

To our understanding, the business environment looks different today, thanks to digitalization, globalization and other similar trends. For instance, non-listed companies are able to go global from day one, which was not the case in the past. Further, the world is more complicated and we believe that it is one of the main reasons, why the role of the chairperson is successively changing. There is a clear trend for boardroom professionalization in the last 15 years, which has resulted in an increased awareness among COBs for the relevance of these changes for companies.

“[...] it’s because of the pace of change that has increased. You always had to be on top, now you have to be more on top.” (COB3)

“I think everything is going faster today, the world, everything. The board today has to be a lot more aware about the business. [...] understanding the movement of the surroundings, taking the movements down to some kind of strategic choices [...].” (COB1)

Further, we identify that chairpersons are confronted with different types of questions, today, as it was the case in previous decades. The chairperson is taking a center stage by setting a sustainable agenda, and finding ways of turning additional regulatory requirements (CSR, environmental policies and so forth) into profitable business cases. Despite the challenging nature of these trends, chairpersons increasingly identify them as a source of opportunities. For instance, chairpersons with the skill to take advantage of the aforementioned trends, have demonstrated the ability to unveil the potential for a competitive edge over competitors, in our study.

“So that it is not going to cost the company anything, on the contrary, we are going to make money out of this.” (COB9)

Based on our analysis, we infer that chairpersons must have different types of qualities, today. Beyond the findings in relation to the ownership perspective, the chairperson assumes an important role to identify and understand what the future of the company will look like.

“The chairman must have vision for what will happen in the industry, what will be the next big thing. S/he must understand what the market will do, and how it will behave.” (COB2, paraphrased from notes)

“[...] That also means that the owners, particularly in private companies, they must understand that the qualifications [of the COB] are different than the previous years.” (COB8)

Then, companies are also much more public, nowadays, which implies a greater exposure in today’s business world, regardless of the ownership structure. The reputation of the company rests to a much larger extent on the shoulders of the chairperson, because s/he is one who stands in the spotlight of the media, talks on behalf of the company and so forth. Interestingly, operating in smaller regions often implies a much closer interaction with society, and we learned that media is an important consideration even when they concern small city press outlets.

“You have to be good in TV and so on, to be able to explain [...] and to answer difficult questions of the journalists [...]” (EXP)

“There is more spotlight on everything we do and that has changed a lot of things, which is very good.” (COB7)

“I mean it was more secret world in a way back in the 1980s. Today if you are listed company it’s obvious that you get in light mainly of course the CEO but also the chairman. But also in family businesses, particularly if you are in a place like Jönköping and even smaller cities or municipalities, then you will get a light on you, if there’s a bad thing happening in the company. Because then you will have local press and local media wanting to have your comments.” (COB8)

We can derive from these findings that the chairperson is assuming an increasing number of additional responsibilities, which also comes with additional challenges. Today, the chairperson is the main responsible to represent the company, and ensuring that it is assuming its responsibilities towards the society. Thus, we conclude that the chairperson in this society, which is characterized by greater awareness for good governance, must adhere to the accepted social conduct. By that we mean that the chairperson cannot ignore the importance of the public image, and the potential damages to reputation that are caused by corporate misbehavior. As we have established in previous sections, the governance landscape is characterized by reform and change in recent years, which is, at least in part, a response to corporate scandals and so forth. Therefore, we identify that the regulatory framework pertaining to the business environment is another important aspect that shapes the environmental perspective.

Interestingly, our findings give us confidence to suggest that the development of corporate governance in recent years, has led to a convergence of governance traditions, which can be traced back to the so-called *tsunami* of regulations from the EC:

“[...] the problem is actually that the modern CG development has started in US, came to Europe via UK and then how to say...and this means that to a very large extent that the Anglo-Saxon, the British-American CG system, is the basis of the modern CG principles. Whereas, if you look at Europe, [...] the CG system is very different. In important respect from the US. [...] the mistake that the commission [EC] has done, they have based their regulations, almost entirely on the Anglo-Saxon system and trying to impose that system across Europe [...]”.
(EXP)

Resultantly, we argue that Swedish chairpersons are more challenged, today, because they are presented with two possibly conflicting governance traditions: the Nordic governance model and the Anglo-Saxon governance model. For instance, there is a stark difference between the regulated countries, especially the US, and countries such as Sweden that rely on their self-regulation tradition. This implies that the Anglo-Saxon tradition aims at strict compliance to the regulatory framework, while the Nordic countries prefer a flexible

approach through their adoption of the *comply-or-explain* principle. Henceforth, the empirical findings strengthen our argument that the convergence is a serious threat to the Nordic self-regulation principle that Swedish corporate governance is practicing, still today.

“The Nordic corporate governance model is threatened severely by the rule-writing rage of the EU.” (COB6)

“[...] completely catastrophic and not value creating all the time [...] the regulations are just overdone.” (COB9)

“[...] I think it is good. It helps you to push transformation and improvement.” (COB7)

From these quotes, we can see that there are varying opinions about the regulatory framework, in Sweden. The majority of chairpersons see it as a burden and claims that the development of regulatory requirements is going into the wrong direction. They argue that this development is a product of overregulation in response to (isolated) crises incidents - e.g. scandals. To that extent, the chairperson of a listed company cannot simply avoid these requirements, rather engage with them. Consequently, the board meetings are taking a significant proportion of time in discussing these issues and the chairperson is the one who assumes the ultimate responsibility that the company has addressed all the regulatory requirements in the appropriate manner. We summarize the findings of our analysis in the table 4.

	COB LISTED	COB NON-LISTED
OWNERSHIP	Distant/weak relationship High degree of freedom No involvement of owners Focus on financial targets Professional Limited time commitment	Close relationship Low degree freedom High involvement of owners Focus on non-financial targets Putting heart Extensive time commitment
ENVIRONMENT	Regulatory requirements Exposure to media Attention from society Business trends	

Table 4 Summary of Analysis

6. Discussion

This chapter is structured in two subsections. First, we show how the empirical findings relate to existing literature, through a synthesis of the important and/or interesting findings that emerged from the interviews. We highlight aspects that are confirming, contradicting, and/or contributing to existing theory. Second, we devote attention to the results of our analysis and discuss the major contributions of this study.

6.1 Chairperson Background

The professional background of chairpersons has different facets, which to some extent have been covered in the existing literature. Kakabadse and colleagues (2001) have described the chairperson as having high political- and social competency, maturity and relational skills. In our study, it is evident that chairpersons should have an understanding of the social and political environment, as well as geopolitical issues. They should be socially competent and aware of the stakeholder relationships. Roberts (2002) expands on this aspect by stating that the chairperson excels through his/her skills, experience, knowledge, temperament and values. This fact is reflected in our sample to the extent that participants had prior work experience as CEO (including foreign assignments), senior management, board member, and consultant. We add to the existing literature that prior experience from working with the regulatory authority, governmental organizations and journalism have been perceived as value adding to the respondents. During our study, integrity is considered as an important characteristic of chairpersons, and most of the interview participants point towards ethical principles as important antecedents for successful chairpersons. This is in line with Dulewicz and colleagues (2007), as well as Kakabadse and Kakabadse (2008), who define outstanding chairpersons as having high integrity and ethical standards among other attributes.

We argue that based on our observation, the chairperson is a seasoned professional and commonly over 50 years old. This confirms the claim of Kakabadse and colleague (2013) who argue for “the older the better” (p. 342). Evidently, experience pays off on the job in the sense that the chairperson has seen the same problems not for the first time and knows how to handle difficult situations. Further, our study suggests that it requires many years of experience and hard work, and one does not become chairperson without that. Thus,

as a chairperson one should have had the experience of wearing different hats to find out about the different roles of CEO, chairperson, owner and so forth. Having a great deal of experience also means that sharing and transfer of knowledge take place frequently. We add to the existing literature that a seasoned chairperson fulfills an important role in the non-listed companies to guide owners during a transition process (e.g. succession).

We make an interesting finding concerning the motivation of chairpersons to accept a chairmanship. Apparently, chairpersons have emotional reasons (e.g. *my baby*) and point out that the job is not about earning money. COB9 states “*I want to improve, I am only here to deliver, nothing else.*” This statement is extended by COB6 who claims that the work of the chairperson enriches the personal development, despite the ample experience that these individuals already have. We believe that this finding extends prior work of Cadbury (2002), who states that the chairmanship is a type of individual that sees the job as their calling.

6.2 Chairperson responsibilities

There is evidence that the traditional role of the chairperson, “[...] *follow up and control, follow up and control*” (COB9) is no longer seen as value adding. We can interpret this finding in light of recent studies that have shown that chairpersons are more involved in many ways and the role is perceived as more demanding (e.g. Bezemer et al., 2012). In our study, the traditional chairperson role is described as only a small portion, because today, it extends to being the speaking partner to the CEO, having to develop the business and taking strategic decisions among other things. To this extent, we confirm an initial hypothesis from the literature section, namely that there are rising demands which have to be met by an individual with exceptional skills. For instance, we find that the participants are aware of the increasing pace of change, which requires the chairperson to be more alert than ever before.

Even though there is evidence of a debate in our findings whether or not the chairperson should be involved in the operations, it is unanimously accepted that the chairperson is the one who sets the vision of the company and aligns them with the interests of the owner(s). Furthermore, participants of our study confirm that the chairperson is the one who sets the culture and company spirit, with the goal of creating an atmosphere of fun

and comfort. For instance, the CEO should feel courageous to raise his/her voice when necessary.

It is widely accepted among our participants that the chair appoints the CEO, yet there is little academic understanding about the rationale behind finding the best candidate. Thus an interesting contribution in our study is that the skills of the chairperson to appoint the CEO involve understanding how the company is, how it works, what the company needs and what the spirit in the company is. According to our findings, the chairperson must understand who has the drive and interest to take this job. We suggest that this responsibility is the one of the most difficult ones, because it requires a thorough understanding of the company and its demands.

6.2.1 CEO-chair relationship

In line with Koskinen and Lämsä (2017), we find that trust is an important aspect in the CEO-chair relationship. This is an important antecedent in our study for being a good speaking partner, mentor, or coach to the CEO, which supports the findings of Nicholson & Kiel (2004). One interesting finding of our study is to notice chairpersons emphasizing on building a healthy relationship with the CEO. In fact, it is evident that both the chairperson and the CEO should like each other and the relationship should not look like *need to do stuff*. This is in line with Kakabadse and colleagues (2010) who identify the deep friendship as one of two components of chemistry between the chairperson and the CEO. In our study, physical interaction was highly valued (e.g. grabbing a coffee) and it was remarked by several participants that confidence in the CEO is another major aspect to take into consideration. In light of the existing literature on CEO duality and the relative newness of the CEO-chair relationship in scholarly literature, we deem these as important findings.

Our findings confirm previous research of Kakabadse and colleagues (2006), who establish that the chairperson has an enabling function towards the CEO. We find that s/he should provide his/her full confidence to the CEO, so that he feels secure, happy, and comfortable. One must be aware that there are limits to the enabling function, namely that the legitimacy of the CEO remains intact. Going behind the CEO's back for information will destroy his credibility and s/he will lose control over the company. Several

participants point out the importance of protecting the CEO, when the need arises. O'Shannassy and Leenders (2016) state that the chairperson and the CEO are the key factors for the strategic direction of the company, which was reflected in our interviews with all of the COBs. Further, COB9 adds that the chairperson and the CEO should go on a tandem bike with good understanding and trust for each other.

6.2.2 Board work

The basic understanding in the existing literature is that the chairperson sets the agenda and is responsible for the meeting topics/issues (e.g. Parker, 1990). In our interviews, though, it appears that the agenda is understood as a much more sophisticated tool to shape and guide the organization. For instance, chairpersons mention that there is a growing struggle to strike a balance between formal issues and strategic topics during board meetings. We argue that in order to bring out the best from the board meetings, the chairperson should make sure the agenda/board materials are always of high quality and address all the important issues. According to Kakabadse and colleagues (2006), the chairperson must transmit the power of the board to the CEO, which means turning tensions between board members into synergies and making them usable for management. In this respect, we point to our findings and emphasize that it is important to secure equal participation from every board member, which potentially leads to opposing views on a subject. It is the chairperson, in our view, that has to transform this incompatibility and make it usable for the company. This confirms the statement of Kakabadse and Kakabadse (2007b), who claim that the role of the chairperson is to ensure the effectiveness both for the board and the company.

The board is often referred to as *team* in our study, and the chair describes his/her role often as *group leader*. We conclude that this is in line with Owen and Kirchmaier (2008), who describe that the chairperson sets the tone for the rest of his/her fellow directors. We confirm the remarks of Kakabadse and colleagues (2006), who state that the role of the chairperson should be a flexible one, given the idiosyncratic nature of boards. The findings indicate that boards, as well as companies, can vary widely and thus the chairperson must adapt to the context accordingly. We see a tendency in our findings, that the chairperson adopts a facilitator role, having the skill of how to let people talk, and in this way leading the meeting successfully. We add an interesting insight with our findings,

namely that it is important for the chairperson, if he is an outsider (vis-à-vis the board members), to really give the outsider's perspective. We can see through our interviews that there is a danger that the chairperson is highly involved with company projects and holds deep knowledge of the operations, and thus fails to actually provide an outsider's perspective. One must not forget that s/he, per definition, holds an independent/outsider role on Swedish boards.

Parker (1990) suggests that a chairperson must possess both outward-looking and forward-looking abilities, given that he is the one expected to create "tomorrow's company out of today's" (p.36). We find strong evidence that this view is widely shared among our participants, and that the fast pace of the environment prompts chairpersons to emphasize the forward-looking perspective to a much larger extent than it was the case in past decades. For instance, the chairperson should not be kidnapped by historic events and invest more time looking into the future. Our findings indicate that the board work is much more challenging, today, there are no more silent members, and the qualification of board members has increased. In our study, the chairperson determines the effectiveness of the board (LeBlanc, 2004) through his/her ability to "[...] *get the best out of the very independent and qualified board members [...]*" (EXP). In this way, s/he sets the tone for his/her fellow directors, which is in line with Owen and Kirchmaier (2008). Our findings confirm prior research of Dsouli and colleagues (2013) in that chairpersons tend to encounter individuals with very high ego, and the constant risk of politics in the boardroom. For instance, in our study we observe that frustration occurs due to misalignment between board members, or between the board members and the chairperson. We argue that the suggestions of Dsouli and colleagues (2013) provide potential remedy for frictions in the boardroom.

6.2.3 Multiple Roles

Another interesting finding is that the involvement of chairpersons in multiple assignments, such as chairmanships or CEO positions in other companies, has several positive implications. Among others it facilitates the influx of inspiration from a number of different sources, which can lead to knowledge sharing and collaborative learning. In this way, chairpersons can avoid becoming obsolete, yet they must take into consideration that many years of association with one company can lead to complacency - becoming

more comfortable, not being on one's toes - which might be another argument for holding multiple roles rather than sticking to one or very few assignments. This aspect has thus far not been addressed in the extant literature. In our study, we see that chairpersons largely support the involvement into multiple assignments, and claim that it is ultimately the owner(s) who must judge whether a potential candidate for the chair has sufficient hours to devote to the company.

6.2.4 Developments

One of the participants in our study believes that the role of the chairperson is overvalued to some extent which contradicts to the previous work of Kakabadse and Kakabadse (2007a), where it was claimed that the role of chairperson is undervalued. Yet, the empirical material provides sufficient evidence to conclude that the work and responsibilities of chairpersons are quite different, and to a large extent expanded, as compared to other studies of previous decades. For instance, EXP states that the chairperson was invisible in the 1980 and 90s, while this is completely different today. We suggest that the chairperson has evolved into an individual holding ample responsibilities and performing a wide array of duties (board work, CEO relationship, owner responsibilities etc.). Our findings indicate that the performance of the company is increasingly dependent on the chair, which is a challenge for many, and this confirms that the role of the chairperson is more important, nowadays. In spite of this fact, s/he is also more vulnerable because his standing in the company will be on shaky grounds if the company underperforms. Thus, we find partial evidence for the claim of Owen and Kirchmaier (2008), who state that the job is riskier, yet we do not have evidence for their claim that the role is becoming less desirable given the personal risks involved.

6.3 Beyond the Classic Role

Despite the challenges and responsibilities, we argue that the success of chairpersons is ultimately a reflection of the success of the owners. Ownership transcends the findings of our study and thus we devote a section to closely analyze the ownership dynamics in our study. Our analysis gives us interesting insights into the chairperson role from a perspective that has not been actively explored in prior existing research. In fact, scholarly literature has not emphasized the fact that the ownership structure has major implications for the role of the chairperson. While ample research has been conducted on US-based,

listed companies (Yar Hamidi & Gabrielsson, 2014), we provide an interesting discussion given that we have focused in our study on both listed and non-listed companies, in Sweden. As we have shown in the analysis, the chairperson works differently in listed and non-listed companies, and has a different relationship with owners. We can identify through prior existing literature that the ownership aspect can be viewed through the lenses of two competing theories, namely agency- and stewardship theory (cf. Jensen & Meckling, 1976; Donaldson & Davis, 1991).

In the case of non-listed companies, we lend the concept of stewardship theory (Donaldson & Davis, 1991), because it is our understanding that the chairperson is the steward of the organization. S/he takes the responsibility for the longevity of the business, serves as guiding hand for the owners, and commits to a close relationship with them. This aligns with the strategic role of boards, as proposed by Hung (1998), who comments that stewardship theory implies a close involvement with the company. This view strengthens our findings given that respondents have stated that the prime objective of the chairperson is to preserve and nurture the wealth of the owners. In a similar fashion, Davis and colleagues (1997) establish the concept of stewardship theory. In our study, we find resemblance to findings of Lekvall and colleagues (2014), who state that controlling owners in the Nordic country, among them families, foundations and so forth, have a well-calculated risk appetite and aim at creating long-term and sustainable value rather than short-term gains. We find that the chairpersons in non-listed companies tend to take account of that fact and even focus in particular on wealth preservation and protection of the owner's stake. In contrast to listed companies, the chairperson in a non-listed company is expected to contribute in various aspects of the business, e.g. succession processes or conflict between owners. Therefore, we propose that the number of owners may be small, yet the requirements of the chairperson to engage with the owners make the role much more complex. This ownership structure prompts the chairperson to attend to a broader spectrum of issues that goes beyond the financial well-being of the company. As these companies often lack a professional board, s/he is in the position to guide and drive the aforementioned issues, unlike the chairperson in a listed company. Thus, we argue that the role of chairpersons in non-listed companies aligns well with stewardship theory.

The chairperson in listed companies seems to be more aligned with agency theory (Jensen & Meckling, 1976). Given the theoretical understanding, the chairperson acts as an agent on behalf of the shareholders and in that sense s/he is their representative in the boardroom. The owners must put their trust in the chairperson to ensure an equal representation of their interests in the board. In line with Yar Hamidi & Gabrielsson (2014), we find that there is a distant (weak) relationship to owners. Essentially, and unlike their counterparts in non-listed companies, the chairperson has infrequent and seldom interaction with shareholders of the company, usually through the Annual General Meeting, Capital Market Days and so forth. We have outlined certain risks associated with the nature of this relationship, yet we find that the exposure and publicity of listed companies acts as a safeguard against wrongdoing. We argue that there is resemblance to Hung (1998), who refers to the control role of boards, which also resides on agency theory (Jensen & Meckling, 1976). In the Nordic region, we find that strong controlling owners who have the incentives and resources to invest time, money and competence into their companies, are a good prerequisite for success (Lekvall et al., 2014). Here, we make a clear distinction between institutional owners and those, traditionally in Sweden, concentrated owners who take a large interest in the companies that they own (Gilson, 2014). Our findings let us to suggest that many listed companies are increasingly owned by institutional investors who do not possess the same prerequisites for success, as described Lekvall and colleagues (2014). In our study, the lack of stewardship and tendency of short-termism of institutional investors, results in the sole focus on profit and share price.

Viewing these two competing theories, we argue that agency theory is not applicable to non-listed companies, for reasons such as the active involvement of owners in the business, or the commonly found owner-managers who both run and own the company at the same time. As they are more active in the business the need of the owners for control in the company is less pronounced. Thus, agency theory seems to have little use in this context. In contrast, given the need for alignment among management, board and the owners, agency theory seems to be more appropriate to describe the situation in listed companies, as compared to stewardship theory. In spite of theory, we argue that more in general there are different pressures in the two contexts, which require two quite distinct mindsets to be successful.

Looking at the environmental perspective that has been analyzed in the previous section, we suggest that elements of both resource dependence- and stakeholder theory (cf. Pfeffer, 1972; Freeman, 1984) are present in our findings. Through the empirical findings, we establish that the business environment is evolving, the chairperson faces pressures from different sources, the pace of change is increasing and thus the role is more pronounced. In our study, chairpersons clarify that the position requires more professionalism and understanding of the outside world. For instance, they describe that the chairperson must be adept to the media, represent the company to society and make sure that the connections with stakeholders are functioning well. Rather than seeing the two aforementioned theories in isolation, we suggest that they are interrelated and work in a complementary manner. On the one hand, the chairperson can be considered as a unique firm resource, as proposed by Krause and colleagues (2016), on the other hand s/he is also increasingly in the position to ensure that the interests of stakeholders are nurtured and preserved, as shown in our findings. In this respect, the chairperson shows some resemblance to the linking- and coordinating role, that is proposed by Hung (1998). Nevertheless, we remark that, in our view, there is a limited viability of stakeholder theory in Sweden, given that the Swedish Companies Act (Sverige, 2006) seems to enforce the objective of profit for shareholders, and does not make strong claims as to other stakeholders. Therefore, it is unclear to what extent this theory can be applied in the given context. The short-term orientation of investors in listed companies strengthens our belief that stakeholders are not the primary objective, rather it is profit. Thus, agency theory seems to be more aligned with listed companies.

We find in our study that chairpersons are increasingly aware of the challenges related to exposure, such as the attention of media, and the society as whole. For instance, one chairperson describes that societal engagement can have both positive and negative effects on the reputation of the company. Levrau and colleagues (2013) describe that the society is more aware of corporate governance, in response to scandals and so forth, which is in line with institutional theory (as cited in Hung, 1998), which deals with the societal norms and values. We argue that given our analysis, the maintenance role (Hung, 1998) is more accentuated and most probably more relevant in light of the trends that we have described and analyzed. The fact that companies are more public today, also means that chairpersons must ensure that the company is aligned with the societal expectations

and interests, at all times. Thus, institutional theory, linked to the maintenance role discussed by Hung (1998), is in line with our findings and contributes to the understanding of chairpersons.

More in general, our findings seem to answer to previous research, which claimed that the role of the chairperson is misunderstood (Kakabadse & Kakabadse, 2008), given that the environment is increasingly challenging the board and the chair. As such, our findings contradict to the support role (Hung, 1998), which resides on managerial hegemony (as cited by Hung, 1998). As a matter of fact, it appears that in contrast to previous literature arguing for a support role of the board, our findings imply that the work of the board is more important for the effectiveness and overall success for the company. We might infer that instead of the support role, one should consider the service role as portrayed by Johnson and colleagues (1996), because it suggests a greater involvement of the directors in driving the company. Expanding on this line of thought, we find resemblance to the argument of Daily and Dalton (1992, 1993), because our findings indicate that the influence of independent chairpersons is largely valued among small- and medium-sized companies in our study.

Finally, the regulatory discussion concerning the convergence of governance traditions can be understood in light of the claim of Kakabadse and Kakabadse (2008) who state that the Anglo-Saxon countries follow the shareholder governance model while the European countries follow the stakeholder governance model. Looking at our findings, we see some indication for convergence of the traditions, yet we can also refer to the Swedish model as an extension to the Anglo-Saxon tradition, because of its focus on profit, and its governance structure among other things. Therefore, we remain sceptic as to the claim whether the Nordic governance model is a third alternative, next to the Anglo-Saxon or European model, or rather an extension of the Anglo-Saxon tradition.

6.4 Main Contributions

After critically discussing our findings in light of the existing literature and theoretical discussion, we derive the main contributions of our study. First, there is no prior knowledge focusing on the chairperson's role in the ownership sphere, which is a major area that features challenges and takes a center stage in the responsibilities of the

chairperson. Given our findings in this respect, we point to our first theoretical contribution. We find that there is a visible difference between the chairperson in the listed and non-listed company. These two types of chairs have different roles, which includes exerting power and having more freedom in some contexts and not in others. We believe that it is an important contribution to the existing literature, because this inference has thus far has not been made.

Second, the current body of literature has not focused on the environmental perspective, as we have termed it, and how it affects chairpersons. During our study, we establish that the business environment is undergoing significant change and shapes the role of the chairperson. It leads to additional responsibilities and challenges, which is reflected in our empirical findings. Chairpersons are confronted with a range of emerging trends, the competitive landscape is rapidly changing, and the pace of change in general is much greater. In particular, chairs must be able to push the forward-looking perspective much more than in previous decades to ensure the survival of the business. Thus far, to our knowledge, there is no academic literature that has discussed this aspect and we propose that this is another contribution of our study.

Third, referring to our discussion on the Nordic corporate governance model, we believe that the ongoing discussion about the institutional framework in Europe would benefit from the insights that we have presented in the analysis and discussion.

7. Conclusions

The purpose of this study was to explore the role of the chairperson in Sweden and to gain an understanding of what is going on in this understudied discipline. Throughout the previous sections, we have shown that there is an enormous number of interesting findings in relation to the chairperson. The interpretation of our findings lets us to suggest that the role of the chairperson is more demanding, today. In contrast to the classic role of the chairperson, as portrayed by the literature, we can show in our study that the chairperson is highly sophisticated and goes beyond the formal requirements of his/her position - it is a role of great responsibility.

The perspectives that we have presented are amplifying our understanding of the Swedish chairperson, and help us to conceptualize this complex phenomenon. We establish that the challenges are different, nowadays, as compared to previous decades. We find evidence for different types of involvement based on the ownership configuration. The ownership relationship can be understood in different ways, and there are different mindsets at play. Based on our analysis, we can outline a clear development that shows the chairperson more in light of a leader, with rising authority and meaning within companies. It brings us to the departure point to state that the chairperson in different ownership settings possesses different mindsets towards his/her position in light of the ownership and environmental perspectives. Thus, we suggest, to understand the role of the chairperson in Swedish companies one has to jointly reflect on both of them to gain an understanding of the phenomenon.

Chairpersons in the listed companies appear more professional, while chairs in non-listed companies show more concern for the owners. In listed companies, chairs must ensure short-term financial performance, while in non-listed companies they are more concerned about the longevity of the firm. There is a growing concern from the society, which has led to more regulation and exposure. Thus, chairpersons need more awareness in coming days to cope with the increasing demands and satisfy the expectations of owners and society. One way in which chairs successfully address the challenge is by turning them into profitable business cases. We conclude, the role of the chairperson must be

understood from different angles, which we have done extensively according to two key perspectives.

8. Implications

The purpose of this chapter is to present the implications of our study: for academia, for practice, for society and for owners.

8.1 Academic Implications

We take account of the major studies that involve the investigation of the chairperson in a particular context, such as the studies of Parker (1990) or Kakabadse and Kakabadse (e.g. 2008). The majority of prior studies about the chairperson have taken for granted the Anglo-Saxon corporate governance tradition and neglected the existence of others, e.g. European governance traditions, which legitimizes our study and justifies the inquiry into the Nordic model (c.f. Yar Hamidi & Gabrielsson, 2014). Thus, we add a comprehensive exploratory interview study that broadens the academic understanding about the chairperson in the Nordic corporate governance tradition. With this study, we have shown the contemporary nature of the phenomenon and underline the continued importance for research on the chair of companies.

It is evident that prior studies have largely ignored the difference between the listed companies and non-listed companies while exploring the role of chairpersons. We propose that the ownership configuration plays a vital role in the understanding of the chairmanship. In a similar fashion, there has been little understanding as to the environmental perspective in studies that have focused on the chairperson. Prior studies have not paid much attention to the context, which to our understanding is vital to understand the demands that are affecting the chairperson (e.g. incompatible regulation). This implies for academia that the chairperson is a highly complex phenomenon, which can be studied from several different angles - taking our key perspectives into consideration.

8.2 Managerial Implications

Working in non-listed companies, one often faces owner-managers, e.g. the CEO who belongs to the owner family, or board members who are owners and so forth. The mindset of the chairperson is quite different in this context, from a chairperson working in a listed company. In listed companies, the chairperson may have significant power, while the

chairperson in non-listed companies can always be overruled by the owners - boardroom decisions are not binding in the same way.

The chairperson role is quite different depending on the ownership of the company, thus chairpersons must be sensitive to the contextual demands that exist in each of the ownership configurations. Furthermore, the environmental perspective clearly outlines the demands and expectations on chairpersons, today, and should give rise to more sophisticated criteria for recruitment and/or appointment of potential candidates to the board chair. Further, the success of companies appears to rest to a much larger extent on the shoulders of the chairperson, which has implications for both the risks and rewards of taking on such responsibility.

8.3 Implications for Society

We recommend that regulators and politicians (both national and EU) familiarize with the specific corporate governance contexts of Europe, as they continue to fall short of the expectations of the member states with regards to the harmonization of regulations. The dominance of Anglo-Saxon governance traditions is perceived as predominantly negative, while there are voices in our study that actually welcome the regulatory developments. Regulatory authorities should invest more time to properly understand the implications of the regulatory changes and closely monitor their applicability and effectiveness.

We suggest that other countries could learn from the self-regulation that takes a center stage in the governance of companies in Sweden. As it has been pointed out, the appreciation for the Nordic governance model is much higher, today, as it has been in previous decades. The idea of self-regulation, as it is being practiced in the Swedish Corporate Governance Board, offers an alternative to highly regulated governance traditions, e.g. in the United States.

Based on our findings we suggest that the society should closely observe the ownership dominance of institutional investors. There is some evidence that the shift towards more dispersed, institutional ownership, as compared to concentrated ownership will have an effect on how companies operate in the long-term. The sole focus on profit, share price,

and quarterly reports neglects other aspects of companies that might be important contributors to the overall society.

In our view, the role of media is becoming more important, because they assume a critical function in the society through monitoring the local (business) environment. We believe that both the local authorities and the media agencies are making a vital contribution for the societal upholding of institutional norms and values. Their role will continue to have a great impact on companies, and chairpersons for that matter.

8.4 Implications for Owners

We propose that owners of non-listed companies benefit to a large extent from having a qualified chairperson. The pace of change provides for many challenges but also opens up opportunities that are better understood and exploited when having a qualified chairperson (and board). In the case of institutional owners, we find that there is the perception among the chairpersons in listed companies that they do not know how to run companies. We suggest that this particular type of owner, which is now dominating the ownership of listed companies in the world, should take more responsibility in terms of their ownership.

9. Limitations

There is no unmixed good, thus we point to a number of limitations in our study. First, we encountered considerable difficulty in accessing research participants, which has been pointed out previously. The time frame of this thesis made it challenging to schedule for a sufficient number of interviews in the prescribed time. We succeeded in securing in excess of 13 hours of interview, and we have realized saturation of findings in many areas, yet we did not have the ability to conduct further interviews, which might have revealed additional insights.

In conjunction with the first limitation, we have to confine our thesis to the time restriction of the academic calendar. In fact, the time constraints are visible in our study in two ways. First, we had long lead times from the first contact with participants until the actual interview took place. Second, we conducted the majority of our interviews outside of Jönköping, which meant extensive travel to several cities in Sweden. The time spent on travel is logically deducted for working on the project. The interviews were completed on April 23, 2018, and with additional time for the analysis, we might have amplified several aspects further. Nevertheless, we believe that our thesis is comprehensive and insightful.

A third limitation of our study is the general lack of literature that made it challenging to properly carve out the purpose at first. It makes the topic of this thesis more interesting, yet it also causes challenges in terms of framing. Therefore, we incorporate grey literature, e.g. and books and newspapers. Interestingly, grey literature provides us with insights of recent discussions about our research topic.

Finally, as we have pointed out in the methodology, the participants in our study are not native English speaker, thus we have to account for potential errors that resulted from the suboptimal use of language from both the interviewers and the interviewees. We are confident that the findings are accurately reflecting the point of view of the respondents and thus making the conclusions drawn from the empirical material a vital contribution to the academic discipline.

10.Future Research

In this section, we would like to motivate several avenues for future research. In recent years, the presence of institutional owners on the Swedish stock market has shaped the ownership structure of listed companies. Given our results in relation to the ownership perspective, we would propose additional research that investigates the influence of institutional ownership on the chairperson role in Swedish listed companies. We have provided initial concepts in this direction, but our findings are confined in the small size of our sample. We invite scholars to amplify this avenue of research through a deeper engagement with chairpersons from listed companies in Sweden.

Based on the ownership perspective that we propose, there is another area that deserves further attention. We could show the significance of the relationship between the chairperson of non-listed companies and the owners, who are very often actively involved in the business. This particular kind of chairperson deserves a closer look from researchers, in particular, to determine the precise nature of this relationship. Given the different mindset of chairpersons in listed and non-listed companies, this avenue of research can add interesting knowledge to the existing body of literature on board chairs.

More in general, we invite researchers to initiate similar studies to explore the chairperson of companies in the Nordic region, to understand and benchmark the extent that our findings confirm or contradict with findings from other countries in the Nordic region. Thus far, this governance tradition has received very little academic attention, while it has produced a great number of internationally successful businesses over the years (IKEA, H&M, Volvo, just to name a few).

The complexity of the phenomenon of the chairperson has largely been neglected in the past, mainly due to the marginalization of responsibilities, as compared to the CEO. Our findings clearly indicate that the chairperson is having a more important role, nowadays, thus we motivate scholars to devote more attention to the chairperson, in particular through qualitative studies.

In relation to the previous aspect, we propose that future research could address the lack of existing theory that properly addresses the board chairperson. Thus far, scholarly literature has borrowed largely from the corporate governance literature, and authors such as Hung (1998) have pointed towards more holistic approaches to understanding the chairperson. Our research was an initial attempt to provide a more holistic understanding, yet we propose future research could aim at developing theory particularly suited to the chairperson.

Finally, we point out that the exploratory nature of the study implies that further research will be necessary to provide support for our findings or else contradict them. Given the extensive scholarly focus on the US context in previous decades, this paper invites researchers to inquire into other, non-Anglo-Saxon governance contexts, to enlighten the academic discipline.

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Appendix 1: Interview Guide

Section A
<p>Would you please reflect on your everyday activities as a chairman?</p> <p>What is your role at company ABC?</p> <p>What are your main responsibilities as chairman, today?</p> <p>How are you involved in the company?</p> <p>What do you perceive as challenges to perform the role (and tasks) that you have referred to?</p> <p>How do you handle these challenges? Can you give an example?</p> <p>Do you think that these challenges are different, today, as compared to a couple of years ago? If yes, why could that be the case?</p>
Section B
<p>What are the top three changes in the environment that you have observed in last 10 years?</p> <p>What are the drivers for these changes?</p> <p>What about institutional changes? (corporate governance code, EU regulations etc.)</p> <p>Have you been aware of any events that contributed to these developments? (corporate scandals, crises etc.)</p> <p>How did you perceive the implementation of the corporate governance code in 2005? Has it been beneficial for the company? Can you give an example?</p> <p>What are the implications for the role of the chairman given these changes (institutional context, business environment and so forth)? Can you give examples?</p> <p>What can you tell us about your experience as chairman in times of crises? Can you give us some examples? How did you do that?</p> <p>Considering that you have held other positions at the same time, what is the implication of that? Can you provide examples?</p>

Section C

How did you define your role at the beginning of your tenure at company ABC? At the end?
How is it different?

Can you identify reasons why that could be the case?

Can you reflect about your interaction with management? Owners/shareholders?

Do you believe that the chairman is a more integral part of companies nowadays?

What is your unique contribution to company ABC?

What do you consider essential in order to be successful as a chairman?

Section D

What are the major challenges for the job of Swedish chairmen in the future?

To your knowledge, are there any trends that will significantly change the chairmanship?

What sets Swedish chairmen apart from their counterparts in other governance contexts?

Appendix 2: Informed Consent



JÖNKÖPING UNIVERSITY

INFORMED CONSENT

OVERVIEW

You are invited to participate in a research conducted by two master level thesis students at Jönköping International Business School. This study is being conducted purely for an academic purpose with adherence to ultimate academic standard regarding quality, confidentiality and so forth. Your participation in this research project is voluntary. We encourage you to take as much time as you want to go through this information sheet. You may discuss with us for any confusion or clarification regarding any section of this paper as you want. Our signature will assure our standards and promises that are mentioned in this paper. Both parties will receive a copy of this form.

PURPOSE OF THE STUDY

This study is being conducted as an integral part of the master thesis project of two students. The aim of this study is to explore the role of chairman of the board in light of the changing business environment and institutional context.

PROCEDURES

We intend to engage with you in an interview to explore your experience to better understand the given phenomenon. The interview will take approximately one hour, and the location will be determined according to your preference. You will be asked some questions in a semi-structured manner for this interview.

POTENTIAL RISKS AND DISCOMFORTS

There is no anticipated risk associated with your participation in this study. You are always welcome to skip any question or to let us know to skip a topic whenever you feel discomfort during the interview.

POTENTIAL BENEFITS TO SUBJECTS AND/OR SOCIETY

There will be no direct benefit for you for participating in this study. This research is purely aiming at contributing to the existing academic literature regarding the said topic. The findings may still provide some implications for the practitioners that can be used to better understand the role of chairman from their concerned business contexts.

PAYMENT/COMPENSATION FOR PARTICIPATION

You will not receive any payment for participating this study.

CONFIDENTIALITY

We assure you that all the information, both verbal and written, that will be acquired from you for our study purpose will remain confidential with the utmost care during and after the study. We will not disclose your information without your explicit consent, with the exception of the thesis supervisor and BC1, BM1, BE1 etc. throughout the study.

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The data will be stored on a high-level online security vault provided by *SecureSafe* in Switzerland (secure server) for a period of two (2) years after the completion of the study. After this period, we will carefully destroy all the data from the storage.

We seek your kind consent to record the interview in a professional and uncompromised recording device that will solely be used for this study purpose. You will also have the right to request us to omit or mute some sections of the recording or to erase some part of the discussion during or after the interview. We respect your contribution and anonymity; thus, we will be as flexible as possible to you to meet your requirement and requests regarding the data to be collected in this study.

During our final presentation of the research findings and thesis defense, we will not disclose any information that would reveal your identity. These promises will also be applied for the final report of our study that will be submitted and uploaded to the web portal of the university library.

PARTICIPATION AND WITHDRAWAL

Your participation in this study is completely voluntary. You can refuse our proposal to be interviewed or withdraw your consent at any time during the study. You hold the ultimate power to decide which questions you would like to answer and which to skip. We may also withdraw you from the study given to unintended circumstances that may affect the purpose of the study or your identity or both.

RIGHTS OF RESEARCH SUBJECTS

You are entitled to the ultimate right to decide whether you would participate or withdraw yourself from the study. You are not abided by any legislative condition to take part in this study. Having signed this informed consent, you can always inquire about your anonymity, progress of the study, research findings or so forth. We remain at your disposal to present the research findings to you at your premises or to let you join our final thesis defense if you would want to do so. If you have any questions regarding the study or our credentials to conduct this research, you can always reach the thesis supervisor, Professor Mattias Nordqvist, Jönköping International Business School, P.O Box 1026, SE-551 11 Jönköping, Sweden, Phone: 036-10 10 00, Email: Mattias.Nordqvist@ju.se

IDENTIFICATION OF INVESTIGATORS

Please feel free to contact any of the researchers of this project regarding any question that would arise during the study period.

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