

# What are the Relations Between the Characteristics and Context of the Board and its Effectivity in Decision-Making?

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**Abstract:** The decision-making process in boardrooms has a significant impact on organizational performance. In the last two decades, scientific research on the decision-making process in boardrooms has increased. This resulted in a substantial body of knowledge about boardroom factors and their relation to organizational performance. However, the effectiveness of the decision-making process in boardrooms is still mainly a black box. Amongst other things, scientific findings seem to contradict each other, which could mean additional insights are still missing. This research aims to contribute to a better understanding of this black box. This is done by providing an overview of the existing scientific literature on the relations between these factors, the circumstances, and the effectiveness of the boardroom. The study described in this paper is based on a preliminary literature research and insights from this study will be used to conduct a more in-depth structured meta-literature review. In addition to insights into the factors and characteristics that influence the decision-making process in boards and the mechanisms that influence the boards effectiveness, the most important insights for follow-up research from this study are: findings from earlier research seem contradicting, and the research area cannot be fully understood by observing it from a single- or even double lens (like boardroom characteristics, psychological factors or organizational perspective). Part of the explanations for the effectiveness of decision-making in boardrooms must be sought in variables that are difficult to observe, difficult to measure, under difficult circumstances from multiple scientific lenses and theories.

**Keywords:** Boardroom, Characteristics, Context, Decision-Making, Effectiveness

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## 1. Introduction

The decision-making process in the board(room) is a challenging research topic for various reasons. First, the decision-making process on boards is complex (van Ees et al., 2009, Madhani, 2017 and Bezemer et al., 2022). A set of individuals with different expectations of their job, and with different backgrounds and interests must make decisions together about various organizational functions and processes, is responsible for strategy development, merger and acquisitions, monitoring organizational performance, appointing c-level executives, providing guidance and oversight, and ensuring accountability. This should be done in a limited time and with complex information (Dalton et al., 1998). Moreover, the effectiveness of boards can be influenced by various contextual factors such as industry dynamics, organizational culture, regulatory environment, and stakeholder expectations (Madhani, 2017). These contextual factors introduce additional complexity and make it challenging to isolate the impact of the board itself on organizational performance.

Because the decision-making process is multidimensional, it can be difficult to measure accurately (Sierra-Moran, 2021). Assessing board effectiveness often involves capturing subjective perceptions, evaluating governance practices, and measuring organizational performance outcomes, which may vary across different organizations and contexts (Petrovic, 2008).

Another difficulty is the availability of data and information about decision processes in boards. Much of the information boards handle is confidential. This may lead to limitations of transparency, which in turn may create a challenge for transparency, and for gathering comprehensive and reliable data for analysis. In addition, board members may have their personal strategic reasons for not being transparent (Schaedler et al., 2022).

There is much evidence of the relevance of board composition, board committees and the influence of board decisions on organizations from a practical and a scientific perspective and its relevance is growing.

In particular, the role and the composition of boards are assumed to have important influence on perceived board performance (Bradshaw et al., 1992; Preston & Brown, 2004, Yoon, 2021) and organizational performance (Callen et al., 2010; Herman & Renz, 2000, both quoted by Yoon 2021). The importance of board committees has not escaped the notice of the business community. For example, the New York Stock Exchange requires listed firms to maintain an audit committee (Daily, 1996, and Dalton et al. 1996).

Sierra-Moran et al. (2021) has highlighted the importance of board characteristics related to firm innovation for the literature on corporate governance. While Buse et al. (2016), Lu et al. (2022) and Mgamal (2022) stated that Board structure (e.g., CEO duality and board independence), board characteristics and diversity

(e.g., gender and nationality diversity), among others, demonstrate the complexities of corporate-board-issues, as well as the importance of, and necessity for, regulation and academic research in this area. As Erwin et al. (2019) state: "Given the managerial and financial turmoil experienced by organizations in recent years, understanding the role and influence of boards is an extremely salient topic for all industries"

The above implies this research topic is very relevant because of its significant impact on organizational performance, but it is very difficult to investigate. In order to conduct good and thorough research in this field, it's important to first have:

- A clear oversight of the state of the art of the research in this field (what are the main concepts in the field, and what are relevant discussions in the scientific domain?).
- A clear picture of relevant theoretical perspectives.
- A clear picture of the requirements for a well-substantiated methodological approach.

To achieve these interrelated objectives, this study poses the following **research question**:

*What are the relationships between boardroom characteristics, the decision-making processes, their context and effectiveness?*

This paper describes the most important insights from a preliminary study that aims to identify the main concepts in this field of research that are relevant to answer the research question. In addition, this paper describes the research design of the structured literature review and the results of the selection phase of this research.

In the preliminary research, a selection of specific boardrooms will not be made in advance such as for instance governmental, industry, size, rules of transparency, region). It is suspected that the scope within which a board of directors functions influences the relation between the factors and the effectiveness of the boardroom. The literature will be analyzed, among other things, for this relationship and to answer the question to keep this scope so broad in the structured literature review.

In section 2, the results of preliminary literature review on theoretical concepts relevant to the rest of the research are described. In section 3, the next step, a structured literature review is described and motivation for the methodology followed during this research. The selection phase of this next step is already taken so we can describe some characteristics of the results as well. In section 4, some of the results of section 2 are evaluated and reflections regarding the remainder of this research project is given.

## **2. Results of the Preliminary Literature Review**

The preliminary study was started by formulating several queries that were executed on Google scholar and HUGO, which is the search engine of the library of the University of Applied Science in Utrecht that provides access to various databases.

Queries contained, variants of 'board' in combination with one or more, variants of terms like 'factors', 'characteristics', 'organizational performance'. In the search process some other terms popped up after reading some articles, like 'theory', 'context', 'mechanisms' and 'positive influence' as well as 'negative influence'. In the following we discuss the main concepts.

### **Board of directors**

The main concept of this research is the board of directors. Zattoni, & Cuomo (2016) defined a board of directors as: "A governing body comprising individuals who are elected or appointed to represent the interests of stakeholders in an organization. It provides oversight, sets strategic objectives, and ensures compliance with legal and ethical standards." While Judge, & Talaulicar (2017) defined a board of directors as follows: "The board of directors is a formal structure within an organization consisting of individuals who are responsible for the ultimate decision-making authority. It acts as a fiduciary on behalf of stakeholders, ensuring the organization's long-term success and sustainability." These and other definitions of boards of directors mostly have similar elements. It is a formal group of individuals appointed with essential organizational tasks that it has to take decisions about considering different interests.

### **Characteristics of the board that (could) influence the effectiveness**

In the preliminary study of the literature several factors were found that influence the effectiveness of boards:

- Composition: like diversity of skills, expertise, experiences, and backgrounds among board members, plays a significant role (Buse et al., 2016).
- Independence: independent directors is crucial for effective governance. Independent directors are free from conflicts of interest and can provide objective judgment and oversight of management decisions (Fuji et al., 2016; Agarwal & Singh, 2020).
- Team characteristics and skills: some skills are not individually determined but are a skill or characteristic of the board as a group, like safety to have a different opinion or the ability to cooperate in a constructive way (Lin et al., 2017; Lin et al., 2018; Leblanc & Gillies, 2005).
- Leadership and Chairperson: The leadership skills and qualities of the board chairperson are vital for facilitating effective board functioning. (Renz, 2016; Guo & Masulis, 2015; Banerjee et al., 2020).
- Board Structure and Committees: The structure of the board, including the establishment of appropriate committees (such as audit, compensation, and nominating/governance committees), can enhance its effectiveness. (Rao & Tilt, 2016; Rao & Tilt 2017; Ghafran & O'Sullivan 2017).
- Board-CEO Relationship: A healthy and constructive relationship between the board and the CEO is crucial to provide guidance, support, and constructive challenge to the CEO while maintaining a strong oversight role (Garg & Eisenhardt, 2017).
- Communication and Information Flow: Efficient communication and information flow between the board, management, and stakeholders are critical. Timely access to accurate and relevant information allows the board to make informed decisions and provide strategic guidance (Wheelen et al., 2017; Gulzar & Nawaz, 2017).
- Board Evaluation and Development: Regular board evaluations, both individual and collective, enable self-assessment and continuous improvement. Identifying areas for development and implementing appropriate training or development programs for board members can enhance effectiveness (Zattoni et al., 2017).
- Governance Processes: Strong governance processes, including effective board meeting procedures, agenda setting, and documentation, contribute to the overall effectiveness of the board (Judge et al., 2015).
- Alignment with Stakeholders: Boards need to consider the interests and perspectives of various stakeholders, including shareholders, employees, customers, and the wider community. (Filtochev et al. 2019).

### **The context of the board**

Cappellen et al. (2021) explored the influence of organizational context on board effectiveness from an organizational perspective and found the following contexts to be important:

The size and complexity of an organization play a crucial role in determining the expertise and skills required for an effective board of directors. Larger and more complex organizations necessitate boards with diverse backgrounds and knowledge to oversee activities and make strategic decisions. Additionally, the industry and sector in which an organization operates have unique characteristics and challenges, demanding specific knowledge and expertise from board members. Boards with industry-specific knowledge can better grasp the strategic priorities and risks associated with the organization's sector. Furthermore, the stage of an organization's life cycle influences the role and effectiveness of the board. Start-ups, mature companies, and organizations undergoing significant transformations each have distinct governance needs, requiring boards with skills and experience relevant to the particular stage. Finally, the ownership structure of an organization has an impact on board effectiveness. Family-owned or founder-controlled firms, for instance, involve different governance dynamics compared to publicly traded companies. Boards in these contexts face challenges related to family dynamics, succession planning, and alignment of interests.

Besides the above, Schaedler et al. (2022) found that the state of the macro economy (growth versus crisis) also influences the organization. During a crisis it turns out that a specific positive correlation between factors and board-effectivity can change to a negative one, for example board independence (Schaedler et al., 2022).

In another study Rietz & Henrekson (2019) found the following contextual aspects influencing the functioning of the board:

The board size and composition in a specific region can be influenced by various factors. Firstly, cultural and social norms prevailing in the region shape these aspects. For example, in regions with a collectivist culture, there may be a preference for larger and more diverse boards, reflecting the desire for broader representation

and consensus-based decision-making. Secondly, economic conditions and regional industry composition also play a role. Regions with a high concentration of large firms or specific industries may require larger boards to accommodate the complexity and diversity of the business environment. Moreover, institutional factors such as the regulatory environment and institutional framework of a region impact corporate governance practices. Different regions may have distinct regulations and guidelines that dictate board size and composition requirements, such as mandates for independent directors or gender diversity. Additionally, the ownership structure prevalent in a region influences board size and composition. In regions with a higher presence of family-owned businesses, boards may be smaller and have a higher proportion of family members, reflecting the influence of family dynamics and interests. Lastly, the political climate and governance practices in a region can also shape board size and composition. Regions that emphasize stakeholder interests and corporate social responsibility may opt for larger boards with diverse stakeholder representation.

### **Effectiveness of the board and the performance of the organization**

One of the main objectives of the decision-making process of the board is to provide the organization with an effective strategy (Lu et al., 2022 and Pugliese et al., 2009). So, to be able to properly assess the effectiveness of the decision-making process of the board, it should be defined what an effective strategy of the organization is. According to Naranjo-Valencia et al. (2017) "the effectiveness of organizational strategy refers to the extent to which strategic goals and objectives are achieved, leading to desired outcomes and competitive advantage for the organization." Another definition is provided by Hittet et al. (2017) who state that "the effectiveness of organizational strategy is the ability of a strategy to align the organization's resources, capabilities, and activities with external market conditions and internal competencies, resulting in superior performance and sustainable competitive advantage." While Simons (2017) finds that "the effectiveness of organizational strategy refers to the degree to which the strategy is successfully executed, resulting in the attainment of strategic objectives, improved performance, and the creation of value for stakeholders." Finally, Eisenhardt & Sull (2018) state that "the effectiveness of organizational strategy is the extent to which the strategy enables the organization to adapt to changing environmental conditions, exploit opportunities, mitigate threats, and achieve its long-term goals." (Eisenhardt & Sull 2018).

Provisionally, this study assumes the following definition:

An effective organizational strategy provides the organization and its resources with a course that will, given the (uninfluenceable) and changing external circumstances, enable the organization to achieve its (long-term) goals as good as possible.

### **Mechanisms that influence the effectiveness**

Another important concept that emerged were mechanisms in the board that influenced the effectiveness of the board. The effect can be positive as well as negative.

Examples of mechanisms that have a positive impact on effectiveness of the board:

- **Open Communication and Information Sharing.** Fostering a positive board culture characterized by open communication, respect, trust, and constructive debate is essential. Board dynamics should encourage collaboration, active participation, and the free expression of diverse viewpoints (Fenwick & Vermeulen, 2018; Petrovic 2016).
- **Constructive Conflict and Debate.** Board members should engage in board discussions and deliberations in a critical on the content of the debate and at the same time a collaborative and constructive attitude towards one another (Heemskerk et al., 2017; DeGraff & DeGraff, 2017).
- **Collaboration and Teamwork.** In line with the previous item, they should respect other directors' opinions, and engage in healthy debates while maintaining a focus on the organization's best interests. Collaboration fosters effective decision-making and builds a positive board culture (Brennan, 2022).
- **Trust and Psychological Safety.** Trust and psychological safety create an environment where board members can effectively collaborate, engage in open dialogue, and make collective decisions for the benefit of the organization. It is an important condition for open communication and constructive debate (Labaki & D'Allura, 2021; Coulson-Thomas, 2018).
- **Shared Vision and Goal Alignment.** A shared vision provides members of the board a common understanding of the organization's purpose, mission, and long-term goals. It ensures that their decisions and actions are in alignment with the organization's strategic objectives. When board members share a vision, they can prioritize their efforts (and avoid conflicts) (Jaskyle, 2018).

Examples of mechanisms that have a Negative impact on effectiveness of the board:

- Groupthink is the phenomenon where the board of directors seeks conformity and consensus at the expense of critical thinking and independent decision-making. This can lead to flawed or irrational decisions (Perquin-Deelen, 2020).
- Social loafing occurs when individuals exert less effort or contribute less to the task of the board compared to when they are working individually. This can be due to a diffusion of responsibility and the belief that their individual efforts are not crucial. (Brown & Peterson, 2022).
- Dominant individual personalities refer to members of the board who assert control, influence, or authority over the rest of the board members, potentially limiting the participation and input of others, hindering collaborative decision-making, and creating power imbalances within the board (Puni & Anlesinya, 2020).
- Ineffective communication refers to a breakdown in the transmission or understanding of information within the board. It can lead to misunderstandings, misinterpretations, and a lack of clarity, hindering effective decision-making and collaboration (Nicholson et al., 2017).
- Lack of diversity and inclusion refers to a group composition that lacks representation from different backgrounds, perspectives, experiences, or demographics. It can limit the range of ideas, hinder creativity, and result in biased decision-making and a narrow outlook on issues (Buse et al., 2016 and Mgamal, 2022).
- Top of Form

Bottom of Form

### **Theoretical frameworks used as a perspective to evaluate the decision-making process of boards**

The last concept that emerged from the preliminary literature research were the theories and perspectives used in different studies. Yun Lu et al. (2022) describe four categories of perspectives of theoretical frameworks used:

1. Economic and Governance perspective, like agency, stewardship, stakeholder and managerial and governance theories.
2. Regulatory perspective, like institutional and legitimacy theory.
3. Resource-oriented perspective, like resource dependency, critical mass, human capital, signalling theory.
4. Behavioral or cultural perspectives like psychological and sociological theory.

The most mentioned theories are described here (between brackets the category the theory belongs to).

- The Agency theory (1) focuses on the relationship between principals (shareholders) and agents (board members) and examines how boards can mitigate agency problems through monitoring, incentives, and aligning interests. It explores the role of boards in ensuring accountability and effective governance (Jensen & Meckling, 1976; Fama & Jensen 1983).
- The Resource Dependence theory (3) emphasizes the external environment's influence on organizations and examines how boards acquire and manage resources to meet organizational goals. It highlights the role of boards in accessing and leveraging external resources and managing relationships with stakeholders (Pfeffer & Salancik 1978; Hillman & Dalziel 2003).
- The Stewardship theory (1) assumes that board members act as responsible stewards of the organization and prioritize the interests of the organization over their own. It explores how boards contribute to long-term organizational success by providing strategic guidance, support, and oversight (Davis et al. 1997; Davis & Cobb 2010).
- The Upper Echelons theory (4) defines the characteristics and attributes of top executives, including board members, and examines how their backgrounds, experiences, and demographics influence decision-making and organizational outcomes. It emphasizes the impact of board composition on board effectiveness (Hambrick & Mason 1984; Finkelstein & Hambrick 1990).
- Social Network theory (4) describes the importance of unique resources and capabilities possessed by boards, such as knowledge, expertise, and networks. It explores how boards' resources contribute to competitive advantage and organizational performance (Brass et al. 2004; Kilduff et al. 2000).
- Institutional theory (2) examines the influence of institutional norms, rules, and pressures on board behaviour and decision-making. It explores how boards conform to institutional expectations, norms, and regulatory requirements (DiMaggio & Powell 1983).

Among others, Klepczarek (2023) and Sierra-Morán (2021) state that most studies chose a single perspective for the evaluation of the results although most of the studies in this selection of articles state that this field of research cannot be fully understood from a single theoretical point of view. Furthermore, the studies in this selection indicate there is a lack of psychological and social behavioral perspectives in most research and this is needed to understand the process of decision-making in the boards of directors.

### **Insights to use in the structured literature review**

The preliminary research showed that the following concepts have been regularly investigated in this field: the characteristics of the board, the context of the board (influenceable, like the organization and less or non-influenceable, the sector or society), the effectiveness of the board and the mechanisms that influence the effectiveness of the board.

Based on these concepts the following sub-questions are formulated for the structured literature review:

What does science know about:

- the way factors of the board influence the effectiveness of the decision-making process?
- the way mechanisms in the boardroom influence the effectiveness of their decision-making process?;
- the way contextual factors influence the relationships between the factors and mechanisms in the boardroom on the effectiveness of their decision-making process?;

Another insight of the preliminary research is that the dynamics in the boardroom require a multi-theoretical approach. Many articles discussed research related to the direct relationship between boardroom factors and effectiveness. The insights from these studies repeatedly appear to be limited and highly dependent on (partly unknown or unclear) factors and variables that remained outside the specific research. The picture that emerges from the analysis of the literature is that new insight into this field can be found by combining insights from organizational science, economics, behavioral science and psychology.

In line with this, the structured literature review will also attempt to map which theoretical perspectives researchers have used to approach and understand the problem. This has led to two new sub-questions that will be examined during the structured literature review.

- What are theoretical perspectives that should be included to understand the research field?;
- What are directions for further research and future research approaches?

Finally, there is the issue of the scope of the research raised in the introduction. The dynamics surrounding the board of a start-up or a large multinational or a government organization that is under a public magnifying glass differs greatly. It is conceivable that different contexts require different factors for effective governance. It was decided not to limit the scope in the structured literature review. Where insights relate to a specific situation, this will be addressed and included in the evaluation of the data.

### **3. A Structured Literature Review Approach**

In section 2 we described a preliminary literature review, however, to be able to develop a rigorous research approach for a PhD study, the next step is to execute a structured literature review. This is done to create the best possible overview of a substantial part of the available scientific literature on boardrooms.

The in section 2 described insights are used to evaluate the data in the next step, the structured literature review. This means an evaluation of the factors or characteristics in the boardroom and their influence on the effectiveness of the decision-making process in the boardroom. Besides this, the aim is to create an overview of 1) scientific gaps in this research field, 2) the best possible methods to close these scientific gaps, and 3) what theoretical frameworks are available and recommended for future research to close these gaps. For this purpose a meta-systematic literature review is the most appropriate instrument (Grant & Booth, 2009).

For the sake of rigor the results are analyzed in a structured and systematic way and other researchers were involved in the selection process. The benefits of executing a literature review in a systematic way were described amongst others by Cooper (1988) and Green et al. (2006).

#### **Structured literature review**

For our research we follow the PRISMA process (Liberati et al., 2009), which is a widely accepted framework for conducting systematic literature reviews. PRISMA stands for "Preferred Reporting Items for Systematic

Reviews and Meta-Analyses." It provides a step-by-step approach to ensure transparency, rigor, and reproducibility in systematic reviews. Here is a brief description of the PRISMA process:

- Identification of Research Question.
- Literature Search.
- Study Selection.
- Data Extraction.
- Quality Assessment.
- Data Synthesis.
- Results Reporting
- Discussion and Conclusion.

### **The process**

Regarding the literature search the following process was followed:

First, 4 databases are selected based on the fact that they include journals that contain articles on boardrooms and corporate government from different specializations:

- Business Source Premier, a database which focuses on business and management literature.
- Academic Search Complete, this database covers a wide variety of academic disciplines including business and management.
- PsycINFO, specially selected because of the psychological angle on boardrooms and governance, such as organizational psychology, leadership, and decision-making processes within corporate settings.
- Web of Science, a database that provides access to a vast collection of scientific literature across multiple disciplines. It includes articles on business, management and boardrooms.

The query consists of two terms connected with a logical "AND". The first term of the query is a description of different ways a board or board of directors can be indicated. The second term of the query is indicating it must be some sort of a systematic literature review. Because there were a lot of studies selected concerning medical research (not the aim of the study) articles about 'patient'-s were excluded in the query.

As an example, the query for Academic Search Complete was constructed like:

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((Boardroom* OR "Board Room" OR "Board Rooms" OR (Board N3 (Director* OR Supervision*))) NOT Patient*) AND (((Review OR Overview) N4 (Systematic OR Literature OR Research* OR Critical* OR Finding* OR Scoping)) OR Cochrane OR Campbell)) NOT Patient*
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The first selection on different variants of the word *board* across the four databases resulted in more than 120.000 hits. The second query with the restrictions of peer-reviewed and structured literature review resulted in 1232 hits. The last query with the function undoubled (excluding duplicate articles) and without patient, resulted in a selection of 506 articles.

Inclusion criteria were as follows: 1) the title and abstract of papers should indicate the study was evaluating the functioning of boards and their effectiveness, 2) the articles must be a (structured) literature review and peer reviewed.

The studies that were conducted in a single sector or industry as well as studies conducted in a single country were excluded. After the selection process was concluded a list of 506 articles remained.

As a next step, one of the researchers did a review of all the titles and abstracts of the selected papers. Following this the total set was divided among four other researchers (each analyzed respectively 126, 126, 127, and 127 papers).

In the next step a subjective assessment was conducted. Criteria were:

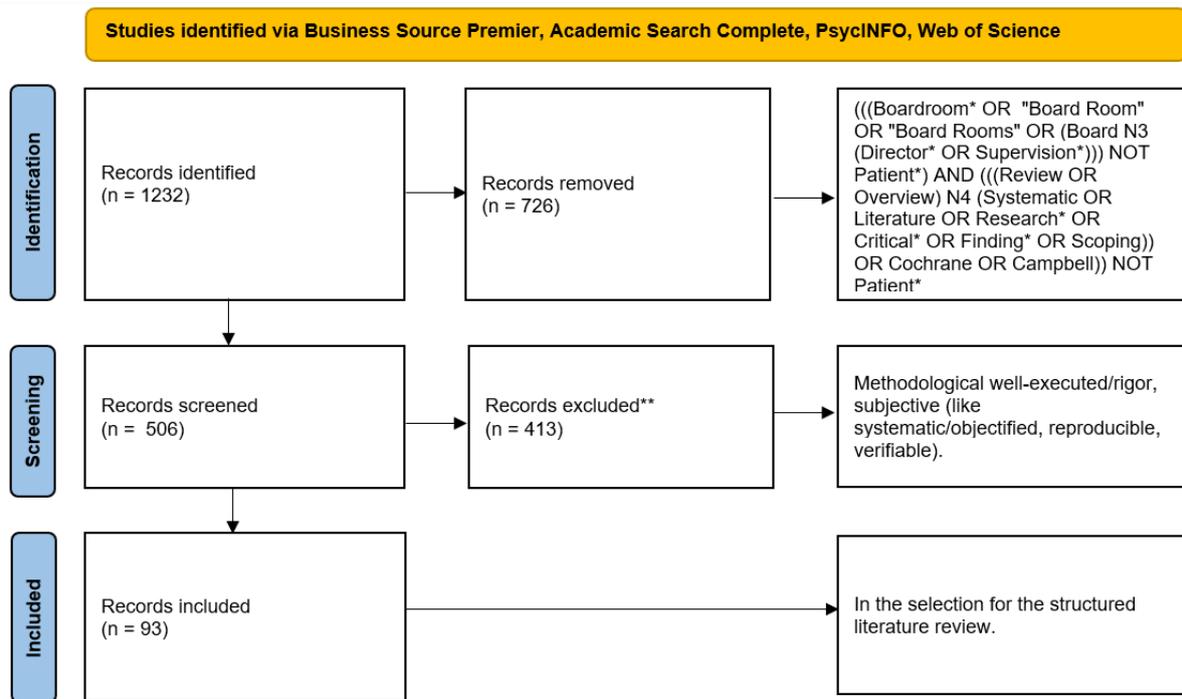
Methodological well-executed/rigor, subjective (like systematic/objectified, reproducible, verifiable).

And the inclusion and exclusion criteria from earlier steps.

The five researchers involved pre-evaluated the manner in which they were selecting the articles. After this discussion each of the four researchers individually discussed the results of their set of papers with the main researcher that evaluated all articles. Those articles where the researchers had different opinions regarding

their relevance were discussed in more detail. The articles both researchers had the same opinion on, were excluded or included as evaluated by the researchers.

This resulted in a total of 74 articles discussed and finally a total of 93 articles in the final selection (see figure 1).



**Figure 1: PRISMA flow diagram, the process in numbers**

#### Next steps, analysing the data and reporting

The selected publications will be analyzed in depth, using qualitative data analysis software Atlas.Ti, which provides a platform for organizing the literature, coding key concepts, as well as exploring relationships and themes within and across the reviews. By systematically reading and coding the literature, relevant sections will be identified, key findings highlighted, and concepts across the reviews connected.

In any case included are methodological characteristics and some basic concepts and items found in section 2, such as:

- Characteristics of the methodology, number of studies involved, scientific philosophy and discipline;
- The following concepts and items:
  - factors and characteristics that were investigated in the studies on the effectiveness of the board
  - divided in sub-classes: individual member, board as a group, organizational and what were the findings of the relation with the effectiveness of the board (positive, negative, none);
  - mechanisms that influence the effectiveness of the board, like processes / committees / cultural aspects of the team, organization or context;
  - behavioural aspects on an individual level.
  - Contextual characteristics that were investigated and how they influence the effectiveness of the board (like cultural and institutional aspects) or how they feature conditions to the board;
  - Theories, perspectives or lenses single or multiple used to analyse the data in the study and how can these theories be categorized.

#### 4. Follow-up Research in the Project

Although interesting starting points were found, still much is unclear about the total research area. It is however already clear (from almost every article in the selection of this preliminary research) that after the

structured literature review a follow-up step of this research must be done from a multi-perspective approach (Klepczarek, 2023; Zahra & Pearce, 1989; Dalton et al. 1998). The structured literature review will provide a more complete overview of the full set of perspectives to investigate this research field.

In this field of research, many studies are carried out into good observable and measurable characteristics or performance indicators. This resulted in well performed and executed research. However, this takes us only partially on the way to a better understanding of this field of research. The challenge now is to get more grip on the mechanisms that are significant but difficult to observe and measure (Klepczarek, 2023). The next step in this research project, will be an exploratory step to generate a new (more complete) theoretical framework about the relationships between decision-making processes of boards, context factors and their effectiveness. This new framework should be the base for a further step in this research project to build evidence that proves or disproves this framework.

In the further steps of this research project, the scope will be limited to keep it manageable. More specifically, the research field will be limited to a specific industry, so that some context-dependent variables become controlled variables. In addition, the effectiveness will be measured on the basis of a specific sub-goal of the organizations under investigation. This also gives the research project a better grip on the complex understanding of the effectiveness of boardrooms.

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