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Is a Board of Directors a Team?

Research Article

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Abstract: Research to date on boards of directors focuses on board dynamics and on how board members work together. This paper considers boards of directors from a team perspective and whether a board of directors is a team, drawing on insights from team coaching. The paper first highlights the unique features of boards of directors. The paper applies the team diagnostic survey criteria to boards of directors as a construct to assess whether boards of directors are teams. The paper considers psychological safety, which is critical to team effectiveness, and questions whether boards operating as teams exacerbate boards' propensity for groupthink. Viewing boards of directors from a team perspective introduces a useful human lens to understand board dynamics better and learn how boards can become more effective.

Keywords: *Board of directors; teams; psychological safety*

INTRODUCTION

To date, prior literature is ambiguous and sometimes confused when discussing top management/executive teams and boards of directors. This issue is important, as it could be suggested that boards acting as groups of individuals may enhance company performance in some contexts but not in other contexts. There are many paradoxes in the way boards are expected to operate, which often exacerbates the problem. Therefore, by adopting a teams' perspective, the objective is to enhance our understanding of board dynamics to provide new insights into board effectiveness. This paper examines whether boards of directors are teams or act as individuals in groups. The paper applies Wageman et al.'s (2005) popular team diagnostic survey criteria to boards of directors and concludes that many survey criteria apply to boards, suggesting boards are teams. Only a few corporate governance papers have drawn from research on teams and applied those insights to assessing boards as teams. Therefore, much remains unknown which supports the need for exploration of this topic. This paper extends this stream of research through addressing the following research question: Do boards of directors act as groups of individuals or as teams?

Like a sports team, there are two groups: coaches and players,[1] who have the same objective – to win the game. The ultimate goal of a company is a good performance. Executive and non-executive directors work towards this goal. The literature is unclear on whether non-executive directors and executive directors/coaches and players are one or two teams. Lord Caldecote provides the following advice to executive directors, suggesting that when executive directors enter the boardroom, they leave their executive team behind and join the board team.

1 *Unlike board directors, sports team players are drawn from a squad. Coaches can drop team members. Thus, on a sports team, team members compete against each other for their places on the team, in addition to competing against the opposing team.*

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> "When you come into my boardroom I want you to be wearing your director's hat. Each director is equally responsible with me for directing the company. You are not there to represent your function or your divisional company. Nor are you there to defend your executive performance or bid for resources for your executive activities. You are there to help me govern the company overall." (Tricker, 2019, p. 97)

Finkelstein and Mooney (2003) refer to boards as "groups". Groups of people are not necessarily teams, but teams are groups of people. Carter and Lorsch (2004), Conger et al. (2001), Nadler (2004) and Nadler et al. (2006) recommend that boards should transform themselves from a loose aggregation of individuals into effective teams. Furthermore, Finkelstein and Mooney (2003) observe that group processes such as conflict, teamwork, and comprehensiveness are critical to board effectiveness. They report that a central component of board process is teamwork, which 84 per cent of their interviewees mentioned. For board effectiveness, Finkelstein and Mooney (2003) recommend five interrelated process goals, one of which is "work together as a team." Their discussion implies that a board team comprises only non-executive directors.

Forbes and Milliken (1999) refer to top management teams and boards of directors, suggesting two teams at the top of organisations. In their study on team reflexivity in Dutch companies with two-tier boards, Rink et al. (2021) label the management board as the "top management team" and the supervisory board as the "board of directors", implicitly suggesting that teamwork occurs in the management board, not the supervisory board. They characterise supervisory boards as monitors of top management teams. Conger et al. (2001, p. 28) similarly differentiate boards and senior management teams,

> "Most team research has not focused on either boards or senior management teams. Some researchers have even suggested that it may never be possible to get such groups to be effective teams ... the reality is that no board can provide significant value to an organization unless its members truly operate as a team ... there are lessons from research on other kinds of teams that suggest basic activities in which a board must engage if it is to become an effective team."

Roberts (2002) also differentiates between the two groups, using the terms "executive team" and "board team", implying there are two teams, not one. Similarly, Nadler (2004, p. 104) differentiates the board and the executive team and goes further by observing that "A board can reach that destination [i.e., can add value] only if it functions as a team." He identifies teamwork as a board capability.

In theorising the firm's role, Blair and Stout (1999) adopt team production theory as an alternative to the traditional individualistic agency theory perspective. They argue that directors are not agents. Team production requires the input of more than one party. Under team production theory, directors and managers act as a team, and their effectiveness depends on group dynamics, with boards contributing to strategy through continuous interactions and participation in board discussion (Pugliese and Zattoni, 2012).

Prior research is either silent on whether boards of directors are teams or assumes boards of directors are teams. This paper contributes to the prior literature by adopting a conceptual approach to consider whether boards of directors are groups of individuals or teams. Understanding whether board members behave as teams or as individuals provides insights into behavioural aspects of boards, board dynamics and board cohesion. This consideration is important given how little time board members spend together, that they may hold other board positions and, in addition, may hold a senior full-time executive role. These new insights may enhance board members' mutual expectations and help board members work together to improve board effectiveness.

This paper commences by examining differences between executive teams and boards of directors, questioning whether boards of directors are teams. The paper synthesises and draws insights from the prior literature, which is inconsistent on this question. In addition, the paper draws on insights from team coaching and applies Wageman et al.'s (2005) team diagnostic survey to the specifics of a board-of-directors' context. Thus, adopting a teams' lens, the paper provides new perspectives and enhances our understanding of board dynamics. A vital construct in assessing team effectiveness is psychological safety, which the paper discusses in a board-of-directors' context. A unique challenge to board effectiveness is the risk of groupthink. The paper considers the effect of teamwork on the propensity for groupthink. The paper identifies some practical considerations for board-of-directors' training and makes suggestions for future research.

DIFFERENCES BETWEEN EXECUTIVE TEAMS AND BOARDS OF DIRECTORS

Prior literature is ambiguous on the difference between executive teams and boards, especially where some board members may be executive directors and executive team members. Table 1 clarifies the key distinguishing features of boards of directors as teams versus typical teams, summarises their distinctive features, making them unique among organisational teams (Levrau, 2007). In terms of affiliation, non-executive directors are part-time, may hold several directorships or even a full-time executive position with another company. Episodic interaction characterises boards of directors (Levrau, 2007, p. 121). Boards as a whole only meet a few times a year. Board meetings last for a limited time, and non-executive directors largely depend on organisation management for information (Brennan et al., 2016). Winter (2019) comments that this episodic approach leads to the notion that "the non-executives are not a team", weakening their relationship with executives. Non-executive directors generally comprise senior people, many in a post-retirement phase of their careers (Froud et al., 2008). They are likely to have more leadership experience than executive board members. Authority in the boardroom is less hierarchical than in executive teams. The chair is *primus inter pares* (first among equals). Boardroom authority may be a function of power, personality and interpersonal relations rather than overt authority. Board meetings operate with considerable formality, guided by written agendas. Some argue that board meetings are ritualistic and ceremonial events with unique social norms compared with other meetings (Pernelet and Brennan, 2021c). On average, boards are larger than executive teams (Levrau, 2007). Boards of 12 are common, although stripping out the executive directors would reduce the size to around eight non-executive directors. These modes of board working make it challenging to build strong working relationships. Maharaj (2009, p. 334) acknowledges the limited time directors spend together, commenting that the annual strategic meeting ("away day") *inter alia* acts as a forum for "assisting the board to operate as a team."

Table 1. Differentiating boards of directors and typical teams

	Board of directors	Typical teams
Composition	All non-executive directors, a mix of non-executive and executive directors, or all executive directors	All executives
Affiliation	Work for several organisations, possibly full time in one organisation	Work for the same organisation
Interaction	Spend relatively little time together	Spend a lot of time together
Time and information	Limited time, with information dependence on management	Immersed in day-to-day activities
Leaders as members	More likely to have leadership experience	Less likely to have leadership experience
Roles	Govern	Manage
Authority relationships	Boards have ultimate authority in law, which systemic contextual issues may constrain	CEO has authority under delegations from the board. Other executive team members have more limited authority
Accountability	Hold executives to account	Accountable to the board
Structure	Horizontal authority structure (Vandewaerde et al., 2011)	Vertical authority structure
Average team size	Larger	Smaller
Formality	Boards operate formally (see Dynamic)	Managers operate informally (see Dynamic)
Dynamic (Brennan et al., 2016, p. 145)	"Rules of the road"	"Rush hour"
Socialise	Occasionally	Regularly
Familiarity	Do not know each other well	Know each other quite/fairly well

Source: Adapted from Nadler et al. (2006) and Levrau (2007)

PARADOXES OF BOARDS OF DIRECTORS

Smith and Lewis (2011, p. 382) define paradoxes as “contradictory yet interrelated elements that exist simultaneously and persist over time.” Many board roles are conflicting. For example, non-executive directors hold management to account, which can challenge teamwork. Holding management to account requires some distrust (or maybe “trust but verify”). Table 2 teases out the conflicting roles of boards of directors, highlighting the paradoxes of boards, where contradictions pose a challenge to the team dynamics of such a group. These paradoxes raise questions concerning the operation of boards of directors as teams. There is only one captain on a sports team. In companies, some might argue there are two captains – the board chair and the CEO. Who is the captain in the boardroom? Do the chair and CEO have the same goals? CEOs may have short-term goals, whereas the board may adopt a longer-term perspective. Listed company CEOs are like politicians. On average, they have a 3-4 four year lifespan (Balafas and Florackis, 2014), whereas non-executive directors have nine-year maximum terms under the UK Corporate Governance Code (Financial Reporting Council, 2018), or even longer if they are ‘grey’ (i.e., not classified as independent) non-executive directors.

Table 2. Paradoxes of boards of directors

Role	Conflicting role
Boards are collegial groups	More and more discussion is delegated to board committees
Boards need to have collegial chemistry	Boards need to be diverse
Boards reach consensus fully supported by the whole board	Independent “free thinking” non-executive directors promote critical and constructive dissent
Boards engage in collective decision making based on effective group dynamics	Board decisions must be based on a diverse set of individual opinions
Boards must work together as a team	Boards must avoid groupthink
Truly independent directors	Annual election/ad nutum dismissal (power of dismissal without justification)
Boards need to build trust	Boards need to be vigilant on verification
Executive directors are peers of non-executive directors on the board	Non-executive directors monitor executives
Board members direct	Board members monitor
Non-executive directors are advisors/mentors to senior management	Non-executive directors are critical monitors of senior management
Board members support executives	Board members challenge executives
Boards’ duties and time commitment are increasing exponentially	Remuneration of non-executive directors is not keeping pace
Boards take decisions behind closed doors; Confidentially is a legal obligation	Increasing demands for transparency
Non-executive directors depend on the CEO for information	Non-executive directors have the same legal responsibilities even though they know less about the company than the executive directors
Non-executive directors have less company-specific information than executive directors	If non-executive directors have as much company-specific information as executive directors, they could not do their job (Brennan et al., 2016)
The conformance role requires monitoring and scrutiny and is risk-averse	The performance role requires vision, in-depth understanding, and an appetite for risk
Directors on a collegial board are equal	Executive directors (e.g., CFO) other than the CEO are day-to-day subordinates to the CEO, yet cannot act as subordinates on the board.

(Source: Adapted by the author from a wide range of board-of-directors’ literature)

IS A BOARD OF DIRECTORS A TEAM?

In evaluating whether a board of directors is a team, a collection or group of individuals working towards the same goals is not necessarily a team. However, some prior studies characterise the chair and CEO as a team (Tusa, 2020, p. 22). The executive directors are usually considered to be part of a team, the senior management team; although McGuinness (2019) stresses that senior managers are distinct from executive directors. Literature is less clear on whether non-executive directors are a team. It is not clear whether the board comprises one (the whole board), two (non-executive team and executive team) or even three teams (non-executive team, executive team, chair-CEO team). Are boards factional groups, such that members of the group represent social groups, in Li and Hambrick's (2005) case, joint venture parties? Coulson-Thomas (1994) observes that insufficient thought is given to the nature of teamwork required for an effective board. Murphy and McIntyre (2007) contend that boards are a type of team, with similarities to other types of teams, with team effectiveness contributing to board effectiveness. Some authors do not conceptualise the board of directors as a team. Altman (2007) captures the dilemma well when quoting executive coaching expert, the late Sir John Whitmore. It is clear from the quote that Sir John does not consider the board to be a team – the CEO cannot "turn to a boardroom colleague".

> "There are not many people they [CEOs] can turn to for help, often no one in their own organisation. Uncertainty about trust and confidentiality, covert in-house competition, and the slipperiness of the corporate ladder can make it hard for a CEO to turn to a boardroom colleague about issues that may concern their own or a peer's performance or tenure." (Altman, 2007, p. 29)

Conversely, Wildenauer (2015) approaches board effectiveness from a team effectiveness' perspective, identifying three dimensions to team effectiveness – (i) performance outcomes, (ii) attitudinal outcomes, and (iii) behavioural outcomes. Vandewaerde et al. (2011) consider that the concept 'team' has rarely been adopted to depict the collection of individual directors. Vandewaerde et al. (2011, p. 406) characterise the board chair as a coach who fosters board effectiveness. Francoeur et al. (2018) conclude that boards of directors are teams by assessing them against seven characteristics: (i) comprise two or more individuals, (ii) they perform organisational relevant tasks, (iii) they share common objectives, (iv) tasks are interdependent, (v) team members interact, (vi) teams maintain and manage the scope of their work, and (vii) teams are part of a broader organisational context. Coulson-Thomas (2018) cites Lindon-Travers (1990) in observing that the roles and nomination of non-executive directors have been the focus, rather than their post-appointment integration into an effective boardroom team. While authors such as Hawkins (2017) and Coulson-Thomas (2018) urge boards to take steps to build an effective boardroom team, they are more silent on how boards should do this. Clutterbuck (2013, p. 20) uses the apt term "dire-logue" to describe boardroom processes/unwritten rules/behavioural norms at board meetings. Clutterbuck and Hirst (2012, p. 181) observe that organisational communication is primarily one-way, with minimal effort to promote genuine dialogue, characterising board presentations as "one-to-group" communication.

Assessing boards of directors using team diagnostic survey methodology

This section applies the team diagnostic survey to a board-of-directors' context. The team diagnostic survey (Wageman et al., 2005) is probably the most advanced of such instruments to assess team effectiveness, and it is well-grounded academically. Wageman et al.'s (2005) team diagnostic survey comprises six criteria, three essentials and three enablers (see Figure 1). The essentials require (i) a real team, (ii) the right people and (iii) a compelling purpose. The three enablers include (iv) a sound structure, (v) a supportive context and (vi) team coaching. A real team is bounded (team members know who is and is not on the team), stable (team members stay together long enough to learn how to work together) and interdependent for a common purpose (team members must interact and share resources to accomplish the team's compelling purpose). The right people means that the team has the right skills to do the work effectively and brings a range of perspectives needed to perform creatively and well. A compelling purpose is challenging (a stretch, but not impossible), clear (team members know what it would look like to accomplish it) and consequential (it has a meaningful impact on the lives and work of others). Compelling purpose orients and motivates team members to operate in the same direction, even when they work in different places simultaneously, and they do so with energy and conviction. Other model criteria are key task processes and team effectiveness.

Figure 1 also includes the team diagnostic criteria applied to a board-of-directors' context (text in italics). Key to the board being a real team is its composition. In terms of the right people, modern governance emphasises the importance of having independent people on the board (Brennan and McDermott, 2004). Board diversity is assumed to enhance independence. In relation to the enablers, appropriate board structure in terms of board committees is also necessary. Some consultants offer board team coaching, although few if any boards avail of such services. Instead, the emphasis is on induction processes and board training. Relevant aspects of board key task processes include board effort norms (Forbes and Milliken, 1999). In terms of knowledge and skills, at least one board member/audit committee member should have appropriate financial expertise. Following the 2008 banking crisis, knowledge of a company's sector is now recognised as important. The quality of board processes is essential for board effectiveness (Currall et al., 1999).

Many team diagnostic survey criteria apply to boards of directors. Boards of directors would benefit from considering their performance against Wageman et al.'s (2005) team diagnostic survey criteria. Board evaluation exercises could incorporate these criteria. The following sections draw from prior board-of-directors' literature considering boards as teams.

Attributes of boards of directors as teams

Payne et al. (2009) suggest five attributes of high-performing teams – knowledge, information, power, incentives and opportunity/time. They argue that these attributes promote board effectiveness, which in turn influence corporate financial performance. Forbes and Millikan (1999) construct a model of board effectiveness whose eight elements (see Table 3) resonate with elements of teams, including "effort norms", "knowledge and skills", and "use of knowledge and skills" (see Figure 1). Vandewaerde et al. (2011) extend Forbes and Milliken's model, specifically in a team context, developing a 12-element model (see Table 3). In a board-of-directors' context, Sonnenfeld (2002, p. 109, p. 113) observes that:

> "It's difficult to tease out the factors that make one group of people an effective team and another, equally talented group of people a dysfunctional one; well-functioning, successful teams usually have chemistry that cannot be quantified. They seem to get into a virtuous cycle in which one good quality builds on another. Team members develop mutual respect; because they respect one another, they develop trust; because they trust one another, they share difficult information; because they all have the same, reasonably complete information,

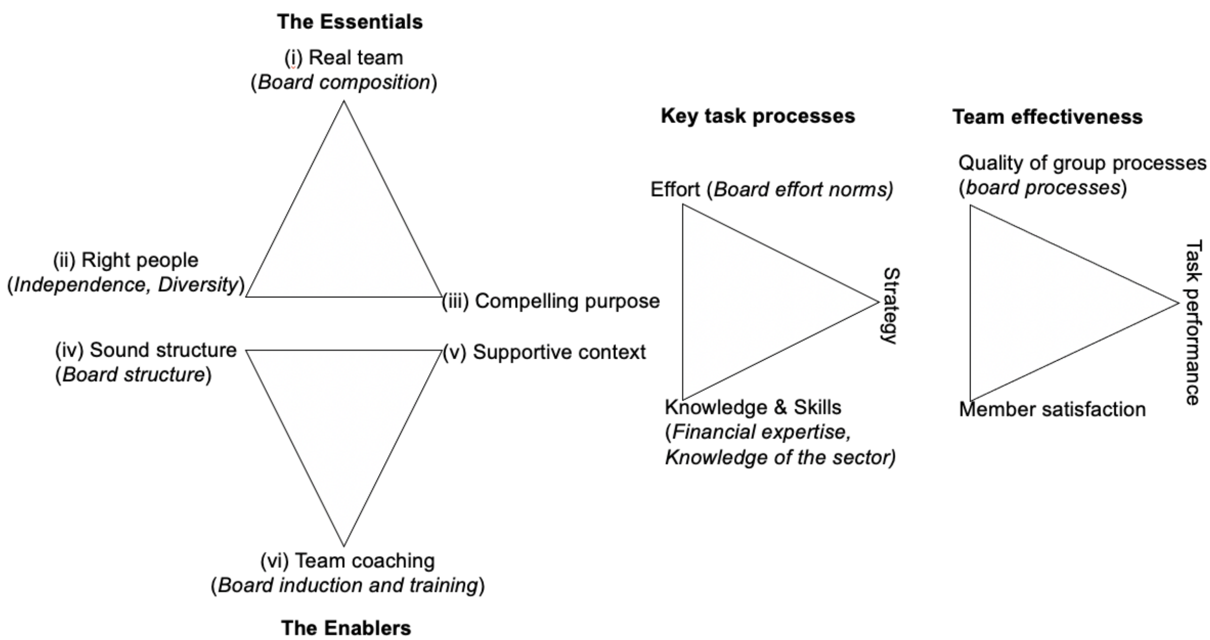


Figure 1: Applying Wageman et al.'s (2005) team diagnostic survey to a board-of-directors' context (text in italics)

they can challenge one another's conclusions coherently; because a spirited give-and-take becomes the norm, they learn to adjust their own interpretations in response to intelligent questions. … If a board is to truly fulfill its mission – to monitor performance, advise the CEO, and provide connections with a broader world – it must become a robust team – one whose members know how to ferret out the truth, challenge one another, and even have a good fight now and then."

Table 3. Two contrasting board-of-directors' models

	Forbes and Milliken (1999) model of board-of-director effectiveness		Vandewaerde et al. (2011) model of shared leadership in the boardroom
	Board characteristics	1.	Human capital heterogeneity
1.	Board demography	2.	Chairman behaviour
2.	Knowledge and skills	3.	Individual and team conditions: Affective
	Board processes	4.	Individual and team conditions: Cognitive
3.	Cognitive conflict	5.	Individual and team conditions: Behavioural
4.	Effort norms	6.	Task complexity
5.	Use of knowledge and skills	7.	Task interdependence
	Board-level/Firm-level outcomes	8.	Shared leadership
6.	Cohesiveness	9.	Behavioural control
7.	Task performance (control and service)	10.	Output control
8.	Firm performance	11.	Advice
		12.	Networking

Pastra et al. (2021) survey 184 Nordic board members on their perceptions of their boards' behavioural integration as a team and impact on board performance. They expand the prior literature on top management teams by demonstrating clear differentiation between the various board microdynamics on boardroom performance. They conclude that a team's conversational environment crucially impacts team outcomes.

Bentley (2000) is an executive and team coach. From that perspective, he applies six Gestalt concepts to his case company board of directors. He describes a board of directors as an "intimate system". His six Gestalt concepts are (i) relationships in intimate systems, (ii) relationships in the context of the field, (iii) the importance of "what is happening in the moment", (iv) all round awareness, (v) meaningful contact and (vi) working with boundaries. He observes that board relationships are often tenuous, superficial and even dishonest. He contends a board-of-directors' context is fertile for developing better relationships among people who may undervalue such contact. He applied his Gestalt approach in one board which was experiencing time-consuming misunderstandings and off-target decision-making. He got board members to work in pairs. He found the directors had a complete lack of conscious awareness of what was happing in their dialogue. They created barriers in developing relations within the group. He urges boards to become more aware of the field in which they operate together, from the individual, group and systemic context. Following the exercise, Bentley (2000) found the quality of directors' contact improved, and they related to each other with greater authenticity. Bentley (2000) also discusses conformity and differentiation behaviour in social groups. He worked with his board to get directors to locate themselves on a continuum between conformity and differentiation. He believes their early life attachment patterns may influence director positioning on the continuum. Bentley also highlights directors' biases in focussing on the past and urges consideration of the gestalt notion "what is happening in the moment", which benefits growing awareness. He conducted a further exercise in pairs to deepen the directors' self-awareness by getting them to consider mirroring or reflecting to another person how they are currently reacting to them. For this purpose, Bentley (2000, p. 182) got the directors to use three phrases: (i) I am noticing, (ii) I am imagining/wondering/thinking, (iii) I am feeling, which relate to Gestalt's three zones (outer, middle, inner) of awareness. He concludes that moving from superficial minimalist boardroom contact to contact at deeper levels improves board effectiveness.

To conclude this section, the prior literature generally assumes that boards of directors are teams but raises questions on their effectiveness.

Psychological safety

A key attribute determining whether groups of people perform as a team is psychological safety. Unless people feel psychologically safe to express their views freely, they will perform as individuals, not as team members. Ogunseyin et al. (2019, p. 51) consider team-level trust or intra-team trust, a form of trust that team members have for their fellow teammates. They define trust in the boardroom as “the willingness to be vulnerable to another board member, and this feeling is shared across board members.” Psychological safety is central to effective teams. Edmondson (1999, p. 350) defines psychological safety as “a shared belief held by members of a team that the team is safe for interpersonal risk taking.” Psychological safety encourages cognitive conflict, considered essential to effective board processes (Forbes and Milliken, 1999). Team climate features in the extensive literature on team dynamics. Kozlowski and Ilgen (2006) review 50 years of research into team effectiveness and identify key team processes with well-established, empirically supported contributions to team effectiveness. Among the team cognitive processes they identify as enhancing team effectiveness, “climate” is the most mature and applicable and evidenced by 70 years of research. They describe climate as cognitive, based on interpretive perceptions of salient features, events, and processes that characterise the strategic imperatives of the organisational and team context. Exposure to strong strategic imperatives/situations, perceptual filtering and leaders’ interpretation and social interaction, sharing of perspectives, and collective sense-making can shape teams’ consensual, collective climate perceptions. They further identify the levers affecting climate as including leadership and interpersonal interaction. Within a team’s interpersonal processes, they identify team cohesion (including shared experience and leadership) and team affect, mood and emotion (including member similarity) as key levers which enhance team effectiveness. Derdowski et al. (2018) survey 423 Scandinavian corporate directors. They find task-related conflicts negatively influence boardroom psychological team climate inventory (task orientation, safe participation, support for innovation vision). Pugliese et al. (2015, p. 8) assess the board climate on the two boards that they observe, finding contrasts in the following three dimensions: (i) the tone of the discussion; (ii) the way of dealing with dissent, and (iii) the formal or informal structure of director participation. They observe greater cohesiveness, spontaneous interactions on one board and a higher tendency to build consensus (“dissenting opinions are questioned and discussed”). Meetings showed a more disciplined “parliamentary procedure” at the second board, and directors were less participative.

Veltrop et al. (2021) observed five boards, coupled with a substantial survey, to ascertain how board climate shapes directors’ monitoring of executives. Directors are likely to be influenced by boardroom norms. They may need to overcome social pressures to monitor or challenge effectively. Veltrop et al.’s (2021) qualitative and quantitative analyses indicate that board psychological safety climate influences the monitoring behaviours of directors. Additionally, they find that the behaviour of the board chair, who creates a psychologically safe boardroom climate, increases monitoring by stimulating individual directors’ engagement in monitoring. Their findings also suggest that a “psychologically unsafe board led by a nonparticipative chair would inhibit even well-qualified and independent directors from monitoring the CEO” (2021, p. 209). Veltrop et al. (2021) identify five indicators of a psychologically safe board climate for monitoring (details shared privately with this author): (i) “If you make a mistake on this board, it is often held against you”, (ii) “Members of this board are able to bring up problems and tough issues”, (iii) “People on this board sometimes reject others for being different”, (iv) “It is safe to express views within this board” and (v) “Working with members of this board, my unique skills and talents are valued and utilised.” Veltrop et al. (2021, p. 218) also identify six positive participative leadership behaviours of the chair which set the tone for a safe board climate (adapted from Arnold et al., 2000, p. 268) which are: (i) The chair encourages directors to express ideas/suggestions; (ii) “The chair listens to directors’ ideas and suggestions”, (iii) The chair uses directors’ suggestions to make decisions that affect the company, (iv) “The chair gives all directors a chance to voice their opinions”, (v) The chair considers directors’ ideas when they disagree with them, and (vi) Chairs make decisions based only on their own ideas.

Teamwork versus groupthink

Coles et al. (2020, p. 1) distinguish between boardroom groupthink and teamwork, arguing that “greater overlap among directors can lead to greater cohesiveness of the group, which in turn can result in groupthink (negative synergies) or in better teamwork (positive synergies).” Many boards favour consensus or democratic procedures.

Limited groupthink may be acceptable if it permits boards to function, rather than experience conflict and failure to reach resolution. In a survey of 100 organisations (Drew and Coulson-Thomas, 1996), respondents ranked "Encouraging teamwork in the boardroom" sixth lowest of 17 corporate objectives for which teamwork was considered a "very important" contributing factor. Drew and Coulson-Thomas (1996) do not discuss this finding. They are not transparent about who completed their interviews/survey, whether managers or non-executive directors. Thus, it is difficult to surmise what is driving their finding. The low ranking of this corporate objective may reflect an appreciation that a board's role is to challenge management rather than engage in teamwork in the boardroom.

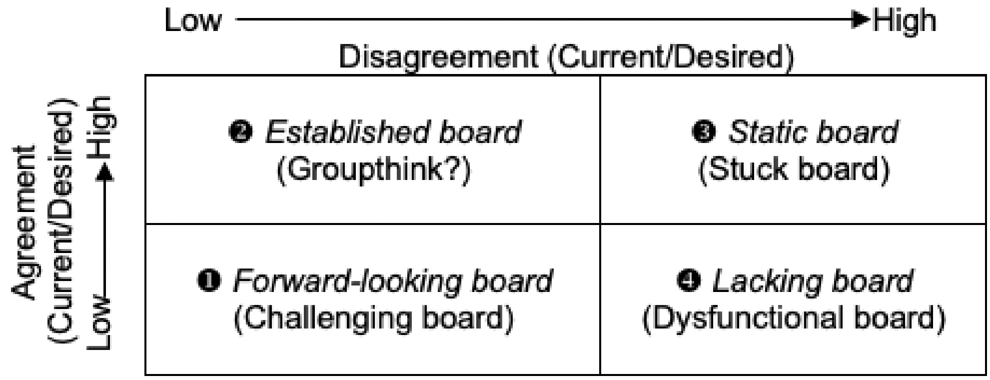
Edmondson (1999, p. 354) distinguishes group cohesiveness and team psychological safety, observing that group cohesiveness can reduce willingness to disagree and challenge others' views. She cites groupthink as an example of group cohesiveness, manifesting as a lack of personal risk-taking. Commentators regularly accuse boards of directors of groupthink. Regulations require non-executive directors to question and challenge executive directors and senior executives. The corporate governance literature and best practice identifies mutual respect and trust as necessary for this questioning and challenging to be effective but does not articulate why this is so. Edmondson (1999, p. 354) identifies that psychological safety gives team members "a sense of confidence that the team will not embarrass, reject, or punish someone for speaking up." Edmondson (1999, p. 354) defines team psychological safety as "a team climate characterized by interpersonal trust and mutual respect in which people are comfortable being themselves." Arguing that it is not the rules and regulations, it is the way people work together, Sonnenfeld (2002) advocates creating a climate of respect, trust and candour in the boardroom, which can foster a healthy culture of open dissent.

The curse of teamwork – groupthink: Reading about psychological safety is a reminder of organisations and their leaders who adopt actions to undermine psychological safety. For example, Enron – arguably the world's greatest financial reporting fraud – had a standard practice of sacking a proportion of its workforce annually (Greenwald, 2001). UK listed company, Patisserie Valerie, collapsed suddenly in 2019, following a financial statement fraud perpetrated by a supplier supplying fictitious invoices with the collusion of five finance staff members. Marriage and Beioley (2019) report that these six people were motivated by "trying to keep people happy … It was easier to fiddle the numbers than admit to bad results [to the executive chairman, Luke Johnston]." Mr Johnston could not handle people telling him bad news. Mr Johnston paid heavily for undermining psychological safety in the organisation he founded. He lost £225 million of his personal wealth. Thus, contrary to the literature on team effectiveness, some organisations deliberately engage in the opposite of a supportive context (from the team diagnostic survey – See Figure 1) in the mistaken belief it improves organisational performance.

Board dysfunction/conflict

While noting that healthy tension is essential for effective boards, Kakabadse et al. (2017) discuss how, reaching a tipping point, healthy tension might spill over into conflict inside and outside the boardroom. They acknowledge that not all conflict occurs inside the boardroom, and many conflicts are resolved outside the boardroom. Heemskerk et al. (2017) classify boards of directors into four types depending on the extent to which a board agrees/disagrees on its current and desired roles (i.e., "compelling purpose" in the team diagnostic survey – see Figure 1). A "forward-looking" board (high current disagreement/high desired agreement – Now we do not always agree, but we desire to agree) shares a common understanding of how the board should work but disagrees on its assessment of the current execution of the role. Such boards are forward-thinking because opposite thinking is not discouraged. In an "established" board (high current agreement/low desired disagreement – Now we agree, but we do not desire to disagree), all board members share an understanding of their current and their desired roles. There is groupthink as there is no desire for opposite thinking. A "static" board (high current agreement/high desired disagreement – Now we agree, but we desire to disagree) lacks a proper course. The board is stuck/static, probably because directors do not know what is not working. Finally, a "lacking" board (high current disagreement/high desired disagreement – Now we do not always agree, but we desire to disagree) lacks a common framework and is dysfunctional. Figure 2 adapts Heemskerk et al.'s (2017) classification into four board-of-directors' categories. The ideal board is low on agreement yet also low on disagreement, called the challenging board. A board with high current agreement and low desired disagreement risks suffering from groupthink. The static board (high current agreement and high desired disagreement) brings to mind the notion of "stuckness". Finally, a board low on current agreement and high on desired disagreement is likely to be a dysfunctional board.

Figure 2. Classifying boards of directors by boardroom conflict/dissent



Source: Compiled from Heemskerk et al. (2017, p. 239)

Board task performance and teamwork

Teamwork is likely to vary depending on the roles being executed. The prior literature broadly classifies board tasks between strategy, monitoring and control, and service roles (Brennan, 2006). Boards are expected to formulate firm strategy and shape strategy through continuous interactions and teamwork. Strategy development involves collaboration and cooperative problem-solving in groups. Positive teamwork is likely to affect the outcome of strategic processes. On the other hand, monitoring and control under agency theory, assumes individualistic self-seeking and opportunistic behaviour. The tension between control and collaboration (Sundaramurthy and Lewis, 2003) has also been conceptualised as adversarial versus harmonious behaviours in the boardroom (Buchan, 1981). The adversarial perspective views boardrooms as locations of 'contestability'.

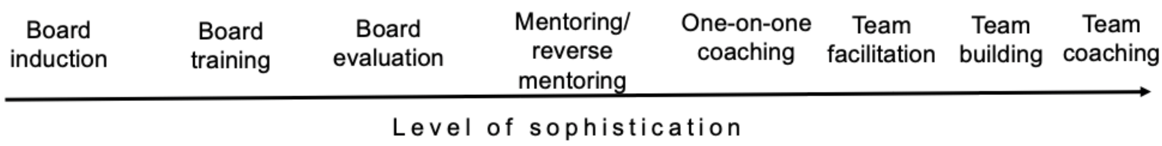
Pernelet and Brennan (2021c) video record boards who meet in public in front of an audience and in private. They interpret their findings through Goffman's (1959) dramaturgical lens. Goffman (1959, p. 79) uses the term "performance team" to describe "a set of individuals who co-operate in staging a single routine." Goffman (1959) identifies two key elements of team membership. First, there is loyalty to the team. Members depend on each other's cooperation to ensure that nobody makes a mistake or disrupts the show by their conduct or by disagreeing with each other while performing, which could lead the audience to question the effectiveness of the performance. Pernelet and Brennan (2021c) find that their boards perform governance as performance teams in public but not in private. Thus, the context (meetings in public before an audience or in private) influences how the board performs as a team.

Implications for training a board of directors

Boards engage in annual evaluations and regular training. Boards/consultants/trainers tend to base these exercises on corporate governance codes of best practice. Evaluations and training would benefit from broader considerations of softer skills, such as insights from team coaching, which form the basis of this paper. Nicholson et al. (2012) develop a board evaluation instrument based on Wageman et al.'s (2005) team diagnostic survey to diagnose board problems reliably. Their instrument assesses the team attributes of organisational boards. Their survey participants include 118 nonprofit board members from 18 boards. They find that constructs generally applicable to teams generally appear to apply to boards. However, they find boards differ from typical work teams in terms of (lack of) interdependence (board members' inter-reliance on each other), which they attribute to the episodic nature of boards' work. They also observe that singular group interactions at formal board meetings differentiate boards of directors from how typical work teams interact, which involves meeting more regularly. Cheng et al. (2021) design a survey for directors on board effectiveness based on insights from team effectiveness. They find that factors associated with team effectiveness in other settings are highly associated with a corporate governance context, specifically internal board operations.

Figure 3 shows that processes to improve board effectiveness may operate on a continuum from board induction to team coaching. Some boards may procure team coaching to improve team effectiveness. Shekshnia (2018) urges boards to practice teaming—not team building. Edmondson (2012, p. 14) defines teaming as “the *activity* [emphasis in the original] of working together.” Farmer (2015, p. 73) defines team building as “a one-off, specific event in which teams focus on improving interpersonal relations; productivity; or alignment with organisational goals.”

Figure 3. From board induction to team coaching



CONCLUSION

Research on teams is primarily focussed on executive teams. The paper addresses a key question: Do boards of directors act as groups of individuals or as teams? Boards of directors operate in such different ways that this paper questions whether they are a team. This discussion leads to the conclusion that it depends on context. Board effectiveness may be enhanced in some contexts if boards act as groups of individuals and in other contexts if they act as teams. Notwithstanding questions over whether or not boards of directors are in effect teams, this paper highlights the benefits of applying ideas from team coaching to a board-of-directors’ context, emphasising psychological safety, the risk of teamwork on groupthink and board dysfunction and conflict. Despite numerous corporate governance codes, when corporate governance fails (e.g., the Enron and Patisserie Valerie cases cited earlier), the failure can almost always be associated with people and relationship issues. Considering boards of directors from a team perspective introduces a useful human lens to learn how boards can become more effective. As Sonnenfeld (2004, p. 112) argues, “the human side of governance” is often missing in considering board effectiveness and that “the human dynamics of boards as social systems … will truly differentiate a firm’s governance.”

Research on boards of directors as teams is embryonic, exemplified by Nicholson et al. (2012) and Cheng et al. (2021). Boards have multidimensional responsibilities distinctly different from those of top management teams. More research is merited to adapt research on teams (see, for example, Katzenbach and Smith, 2008), including top management teams (see, for example, Finkelstein, 1992; Hambrick, 1981), and team effectiveness to boards of directors. Future research merits applying instruments from work with teams, such as Wageman et al.’s (2005) team diagnostic survey. Team coaching is another potential source of ideas for coaching boards (e.g., Hawkins, 2017; Hawkins and Hogan, 2014). Hawkins (2017, p. 149) observes that “the context and role of the board necessitates a distinct approach to board coaching.” In recommending his five disciplines for coaching boards, he acknowledges that “the journey through the five disciplines is often very different, due to the different context and responsibilities of the board.” Often qualitative research on boards is based on interviews with individual boards members. Studying boards as a group offers opportunities to study the effects of group work on board processes and behaviour. Many questions on how boards operate remain unanswered, such as those summarised in Table 4.

Table 4. Questions for future research concerning boards as teams

Context	When do boards benefit from teamwork versus individualistic behaviour in boardrooms? How does the type of entity (e.g., listed company, non-government organisation, state-owned entity, etc.) influence group behaviour? How does board context influence group behaviour?
Boards as teams	What are the unique features of boards as teams? What factors influence boards' propensity to operate as teams?
Board task performance	What board tasks benefit from teamwork? How does teamwork enhance board task performance? How does the need for transparency, accountability, diversity, inclusion impede or enhance teamwork?
Board dynamic	How is board dynamic enhanced/diminished by boards working as teams? How do boards operating as teams improve/dis-improve board effectiveness? How do boards' intragroup dynamics differ from other teams?
Psychology	What is the relation between teamwork and groupthink? How do interactions among team members influence cognitive and affective behaviours? How does the team leader (board chair? CEO?) influence board members' behaviour?

Video recordings of board meetings are beginning to open the black box of the boardroom, which Pugliese et al. (2015) (on director speaking time, turn-taking and silence), Nicholson et al. (2017) (on accountability routine/interactions), and Veltrop et al. (2021)(on chair participative leadership, board–CEO cognitive conflict and director monitoring) initiated. Pernelet and Brennan (2021a, b, c) also adopt observation-based in vivo methods to study board question-and-answer interactions. These methodologies offer the promise of studying difficult-to-access attributes such as the influence of board teamwork on board dynamics, board psychology and ultimately board effectiveness.

Bio

Niamh Brennan is Michael MacCormac Professor of Management at University College Dublin and Founder/Academic Director of the UCD Centre for Corporate Governance. A first-class honours, first-in-class UCD Science (Microbiology and Biochemistry) graduate, Prof Niamh Brennan qualified as a chartered accountant with KPMG, holds a PhD from the University of Warwick and is a Chartered Director of the Institute of Directors (London). In recognition of her research, Niamh was elected to the Royal Irish Academy in 2020, Ireland's highest academic honour, the first business school academic to be so recognised. Niamh also received the 2018 British Accounting & Finance Association Distinguished Academic Award, was inducted into the Interdisciplinary Accounting Research Hall of Fame in 2019 and was awarded a Fellowship of the Irish Academy of Management in 2021. Prof Brennan's papers received a British Accounting Review best-paper award, Mary Parker Follett Accounting, Auditing & Accountability Journal best-paper and 'highly commended' awards, and an Accountancy Ireland best-article award. Niamh is an Inaugural Honorary Fellow of The Institute of Directors in Ireland and an Honorary Fellow of the Society of Actuaries in Ireland.

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