How the unsaid shapes decision-making in boards
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Chapter 5
How to study what happens in the boardroom: a critical reflection on methodology
CHAPTER 5: HOW TO STUDY THE UNFOLDING OF DECISION-MAKING THROUGH THE UNSAID IN THE BOARDROOM: A CRITICAL STUDY ON METHODOLOGY

5.1 Abstract

Despite boards’ strategic importance, their societal impact, and the distinct collaboration circumstances that they are faced with, there is limited knowledge regarding what exactly happens in the boardroom. In particular, there is little knowledge concerning the unfolding of decision-making processes in the boardroom. Exploring how micro-processes shape macro-processes is challenging. This essay posits that exploring the unsaid and its effects reveals allows for exploring these decision-making processes. Exploring the unsaid enables exploring how biases and incongruities shape these decision-making processes in boards but also in research processes. More specifically, since the unsaid is the nexus between cognition and communication, putting the unsaid front and center means exploring how what is thought and felt and is communicated or is perceived non-verbally, shapes decision-making. Doing this also automatically brings to the surface how the unsaid shapes data gathering and theorizing.

Therefore, this essay explores the effects of putting the unsaid front and center in exploring board decision-making. Borrowing from Argyris, and Schon’s (1974) the ‘Left-Hand Column method’ and theories on mindreading (Nichols, Stich, 2003), 119 board members from 17 boards were asked to retrospectively reflect on what they had not said during one specific meeting and what they think others had not said and why not. Utilizing this research approach revealed that being aware of different levels of consciousness is required to research what is unsaid and why. Moreover, it also revealed that perspective-taking (a process whereby individuals debias themselves and ensure that they are aware of and explore false attribution biases when face with unexpected events) is key when conducting such research. Critically, it is only through perspective-taking that a spiral of unsaid between researcher and their respondents can be limited. Consequently, perspective-taking is essential when mitigating bias throughout the research process and consequently limiting the (perceived) risk of being judged.

Key words: decision-making, corporate governance, research methodology, unsaid, communication and cognition, sensemaking
Corporate governance scholars acknowledge that they know little about boards’ decision-making processes and, therefore, how board members collectively make sense and decide (Bainbridge, 2002; Forbes & Milliken, 1999; Gabrielsson & Huse, 2005; Garg & Eisenhardt, 2017; Veltrop, Hermes, Postma & de Haan, 2015; Westphal, 1999; Westphal & Bednar, 2005; Westphal & Zajac, 2013). Key issues that corporate governance scholars face when trying to answer these basic but essential questions primarily relate to empirical and ontological challenges. These include, how to explore the micro-cognitive and communicative behaviors that are continuously unfolding in the boardroom, how to gather data from boards with board members who have limited time, are faced with complex issues and highly sensitive information and how to derive relevant theory from this data and validate and justify theories.

This essay reflects on these questions based on data and personal experience from a PhD dissertation that explored how the unsaid shapes decision-making in the boardroom. This dissertation attempted to fill this gap by directly and inductively exploring the unfolding of decision-making in the boardroom by putting the ‘unsaid’ front and center. The ‘unsaid’ is considered the nexus between communication and cognition. When people say what they think and feel, their communication is congruent. However, when what they say does not resonate with what they think or feel or is not attuned with what they perceive to be congruent, exploring what is unsaid reveals the (perceived) incongruity that typically remains unexplored. Drawing from theories on (meta)cognition, sensemaking, learning and decision-making, this essay first conceptualizes how – through ‘unsaid’ – boards’ decision-making is shaped. This conceptualization of board decision-making created many research design and executive challenges. Therefore, the research approach and plan were designed critically reflexively (Cunliffe, 2004) so that the following question could be answered: how does the unsaid shape decision-making in boards? Critically reflexive means that the assumptions
underlying this PhD dissertation’s plan, actions and the impact of those actions on the quality of the data were critically examined. This essay reflects on the suitability of this research approach and plan for the study performed on 17 boards with 119 board members and analyzes how boards’ decision-making can be studied through exploring ‘the unsaid’.

5.2 Researching boards’ decision-making through the unsaid

5.2.1 Costly communication in boards

Although boards of directors can be perceived of as a team, they differ from normal teams and work under distinct and challenging communication circumstances. As a board is viewed as the “apex of the firm’s decision control system” (Fama & Jensen, 1983: 311), it is responsible for monitoring and influencing strategy. Boards’ monitoring task refers to their legal duty to monitor management on behalf of the organization’s stakeholders and to carry out this responsibility with ample honor and integrity (Monks & Minow, 1995). Boards of directors’ decisions shape organizations’ future and, due to these organizations’ size and importance, also have substantial societal impacts. Nonetheless, despite the strategic importance of boards’ decisions, for several reasons, they to operate under challenging communication and collaboration circumstances. First, contemporary boards often include individuals who only work part-time and have their primary affiliation with another organization. As such, they have limited direct exposure to the firm’s affairs. These directors do not know each other well and have very different backgrounds and expertise. Second, unlike many workgroups, boards have to comply with lots of strict rules and are monitored by external agencies. Based on these rules, they only meet episodically and have to discuss several important topics in a limited amount of time – full board meetings are held, on average, only seven times per year (Monks & Minow, 1995). In committee meetings, a selection of directors meet more frequently. Due to their part-time relations with the
organization, they are faced with information asymmetry and need to process lots of information in a limited period. Last, the board is organized according to an inverted power structure. Multiple non-executives monitor the CEO’s performance since the CEO is responsible for the firm’s daily operations. A decision is only executed when and if the majority of directors supports this decision. Board members are, therefore, highly dependent on each other.

Therefore, in my PhD I conceptualized the board as an information-processing group. Boards are dependent on their ability to share information and knowledge as well as their ability – through board cohesiveness – to continue working together to perform this task effectively. As board members only meet episodically and have little time to discuss many topics, board members often know, think and feel more than they can physically share in formal meetings. Communication is costly (Dewatripont & Tirole, 2005). Therefore, a lack of time, the effort required and the perceived risks of speaking up influence what is said and not said (Dewatripont & Tirole, 2005; Malenko, 2014) as well as what is said and not said preconsciously and consciously. Although board members might consciously choose to silence their thoughts and feelings, it is proposed that they also operate preconsciously. When board members operate preconsciously, it automatically suggests that they might not be aware of the unintended impacts of their communication.

Specifically, when the speaker intentionally or unintentionally communicates a (partly) different message (what is said) than what the speaker thinks or feels (the unsaid), the speaker becomes incongruent. Incongruity refers to speakers who do not mean what they say or whose non-verbal cues are not in line with what they say. Moreover, since people use their ‘mindreading skills’ to assess situations, the receiver might assess this incongruity. This “everyday capacity to understand the mind or ‘mindreading’ plays an enormous role in our lives” (Nichols & Stich, 2003: 237). When the receiver correctly or incorrectly perceives
words to disagree with their tone of voice and other non-verbal behavior, they tend to believe the tonality and non-verbal behavior (Mehrabian, 2011). They will then respond to this message consciously or subconsciously and verbally or non-verbally. Therefore, the concept of ‘the unsaid’ was introduced to capture what is not said but is nonetheless unintentionally and preconsciously communicated and can be decoded by others through their mindreading skills. Thus, senders not only communicate what they say but also what they do not say. Moreover, although receivers do not speak, others might still be able to read their minds. Consequently, a governance paradigm of individuals is shaped through what is said and unsaid, and then enacts what is said and not said. Therefore, automated voice behavior consists of the said and the unsaid. What is said and not said depends on implicit, taken for granted governance assumptions of individual board members and how these assumptions shape their and other’s voice behaviors.

5.2.2 Designing an approach, method and plan while putting the unsaid in front and center

Since boards are cited to be reluctant to participate in research due to privacy, commercial sensitivity and lack of time, designing a feasible research approach, centered around taken for granted, actual ‘in the moment’ silence behavior and underlying assumptions, was challenging. This was also difficult because researching unsaid is less omnipresent.

The first hurdle that needed to be overcome was identifying how to study how the unsaid shapes board decision making. Since what people say and do not say ‘in the moment’ is connected to what was previously perceived to be said and not said, individuals preconsciously and in milliseconds ‘look back’ but also ‘look forward’. Based on their in the moment ‘calculation’, they then decide how to respond. Although their actual behavior – the said – could be assessed through observation, it would not be possible to ‘see’ how they assess ‘in the moment’ situations and why they choose their specific response to these situations. Therefore, exploring their assessments and responses required board members to
reflect on their assessments during specific relevant moments and why they choose to respond the way they did. Reflecting on the unsaid has been a research method for three decades, and it was, therefore, clear that it would automatically reveal taken for granted assumptions. This method comes from action science and is based upon Argyris and Schon’s (1974) ‘Left-Hand Column method’ (Argyris & Schön, 1974; Argyris, Putnam & McLain Smith, 1985; Putnam, 1991; Senge, 1997). This method would help to explore the unsaid and underlying taken for granted assumptions during perceived relevant moments. The method distinguishes between what is said (the right-hand column) and what is not said (the left-hand column). It is a reflective tool used retroactively after a specific conversation has taken place. This ‘two-columns’ method helps individuals identify self-censoring processes that take place in conversations and “has been used effectively (by a conservative guess) with over 10,000 individuals representing varying degrees of categories” (Argyris, 2011: 26).

Moreover, Theory of Mind theories (Premack & Woodruff, 1978) were utilized as board members would be able to express what they thought others were thinking and feeling but not saying and what they thought would keep them from saying it. Consequently, board members were asked to reflect on four questions shortly after one meeting that they agreed I could observe. These questions were: a) What were you thinking and feeling during the meeting, but you did not say? b) What kept you from saying it? c) What do you think were others thinking and feeling but did not say? d) What do you think stopped them from saying it?

Based off findings from previous research, it was clear that by drawing from these theories that although individuals might not always be able to reconstruct precisely what was said and not said, “they are unlikely to be able to misrepresent the rules behind behavior” (Argyris et al., 1985: 240). This is because, “given the nature of rule-learned behavior, individuals can’t consistently play at a set of rules that they do not know or have competence in” (Argyris et al., 1985: 240). Moreover, according to Nisbett and Wilson, “though people may not be able
to observe directly their cognitive processes, they will sometimes be able to report accurately about them” (1977: 231). It was also assumed that even if board members’ recollections and reflections were incorrect or incomplete, through asking the same questions to all members present during the same meeting, an interesting more complete view on the meeting that had taken place would nonetheless be attained.

The second issue that needed to be resolved was how to convince boards to participate – inquiring into the theories behind actual behaviors through reflecting on the unsaid risks creating resistance (Argyris, 1992). Board members are judicially responsible for speaking up. Therefore, by participating in a research study that requires them to reflect on the unsaid automatically needed board members to acknowledge that everything is not said. Making them aware of this incongruence could, however, make them defensive. As de-biasing is not easily done due to subconscious avoidance of fear, shame and embarrassment (Schein, 2004), there was a chance that the unsaid could be enacted between myself and the boards just by posing the research question and inviting them to participate. Additionally, since boards are also perceived to be reluctant to participate in research as they are busy and only see each other episodically, the study’s approach would need to be designed reflexively so that it persuaded boards to participate and encouraged individual board members to voice the unsaid. This approach involved a) being transparent on the purpose, intention and assumptions underlying the research question b) ensuring confidentiality at the individual, board and organizational levels, c) showing that the study would not require significant amounts of board members’ time and d) offering a service in return that would legitimize the effort, risk and time board members spent on the research. Thus, this study’s invitation:

1 The association for directors of Housing Corporations allowed me to send an invitation through their communication channels. Additionally, by explicitly supporting this PhD dissertation, this association made this dissertation possible as many of their members responded to the invitation. Moreover, as this invitation letter was co-signed by two highly esteemed Dutch corporate governance professors, boards were made aware of the involvement of these professors.
elaboratively and explicitly described the purpose and theory behind the research question and design as it was assumed that transparency on goals and intentions was key. Second, it was explicitly stated that the board members’ effort would be limited to a one-hour interview. Last, each board was offered the opportunity to discuss and reflect on the study’s findings. The goal was to attract at least eight boards.

The third problem that needed to be solved was determining what ontological and epistemological perspectives would be consistent with the study’s approach. Conceptualizing decision-making through the unsaid made it evident that there was also a risk of eliciting unsaid throughout the research process. Consequently, exploring the unsaid elicited many, often taken for granted, onto-epistemological questions. The questions were: What is the impact of the boards that are willing to participate while others do not on the quality of the data? How to explore what is not said preconsciously and unintentionally? How to ensure that the respondents share the most relevant information and how to limit the effects of what is intentionally and preconsciously not said? How does what I say or do not say shape the findings? Therefore, how true or valid are the findings?

Considering the highly dynamic and intersubjective nature of the unsaid, as individuals decide what to say in the moment based on what is previously said and not said, I adopted an intersubjective approach (Cunliffe, 2011) for this study. This approach “draws on a relational ontology to explore the relational, embodied, and intersubjective nature of human experience” (Cunliffe, 2008: 129). It assumes that knowledge “is an embodied and intersubjective knowing, that may be understood through radically reflexive practice” (Cunliffe, 2008: 129).

As a consultant, I had been reflecting on my taken for granted assumptions since 1998 through the left column case method that I had been taught. As a consultant, I had, moreover, become more reflexive through teaching my clients ‘reflection on action skills’ since 2000. Therefore, I had been consciously acquiring reflective practitioner skills (Argyris & Schön, 1997; Argyris,
1992; Putnam, 1991), which are also currently referred to as critically reflexive practitioner skills (Cunliffe, 2016). I tried to debias myself and limit the unsaid in the interviews in two ways. First, through explicitly testing assumptions with respondents, especially when inconsistencies, tensions and dilemmas were perceived. Second, notes were taken of the moments when I had not been able to express these inconsistencies during the interviews and, therefore, knew the unsaid emerged between me and board members. These notes were used to reflect on the effect of what remained unsaid on theorizing and this PhD dissertation’s findings.

5.2.3 How was unsaid reflexively acquired and analyzed?

Four data points were used in this PhD dissertation. Board meetings that were observed between August 2017 and January 2018 were the first data point. Some boards had three different board meetings in succession (one with work council members but without the CEO and other executive board members present, one with only non-executives, and one with both executives and non-executives). While similar topics were discussed during each of these, the different board members that participated in these meetings affected the communication events. Through the observations of the meetings, contextual information was acquired that proved to be essential to effectively inquire into each board members’ thinking and analyze its meaning.

The study’s second data point consisted of confidential interviews that lasted for, on average, one hour. These were conducted with each board member and were held within two weeks of the board meeting that was observed. Through tape-recorded data of the meetings, I re-listened to what was actually said after receiving all of the board members’ retrospective accounts. Therefore, it was possible to explore the differences and alignments between what individual board members recollected and what was actually said and not said. Additionally, the observations and tape-records of the meetings, in combination with the retrospective and tape-recorded accounts of all the board members that participated in that meeting about what
was said and not said, offered unique insights into board communicative event cycles. This is despite one or two board members from each board not appearing to share all that they knew during the interview.

A third data point in this research was the tape-recorded meetings in which this study’s findings were presented to 11 of the 17 boards. The final data point involved a conference, in April 2017, with 120 members of the Dutch Housing Corporation’s union for non-executives in which this study’s (preliminary) findings were presented and discussed. Through presenting and discussing preliminary findings per board and with members of the union collectively, it was possible to theorize with board members about the effects of shared implicit theories on actual behavior in the boardroom. The more boards that were observed and the more interviews and presentations conducted and feedback received, the clearer the patterns, shared assumptions and the inconsistent assumptions between board members of the same board became, and patterns started emerging from the data. After 15 boards were studied, the patterns stopped deepening, and a saturation started emerging regarding the unsaid (see Figure 5.1).
5.3 Reflection: how did the unsaid shape this PhD dissertation’s findings

Through continuous reflection, I inductively found that different levels of consciousness determine what becomes said and not said and what did and not encourage board members to share their thoughts and feelings.

5.3.1 Different levels of consciousness and unsaid

While implicit assumptions through the unsaid, I learned that levels of consciousness influence how much is said and remains unsaid. In exploring unsaid and paradigms, I realized it is essential to acknowledge, recognize and distinguish between these different levels. All types of unsaid are relevant but have different meanings. Moreover, recognizing and acknowledging different levels of unsaid is essential because it requires different approaches to uncovering it. For example, when aware of these different levels it becomes evident that forcing someone to speak up does not work. Four levels of consciousness were distinguished (see Figure 5.2).
Figure 5.2: Levels of consciousness of what is said

First, ‘the unthought known’ refers to consciousness that cannot be verbalized as it is unknown, sometimes even repressed. This type of knowing is, at most, slightly sensed through carefully discerning body language.

For example, on one board, the chair (board 5, interview 30)2 said during the meeting that “it does not feel good” but could not verbalize why. Although he was able to reflect during the interview what he felt and thought during the meeting, in the interview, he still could not assess, verbalize and thus explain precisely what he was feeling and thinking. The complexity of the issues he was faced with seemed too big and complex.

Second, ‘the unsaid known’ refers to preconscious knowing, which is used for automated, skillful responses that are not repressed and can be verbalized when reflecting on it with trusted others. Many board members said during the interview that they had never before reflected on the ‘what is unsaid?’ However, most board members could express the thoughts and feelings they were having during the meeting and why. These thoughts and feelings were often taken for granted and typically not considered relevant. Many board members said that they considered focusing on the unsaid and the reasons behind silencing

2 Further details about the study sample are available upon request.
and voicing thoughts and feelings new and interesting. Moreover, this dissertation found that the question about the unsaid sometimes elicits more reflective questions and automatically elicits exploring more taken for granted assumptions.

For example, on one board, a board member (board 12, interview 75) said that she felt irritated when the board was asked to evaluate the new management report. Through reflecting on why she had not voiced her irritation, she also started reflecting on why they had discussed this topic in the first place and what they should have discussed instead and wondered who and why it had been suggested that board members should discuss this topic.

In many interviews, board members asked what I was thinking and how I assessed a specific event. As I assumed that transparency would encourage sharing unsaid and implicit theories, I answered these types of questions while being aware that the answer could influence the respective board member’s answers. Thus, for example, on one board, a board member (board 8, interview 47) asked me what I had noticed while talking to the work council and what I thought had remained unsaid. My answer intrigued the board member and made him more conscious of how the hierarchical relationship between board members and the work council could have shaped the unsaid between them.

Third, ‘the unsaid’ refers to what is not said consciously. Individuals can, without help, verbalize thoughts and feelings, and they only share these thoughts and feelings when they consider voicing them safe and without personal and relational risk. The unsaid is only shared with individuals that board members trust and know will respond well to their thoughts and feelings.

This study found that when board members consciously withheld information from their peers, they often double-checked with me how I planned to use the information, and how confidential information would be treated. The board member would only share their information after discussing their questions properly. Sometimes it took more than half an hour before these board members shared their highly sensitive information and the reasons for withholding them. Additionally, before sharing these types of thoughts, they often asked me many personal questions.

Fourth, ‘the shared unsaid’ refers to information that is informally shared with a subgroup of people. These individuals thus belong to a group and collaborate in achieving a specific goal but do not formally share their information with the collective group. In boards with high levels of unsaid, I found that board members often referred to informal conversations with peers taking place between formal meetings. Other board members who were not participating in these conversations often did not refer to these conversations, which
suggests that they were either not aware of what is being discussed between who and when and why or did not think that it was relevant. From what board members said in interviews about the unsaid, it increasingly became evident that the colloquial meaning of the unsaid is what is intentionally withheld, and this excludes the taken for granted, silent assessments that are often assumed irrelevant. Consequently, it is clear that these board members do not consider evaluating previous experiences, meetings and conversations similar to exploring the unsaid. They are unaware that informal and private conversations also shape assessments, feelings and opinions, and, in the case of attributions and speculations, risk eliciting more unsaid. The effect of conversations, which is often referred to as coaching, gossiping or sensemaking, on the levels of unsaid and, therefore, decision-making depends on what is said, with whom, when and why.

Finally, ‘the said’ refers to what is shared formally, with all members of the group. Nonetheless, what is said can be considered the formal knowledge of a board, and board members were found to risk hearing and recollecting what is said differently. Even when all is said, it does not mean all board members assess their situation in the same way.

For example, although on some boards the levels of unsaid were low, these boards recollected and discussed different moments during the interviews and considered different moments relevant and interesting (boards 1, 3, 5, 7, 9, 10).

Through this study’s findings, it is evident that although some board members retrospectively became aware they could and should have shared their thoughts and feelings and also realized they could and should still share these thoughts and feelings, they nonetheless did not.

For example, in the interview with one of the board’s CEO (board 8, interview 52), the CEO realized that it was only after the board meeting that she had understood what had caused her to respond defensively in the meeting. Although during the interview, she said that she realized she should discuss it with the board as it would improve their collaboration, during the presentation of this study’s preliminary findings, it became clear that she had chosen not to share what had been discussed.
5.3.2 What encouraged or discouraged the sharing of unsaid?

Reflexively exploring what had encouraged and discouraged board members and myself to share our thoughts and feelings enabled this study to find that (explicit and implicit) perspective-taking encouraged sharing of the unsaid, while (explicit and implicit) judging discouraged sharing the unsaid. When referring to perspective-taking, this essay means the intent to understand the perspective of someone else, including their unconscious and preconscious fears and emotions including the perceived and actual risks of sharing thoughts and feelings. Fully being able to take someone else’s perspective is almost impossible – the word intent is, therefore, included. Board members appreciated the intent to understand their fears and concerns, and this study’s overall approach of seeking to understand and not to judge (See Figure 5.3).

Figure 5.3: suppressing or encouraging the sharing of unsaid

I realized two types of perspective-taking can be distinguished: prospective perspective-taking and perspective-taking ‘in action’ or ‘in the moment’. With prospective perspective-taking, I refer to a three-step meta-cognitive exercise which involves a) thinking
about the anticipated thinking of stakeholders (in this study’s case boardroom members) b) empathize with their thinking and c) based on this appreciation strategize a response that considers their fears, desires and practical concerns. Prospective perspective-taking was essential in designing this PhD dissertation’s research approach as the inference of how board members would assess the effort, time and risk of voicing thoughts and feelings, while having to comply with many rules and are expected to speak-up, helped design an approach that I thought would limit board-members fears and obstacles.

The invitations that were sent to boards included the arguments that I thought would help them overcome possible mental obstacles to participate. I transparently described the motive and reasons for exploring the unsaid. I explicitly noted this study’s interest in exploring the taken for granted way of choosing a response as boards consist of many board members and need to discuss many topics in a very limited amount of time, which means that not all can be said. Moreover, the invitations emphasized how much time and effort participating would cost and, therefore, precisely stated what was being asked of them individually. The invitations also emphasized that I would sign a confidentiality agreement and information shared could not be tracked to the individual level. Last, a service was offered in return: the study’s findings would be presented with each board.

Nonetheless I carefully and reflexively designed the research approach, I learned continuous ‘in the moment’ or ‘in action’ perspective-taking was also required to minimize the levels of unsaid. During interviews, I often faced questions and responses that I had not foreseen. I had even on occasion felt verbally ‘attacked’ with its effects on heightening the levels of unsaid by myself. Retrospectively analyzing these moments, I realized that through ‘in the moment’ perspective-taking I had been able to stabilize my levels of unsaid during these unexpected moments through ‘in the moment’ perspective-taking. During these moments I had been able - while talking – to reflect on good reasons for the other person to behave in the way he or she did. This then allowed me to properly explore their concerns and thoughts of these board members instead of focusing on my own thoughts, concerns and anxieties.

In an interview (board 15, interview 100), from the tone of voice of the CEO I inferred that the CEO was not happy to see me and made me think that she would have preferred not to participate in the research. Although I felt attacked, I chose not to say anything, and I decided to ignore my feelings and tried to carefully listen to what the CEO
asked and said. I also decided to transparently respond to all her questions nonetheless the anxiety I was sensing. Before executing the interviews, I reflected on a situation like this one, and in that sense, had been somewhat prepared. Nonetheless, when it happened, I still felt very challenged. While listening carefully to what the CEO was saying, I empathized with her and through my response I noticed that her tone of voice changed. Then, after a while, the CEO asked me about the confidentiality arrangements and when we exchanged information, the CEO started sharing very sensitive information with me. Thus, although I experienced high levels of unsaid in the beginning, at the end, I estimated the levels of unsaid to be very minimal.

In some instances, however, I had not been able to take perspective ‘in action’ and noticed that the level of unsaid, that emerged during the meeting, had increased as I had not shared how the questions and remarks had made me feel.

For example, in one interview (board 7, interview 41), I felt that the chair was so convinced of how boards should be governed that I started having thoughts and feelings about this chair’s performance but did not share these thoughts and feelings with him. I made assumptions about how this chair perceived me and my role and assumed it would cost me too much effort to share my views on boards, unsaid and my role. I however therefore did not test my assumptions about the chair and was aware that I therefore could have been biased and assessed the situation incorrectly.

Consequently, I found levels of unsaid can increase and decrease in one interview, depending on my ability to take perspective ‘in the moment’.

5.3.3 Perspective-taking and encouragement of sharing of thoughts and feelings

I found that being constantly aware and considerate of the many good reasons board members have for silencing their thoughts and feelings, had helped me help them decide whether they should speak-up during the interview. As I was aware of these good reasons for silencing thoughts and feelings, I did not try to convince them to speak-up. Moreover, as I was aware some board members might not be aware of their implicit voice and silence theories and their actual in the moment voice behavior, I expected some board members could have, and could express, conflicting and inconsistent theories. This expectation and appreciation had helped me respond with compassion ‘in the moment’, even when I sometimes had felt really challenged by (seemingly) inconsistent responses. In these
situations, I had to suppress the urge to show and correct, instead of explore, these inconsistencies. Retrospectively, I realized that through perspective-taking I had made an assessment of their silence and voice theories during the interview and tried to help them decide to speak-up or silence their opinion in the interview through transparently responding to their questions and sharing my implicit (silence) theories.

For example, I regularly noticed board members choose to share their thoughts and feelings only after they had asked several questions regarding the confidentiality arrangements I had offered. Only after I had elaborated on how I planned to comply to these arrangements and had explained how I planned to respond to real dilemma’s relating to confidentiality, they decided to share their information. Through answering these questions extensively, I had tried to show that I took these arrangements very seriously and had even reflected on future dilemma’s and scenarios. These questions allowed me to explicate my implicit silence and voice theories and helped board members to decide if my response was sufficient. I regularly noticed ‘in the moment’ during the interview, they decided to speak-up, only after we had discussed this topic and sometimes board members even said that based on my response, they decided they could speak-up without too much risk. In other words, they made an ‘in the moment’ assessment of whether they thought I would appreciate, understand and value the sensitiveness of what they wanted to share with me before deciding to speak-up. Thus, the quality of my perspective-taking and empathizing affected if and how the board members shared sensitive information.

For example, one board member (board 3, interview 16) explicitly said, “I think you will understand what I mean when I say that I appreciate Zen Buddhism and you will not judge me for it”.

Another board member (board 1, interview 3) estimated that I would understand how complicated financial issues had caused governance dilemmas. I knew he had made an estimation of the situation because before he started explaining, he checked my knowledge on financial issues, and I then noticed through his body language that he was going to put in the effort required to share the story.
Sometimes board members started doubting their openness during the interview shortly after they had shared information. In these situations, it seemed board members assessed the risk of speaking-up only after they had spoken and tried to manage the risk by nuancing or changing their previous remarks.

For example, one board member (board 12, interview 77) who had shared some thoughts and feelings about his boards’ performance at the end seemed worried about how it had affected my opinion of the board’s performance. He repeated a few times, “Nonetheless, except of ‘some’ issues we are facing, our board is really performing well” while during the interview he had described a very challenging situation in the board.

5.3.4 Fears relating to judgments suppressed the sharing of unsaid

Through reflexively exploring the unsaid emerging between on the one hand board members and on the other board members and myself, I distinguished four types of fears relating to judgment had inhibited or seemed to have inhibited sharing all information during the interview.

First, the (perceived) risk that judgements about peer board members performance could surface increased the levels of unsaid in the interviews. For example, board members who judged their peer’s behavior unfavorable feared that if their judgement would surface and become known to other board members, it could damage the board’s cohesion, risk hurting relationships between board members or it could risk their position on their board. Therefore, the confidentiality arrangements were needed to assure them I would not share this information with their peers.

Second, some board members shared concerns about (actively) participating in this study as they feared that this study’s outcome could negatively impact the board’s image and that society at large would judge board members’ performance.

For example, one board member (board 15, interview 93) said that he feared that this dissertation’s outcomes could be used to enforce more rules on the boards, and he felt that they were already faced with too many rules that inhibited their performance.
Another board member (board 15, interview 100) feared what could happen if the outcomes of this dissertation would be used by journalists to falsely and incorrectly accuse board members of wrongdoing. One board member (board 16) who, according to the chair, had agreed to participate, canceled the interview two hours before the meeting, and said that he did not have the time to talk on other days. It was assumed despite the confidentiality arrangements that he considered the risks to be too high.

Third, nonetheless rarely, board members seemed to fear being judged by me, or by themselves. As board members seem to be conscious regarding how one should govern, (they often referred to written and unwritten rules on how boards should behave and why) and thus should voice concerns and opinions, some board members said they strongly disagreed with me about the suggested presence of the unsaid and its effects on decision-making. During these conversations they would – often seemingly preconscious – share remarks that were inconsistent with their opinion (“All is said but not all can be said”). However, in these instances, due to their strong opinions, I was not able to explore what I had perceived as inconsistency and the inferences I had made based on these moments.

Fourth, reflecting on moments where I had not shared my thoughts and feelings myself or had felt hesitant to do so, I realized I too had withheld information due to fear for being judged or the fear for the effects of my judgement.

For example, when I noticed in the interview that I started judging a board members response and opinions, I feared that if I would speak-up, I would be considered judgmental in the eyes if the other, which in fact I was. In these instances, I considered the price of sharing these reflections that emerged during the interview, too high and made notes of what I had not said as it could have influenced the remaining responses I received during the interview.

5.4 Summary

This essay reflects on why researching the unsaid is key when exploring taken for granted assumptions, voice behaviors and decision-making in boards. It also explores what researching the unsaid in boards requires. Since, the unsaid is considered the nexus between cognition and communication, exploring it reveals what is not said but is nonetheless communicated or perceived non-verbally. Borrowing from Argyris, and Schon’s (1974)
‘Left-Hand Column method’ as well as from theories on mindreading (Nichols & Stich, 2003), 119 board members from 17 boards retrospectively reflected on what they had not said during one specific meeting (senders cognition) and what they thought others had not said and why not (receivers cognition). Exploring these recollections and comparing them to the tape-records of the observed meeting revealed interesting findings regarding the unfolding of the decision-making in the boardroom. However, this approach elicited many design challenges. Reflecting on this research approach revealed that being aware of different levels of consciousness is required for researching taken for granted assumptions. Moreover, it also highlighted that perspective-taking is key when conducting such intersubjective research. Through perspective-taking, researchers are required to debias themselves and be aware and explore false attribution biases when faced with unexpected events. Also, perspective taking minimizes the (perceived) risk of being judged by sharing thoughts and feelings. Thus, only through prospective and in the moment perspective-taking can a spiral of unsaid between a researcher and their respondents be limited and which minimizes biased theorizing.
Chapter 6
Discussion
CHAPTER 6: DISCUSSION

This dissertation explored the black box of decision-making in the boardroom by putting the unsaid front and center. In line with this dissertation’s objective, which was to solve a mystery, breakdowns and inconsistencies, an abductive research approach was chosen. Consistent with this approach, theories were generated, developed and appraised in three successive phases. Two types of triangulation were applied to account for the participants and researchers’ (and their theories) different perspectives as well as the effects of their biases on the research question and theory generation, development and appraisal. A conceptual model emerged from the theory generation phase and helped to design the research plan reflexively. This dissertation’s main research question was: How does the unsaid shape decision-making in the boardroom? As a response to this question, four sub-questions that emerged from this dissertation were answered. These questions were:

1) How do social-cognition and communicative events reciprocally, silently and preconsciously shape decision-making processes between board members and their stakeholders?

2) How do board members’ paradigms elicit a spiral of unsaid and shape decision-making?

3) How do boards, through silence climates, manage the tension between cohesiveness and cognitive conflict?

4) How should what happens in boards be studied?

Theories emerged in three phases, from exploring a broad range of different fields and theories as well as observing 35 board meetings and interviewing 119 board members from 17 Dutch two-tier boards. Three different theoretical perspectives helped to appraise theories. First, an institutional logics perspective was combined with socio-cognitive perspectives.
Second corporate governance theories and voice theories were combined. Third, a combination of organizational silence and corporate governance theories were explored. This dissertation found that since board members operate under challenging communication and collaboration circumstances, they operate from unique governance paradigms. When they assume that their paradigm is true and valid (and are paradigm-attached), they unintentionally risk eliciting a spiral of unsaid and informal decision-making. Moreover, since the governance code is ambiguous, the roles assigned to board members enact unique governance paradigms. Therefore, boards risk eliciting seven types of conflicts due to a combination of role-differences between board members and paradigm attachment. These paradigm attachment conflicts are 1) CEO chair conflict, 2) CEO–nonexecutive conflict, 3) Chair–CEO conflict, 4) Chair - non-executive conflict, 5) non-executive – CEO conflict, 6) non-executive -chair conflict and 7) non-executive – non-executive conflict.

When board members unknowingly operate from different paradigms but perceive their model of reality objective, they risk silently judging their peer’s behavior unfavorably when he or she acts differently from what other board members expect. However, although silence is used to prevent damaging the board’s cohesiveness, what is not said risks eliciting a spiral of unsaid when other board members perceive incongruity through their meta-cognitive skills and interpret what is not said. This is especially the case when board members are governance paradigm-attached and assume that their paradigm is true and objective. In these instances, they risk unintentionally eliciting a spiral of unsaid when through informal conversations with like-minded board members they confirm, instead of refuting, what they think. Since board members underestimate how well others signal what is not said, they unintentionally risk enacting a spiral of unsaid when they have informal conversations. Thus, when board members consider these judgments about their peers or the CEO relevant and urgent, they intensify the spiral of unsaid by informally sharing the unsaid with other board
members after the meeting. When governance paradigm conflicts remain unknown, differences of opinion cannot be reconciled. Boards then risk eliciting hot situations that are hard to manage when organizational issues and perceived performance issues between board members get tangled up. Their individual, unique paradigm instructs them to respond ‘in-the-moment’ when unexpected events emerge during the meeting.

The empirical material reviewed for this dissertation also revealed that boards manage the tension between cognitive conflict and cohesiveness through different silence climates. A board silence climate is characterized by how a board – through different silence strategies – maintains a dynamic equilibrium between cohesiveness and cognitive conflict. Four silence climates were identified: a pseudo-cohesiveness climate, a conflict climate, a compliance climate, and an agree to disagree climate. A climate is enacted by shared implicit silence theories, levels of unsaid and shared unsaid, and temporal and structural silence strategies. Silence strategies shift in response to how board members reconcile this tension between cohesiveness and cognitive conflict. These climates shape four different levels of cohesiveness and cognitive conflict towards board effectiveness. Since cognitive conflict always risks eliciting a relationship conflict, boards constantly adjust through voice and silence when encountering conflicts.

Three different themes, addressed in four studies, answered the research question: *How does the unsaid shape decision-making in the boardroom?* Table 6.1 summarizes the leading research questions and corresponding findings.

### 6.1 Themes emerging from this dissertation

Three themes emerged from this dissertation. The first theme relates to how to study decision-making processes that unfold and emerge through deliberation in the boardroom. The second theme describes how governance paradigms or a taken for granted, preconscious
set of assumptions relating to governance elicit automated voice behaviors that shape decision-making. The third theme elucidates an interesting tension between cognitive conflict and cohesiveness and how boards maintain a dynamic equilibrium through silence and voice and taken for granted implicit silence and voice theories. Table 6.1 provides an overview of these findings, organized around this dissertation’s sub-questions.
Table 6.1: Overview of findings per dissertation’s sub-questions

<table>
<thead>
<tr>
<th>Theme</th>
<th>How to research the unfolding of decision-making</th>
<th>How governance paradigms shape board decision-making</th>
<th>How board members manage conflict through silence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>How do social cognition and communicative events reciprocally, silently and preconsciously shape decision-making processes in boards? How to study these processes?</td>
<td>How do board members’ paradigms elicit a spiral of unsaid and shape decision-making? (Chapter 3)</td>
<td>How do boards, through silence, manage the tension between cognitive conflict and cohesiveness? (Chapter 4)</td>
</tr>
<tr>
<td>Key findings</td>
<td></td>
<td>Since board members operate under distinct and challenging communication and collaboration circumstances, they operate from a unique governance paradigm.</td>
<td>Four silence climates were identified: a pseudo-cohesiveness climate, a conflict climate, a compliance climate, and an agree to disagree climate.</td>
</tr>
<tr>
<td></td>
<td>Ch 2: Cognition (or rather a set of taken for granted assumptions) and automated voice behavior (what is said and not said and how it is said) between board members and stakeholders’ shape boards’ decisions.</td>
<td>When board members are paradigm-attached (when they assume that their paradigm is true and valid), they unintentionally risk eliciting a spiral of unsaid and informal decision-making.</td>
<td>A board silence climate is characterized by how a board – through different silence strategies – maintains a dynamic equilibrium between cohesiveness and cognitive conflict.</td>
</tr>
<tr>
<td></td>
<td>Ch 2: Taken for granted, preconscious assumptions and behaviors shape decision-making as board members have to respond in split seconds in meetings.</td>
<td>Since the governance code is ambiguous, the roles assigned to board members enact unique governance paradigms.</td>
<td>A climate is enacted by shared implicit silence theories, levels of unsaid and shared unsaid, and a temporal silence strategy.</td>
</tr>
<tr>
<td></td>
<td>Ch 2: Distinguishing between the senders and receivers’ cognition is relevant.</td>
<td>Boards risk eliciting seven types of conflicts due to a combination of role-differences between board members and paradigm attachment. These paradigm attachment conflicts are 1) CEO chair conflict, 2) CEO–nonexecutive conflict, 3) Chair – CEO conflict, 4) Chair - non-executive conflict, 5) non-executive – CEO conflict, 6) non-executive–chair conflict and 7) non-executive – non-executive conflict.</td>
<td>These climates shape four different levels of cohesiveness and cognitive conflict towards board effectiveness.</td>
</tr>
<tr>
<td></td>
<td>Ch 2: What is ‘unsaid’ but ‘known’ risks eliciting a spiral of ‘unsaid known’ and ineffective decision-making.</td>
<td>When board members unknowingly operate from different paradigms but perceive their model of reality objective, they silently (unsaid) judge their peer’s behavior unfavorably when he or she acts differently from what other board members expect.</td>
<td>Since cognitive conflict always risks eliciting a relationship conflict, boards constantly adjust through voice and silence when encountering conflicts.</td>
</tr>
<tr>
<td></td>
<td>Ch 2: When senders communicate and or receivers perceive incongruent messages.</td>
<td>Board members risk underestimating how well others signal what is not said and unintentionally risk enacting a spiral of unsaid when they do.</td>
<td>Silence strategies shift in response to the tension reconciliation.</td>
</tr>
<tr>
<td></td>
<td>Ch 5: Being aware of different levels of consciousness is required for researching taken for granted assumptions.</td>
<td>When board members consider these judgments about their peers or CEO relevant and urgent, they intensify the spiral of unsaid when they share the unsaid informally with other board members after the meeting.</td>
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<tr>
<td></td>
<td>Ch 5: Perspective-taking is key when conducting research as it prevents false attribution and unsaid from influencing data.</td>
<td>When governance paradigm conflicts remain unknown, differences of opinion cannot be reconciled.</td>
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<td></td>
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<td>Boards risk eliciting hot situations when organizational issues and perceived performance issues between board members are tangled.</td>
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</table>
6.1.1 How to study unfolding decision-making processes in boards

The recent trend regarding corporate governance is to focus more on boards’ social and cognitive micro-foundations through the behavioral perspective (Bainbridge, 2010; Donaldson, 1997; Fama & Jensen, 1983; Forbes & Milliken, 1999; Gabrielsson & Huse, 2016; Garg & Eisenhardt, 2017; Veltrop, Hermes, Postma & Haan, 2015; Westphal & Bednar, 2005; Westphal & Zajac, 2013a). These behavioral theories of boards focus more on board members’ actual behaviors, and survey-based designs dominate these studies. These designs are not particularly well suited to capturing the moment-to-moment interactions and dynamics between individuals. Instead, these studies mostly investigate participants post hoc assessments (i.e., after the social interactions have taken place) and thus risk measuring individuals’ biased, positive or negative attitudes, opinions and observations toward their fellow team members’ behaviors (Baumeister & Vohs, 2007; Frone et al., 1986). Moreover, these studies do not explore the differences between an individual board member’s espoused assumptions or theories, and their often taken for granted ‘theories-in-use’ (Argyris, 1992).

Therefore, drawing from theories on (meta)cognition, sensemaking, learning and decision-making enabled the conceptualization of how through what is said and is ‘unsaid’ (defined in a chapter 3 as ‘governance paradigms’) board decision-making unfolds in the boardroom. An emerging theory that explains how preconscious, taken for granted and automatic, socio-cognitive processes and communicative events between board members and their stakeholders shape boards’ decision-making was developed. This was done to understand what is already known about decision-making processes in groups and was simultaneously necessary for research design purposes. From this conceptualization, a unique research approach and design emerged. Board members were found to operate from a set of taken for granted assumptions and automated behaviors (paradigms) as boards face challenging communication circumstances and continuously have to respond ‘in-the-
moment’ to unexpected events. An emergent theory was developed that explicitly describes how cognition (or rather a system of taken for granted assumptions) and communication (automated behavior including what is said and not said and how it is said) are connected and how through sensemaking and influencing decisions are made. These decisions then shape stakeholders’ cognition and their communication. This theory suggests that distinguishing between the sender’s cognition and a receivers’ cognition is relevant. Moreover, the theory explains how what is ‘unsaid’ but ‘known’ risks eliciting a spiral of ‘unsaid known’ and ineffective decision-making when senders communicate and or receivers perceive incongruent messages.

Exploring taken for granted assumptions and voice behaviors requires exploring ‘the unsaid’. Borrowing Argyris and Schon’s (1974) ‘Left-Hand Column method’ and using aspects of theories on mindreading (Nichols & Stich, 2003), board members retrospectively reflected on what they had not said during the meeting (senders cognition) and what they think others had not said and why not (receivers cognition). Reflecting on the research approach revealed that reflexivity – or, in other words, being aware of different levels of consciousness – is required to research taken for granted assumptions effectively. Moreover, it also highlighted that perspective-taking is key when conducting such inductive research while judgements suppress the sharing of the unsaid. Through perspective-taking, researchers are aware and equipped to debias themselves and explore false attribution biases when faced with unexpected events. Only through perspective-taking can a spiral of unsaid between the researcher and respondent and biased theorizing be limited.

6.1.2 Paradigm-attachment elicits spiral of unsaid and informal decision-making

The second theme emerging from this dissertation centers around exploring how from a socio-cognitive and communicative perspective board members shape their decision-making. Boards of directors have been researched for decades, and many explanations for
their behavior have been developed from, for example, the agency, stewardship, and behavioral perspectives (Berle & Means, 1932; Boivie, Bednar, Aguilera & Andrus, 2016; Dalton, Hitt, Certo & Dalton, 2007; Hillman, Withers & Collins, 2009; Jensen, M & Meckling, 1976; Pfeffer & Salancik, 1978; Sundaramurthy & Lewis, 2003; Bainbridge, 2010; Donaldson, 1997; Fama & Jensen, 1983; Forbes & Milliken, 1999; Gabrielsson & Huse, 2016; Garg & Eisenhardt, 2017; Veltrop, Hermes, Postma & Haan, 2015; Westphal & Bednar, 2005; Westphal & Zajac, 2013a). However, in the absence of sufficient empirical material, little is known about what actually takes place in the boardroom. More specifically, although the behavioral perspective increasingly receives attention (Carpenter & Westphal, 2001; Westphal, 1999; Westphal & Zajac, 2013a), it does not sufficiently uncover the unfolding of decision-making in the boardroom. Consequently, corporate governance literature is criticized for oversimplifying the problems and underestimating the conflicting demands and pressures that board members face (Carroll, Ingley, & Inkson, 2017). It, therefore, risks presenting ‘idealistic or heroic’ solutions that are difficult to implement in practice.

This dissertation was, thus, motivated by two factors. First, a growing awareness that little is known of boardroom processes (Bainbridge, 2002; Forbes & Milliken, 1999; Gabrielsson & Huse, 2005; Garg & Eisenhardt, 2017; Veltrop, Hermes, Postma & de Haan, 2015; Westphal, 1999; Westphal & Bednar, 2005; Westphal & Zajac, 2013). Second, by cues that board members do not always respond well to concerns raised in the boardroom (Hambrick, Misangyi, & Park, 2015; Westphal & Khanna, 2003; Westphal & Zajac, 2013; Zhu, 2013) or even silence what they think (Westphal & Bednar, 2005). In exploring how boards’ decision-making unfolds over time, this dissertation explored how individual board members’ governance paradigms shape decision-making.
The empirical material in this dissertation shows that since board members operate under challenging communication and collaboration circumstances, they operate from a unique governance paradigm that helps them respond to in-the-moment dilemmas. However, when they are paradigm-attached, and thus assume their paradigm true and valid, they unintentionally risk eliciting a spiral of unsaid and informal decision-making. More specifically, this inductive dissertation established that for 16 out of the 17 boards researched, a majority of board members are paradigm-attached. Only one board operated from a more reflexive paradigm and explicitly mentioned the risk of being biased when deciding on topics and talking about their stakeholders’ perceptions. Moreover, the empirical material shows that since the governance code is ambiguous, the roles assigned to board members enact unique governance paradigms. Seven types of conflicts were distinguished.

Each is enacted due to role-differences between board members. Additionally, the empirical material showed that when board members unknowingly operate from different paradigms but perceive their model of reality objective, they judge their peer’s behavior unfavorably when he or she acts differently from what other board members expect. However, instead of voicing their judgments, their taken for granted implicit voice theories instruct them to silence their opinions during their formal meetings. Nonetheless, they underestimate how well others signal what is not said and, therefore, unintentionally risk enacting a spiral of unsaid when they silence their opinions. Moreover, when board members consider these judgments about their peers or CEO relevant and urgent, they intensify the spiral of unsaid when they informally share the unsaid with other board members after the meeting. Since paradigm conflicts remain unknown and silent, differences of opinion cannot be reconciled. Also, these boards risk eliciting hot situations when organizational issues and perceived performance issues between board members get tangled. When boards are more paradigm reflexive, they have a more conscious approach to designing their meetings and,
therefore, consciously decide when they should discuss what topics with whom. This conscious approach prevents the spiral of unsaid from being elicited.

6.1.3 Silence, cognitive conflict and cohesiveness

The third theme emerging from this research centered around a particularly puzzling tension that boards face – this tension is described by Forbes and Milliken (1999) but has not received much attention from corporate governance academics. It concerns the tension between two classic criteria of board effectiveness: maintaining high levels of cognitive conflict through task diversity while simultaneously achieving high levels of cohesiveness. Board effectiveness increases when boards can enhance their control role through utilizing “critical and investigative interaction processes” (Amason, 1996: 104). Because the issues that boards face are complex and ambiguous, board members from different backgrounds and expertise are responsible for perceiving issues differently and hold different views about what the appropriate responses to these issues are (Dutton & Jackson, 1987; Forbes, Milliken, 1999). However, although the presence of cognitive conflict increases the aggregate level of resources at a board’s disposal as well as the quality of decision-making, it is also associated with higher levels of relationship conflict, which diminishes the required cohesiveness and quality of decision-making (De Dreu & Weingart, 2003; Forbes, Milliken, 1999; Mooney et al., 2007; Nederveen Pieterse et al., 2011; Parayitam & Dooley, 2009; Simons & Peterson, 2000). The tension can magnify, especially in boards, because they are large and diverse groups that only meet episodically. As board meetings have limited time, they offer little time to address and resolve the attitudinal and linguistic differences that divide them due to diversity and cognitive conflict. Consequently, board cohesiveness suffers (Amason & Sapienza, 1997; Forbes & Milliken, 2008). Although Kerwin, Doherty and Harman (2011) explored how relationship conflict affects board effectiveness and found that increased levels of cognitive conflict trigger relationship conflict and strong and active board chair leadership
is associated with less intense conflict, little is still known about how boards manage the tension (Boivie, Bednar, Aguilera, & Andrus, 2016; Carroll et al., 2017).

In exploring how boards manage the tension between cohesiveness and cognitive conflict through silence, four silence climates were identified. These climates shape four different levels of cohesiveness and cognitive conflict towards board effectiveness. A board silence climate is characterized by how a board – through different silence strategies – maintains a dynamic equilibrium between cohesiveness and cognitive conflict. This dissertation’s data reveals that since a cognitive conflict always risks eliciting a relationship conflict, boards constantly adjust through voice and silence when encountering conflicts. Four different board climates are distinguished with different silence strategies that shape four different levels of board effectiveness and show how silence strategies shift in response to the tension reconciliation.

6.2 Theoretical implications

Questions regarding why boards of directors – which are responsible for monitoring organizations – continue to fail to effectively perform this task and enable several high-profile scandals to occur remain. This is despite decades of research on boards of directors, which has developed many explanations, including explanations on board independence (Fama & Jensen, 1983; Finkelstein & Hambrick, 1997). In the absence of sufficient empirical material on what actually takes place in the boardroom, several perspectives on corporate governance have been explored, but these have not been able to open the black box of the decision-making processes unfolding in the boardroom over time.

This dissertation advances research on board decision-making by taking an abductive, subjective, micro-level process approach to boards. Decision-making processes were explored through investigating individual governance paradigms and focusing on the unsaid.
Since a paradigm is a construct that describes how an individual *thinks and acts* ‘in-the-moment’, these governance paradigms explain the communicative events during meetings and how board members collectively decide and respond to situations. A governance paradigm helps board members to assess their situation and decide on the spot how to act. These governance paradigms are enacted during meetings when board members who have different roles, expertise and backgrounds have to make sense of what is said and respond in-the-moment. Their response (sender’s perspective) consists of four components: what is said, unsaid, how and why. How they respond thus depends on how they assess their situation is emerging in-the-moment (receiver’s perspective).

6.2.1 Contribution corporate governance

This dissertation offers an important paradigm theory to corporate governance literature and board decision-making. Through four studies, by employing multiple management theories and using data from 17 boards and 119 board members, several important factors were identified that influence decision-making. These were levels of paradigms consciousness, role paradigms, different types of unsaid different, types of board situations and conflicts, different types of silence climates and different strategies in managing the dynamic equilibrium between cohesiveness and cognitive conflict.

The findings show that in particular role-paradigms risk eliciting unsaid through perceived and real conflicts since board members have different roles, and boards have different ways of managing cohesiveness and cognitive conflict. Each role views the purpose and meaning of governance differently. When these (silent) conflicts are not properly resolved, it risks eliciting a spiral of unsaid that influences board decision-making through informal decision-making. Boards with board members who are paradigm conscious and thus aware of the risk of eliciting conflicts operate differently than boards with board members that are paradigm-attached and consider their individual paradigm objective. Therefore,
different levels of paradigm consciousness are distinguished. Individuals who are paradigm-attached seem less perceptive of the unsaid and its effects and meaning. These levels of consciousness are especially relevant in researching paradigms as consciousness allows the unsaid to come to the surface through perspective-taking. In other words, a researcher who is paradigm conscious is more inclined to take perspective and, through perspective-taking limit, the risk of false attribution bias and its effects on the unsaid, the spiral of unsaid, theorizing and decision-making. These results provide an initial explanation of how boards decide. They add to prior perspectives and explanations of board performance that focus more on what boards should do and utilize survey and archival based designs. This dissertation provides a platform for future research on governance assumptions as well as the impact of silence and voice behaviors on decision-making. The focus on paradigms (a set of connected assumptions that elicit specific automated voice and silence behaviors) advances understanding of decision-making in boards. Since corporate governance academics have not been able to determine what is happening in the boardroom, this view extends corporate governance theories by abductively analyzing, theorizing and describing patterns that emerged from a combination of observing board meetings, interviewing board members and studying relevant literature. Although each board member and board seem to operate from unique paradigms, patterns emerged from this study.

This dissertation also contributes to corporate governance by identifying the key strategies that board members deploy in trying to maintain a dynamic equilibrium between cohesiveness and cognitive conflict over time. This inductive study shifts the current corporate governance focus from what boards think they should say and do to what they actually think, say and do not say, when and why not. A combination of different reasons and intentions, as well as different types of events in which different levels of silencing occur between different sub-groups of board members, explains decision-making processes in the
boardroom. In contrast, prior research on corporate governance focused on what boards should do in general and why, without explicating when, with whom, what should be discussed and why.

This dissertation found the traditional conceptualization of principal and agent to be regularly flipped or mixed, depending on the dynamics between the CEO, the chair and non-executives’ thinking and voice behavior, and board members’ paradigms and the resulting informal faultlines (Thatcher & Patel, 2012) that paradigm conflicts enact in the boardroom. This suggests the need for a more nuanced theory regarding governance structures that considers how, for example, status differences and informal faultlines among non-executives, executives and chairs enact informal sensemaking and decision-making instead of formal sensemaking and decision-making.

This dissertation also suggests the need to extend the behavioral perspective on corporate governance (Westphal & Zajac, 2013). Often relying on social psychological theories, studies in this stream have usually focused on single behaviors at a point in time, rather than how socio-cognitive behaviors shape actual behavior over time. Therefore, this study shifts the emphasis from isolated behaviors to a process view that interlinks socio-cognitive, actual and multilevel (individual and subgroup and group) behaviors and which automatically describes how board performance unfolds over time. This begins to pave the way for a combination of socio-cognitive and behavioral perspectives on individual board member relationships that is less atomistic, more dynamic, and has a greater focus on the temporality of performance.

6.2.2 Challenging key assumptions of umbrella theories

This dissertation’s findings call into question a fundamental implicit assumption in corporate governance literature, which suggests that board members are independent since they have the power to act and do not have reasons to silence their concerns. Rational behavior also
implies that board members say what they think, mean what they say and behave consciously. Consequently, rational behavior – and thus also cognitive conflict resulting from different expertise and backgrounds – is assumed to automatically result in cognitive conflict and higher quality decision-making. This traditional assumption of board members’ behaviors is incomplete because cognitive conflict immediately risks eliciting relationship conflicts. Therefore, a new governance ‘toolbox’ is needed.

Moreover, as little is known of how governance codes can stimulate cognitive conflict while maintaining the cohesiveness of the board, more specific suggestions have been developed for future research. First, future research should address the dynamic and bounded rational nature of decision-making in the boardroom and how doubts, concerns, fears and biases affect relational conflict and shape decision-making. Second, since individuals need time to process information (especially in cases of conflict) and need time to reconcile the cognitive conflict productively, future research should explore how agenda-design and time-management facilitate or hinder effectively reconciling unexpected conflict. This would further the understanding of board decision-making. Third, since private conversations affect decision-making, future research should explore actual behaviors during informal conversations between meetings as well as how individuals informally bilaterally make sense of what happened during formal meetings. This could help to determine how and by whom board members make decisions and how they shape decision-making. Additionally, exploring what types of topics cause conflict and why could increase the knowledge of board decision-making. Last, this dissertation suggests that it is necessary to explore how governance codes currently facilitate or hinder decision-making because boards are being monitored and are, therefore, highly shaped by external inspectors.

This dissertation’s findings also call into question key assumptions regarding voice and silence theories. Silence and voice theories mostly focus on employees not speaking up
due to hierarchical differences between individuals in organizations and the related perceived risks of speaking up. This study, however, shows that people in power also do not always speak-up. Moreover, as these theories mostly focus on conscious reasons for not speaking up, this study highlights that taken for granted, preconscious reasons also shape decision-making processes. People are not always aware in-the-moment why they do not speak-up but can become aware after the fact. However, the effect of not speaking-up could have already been enacted during the meeting, thus before a board member became aware and as other board members ‘in-the-moment’ might have noticed that others did not voice their response and responded to it accordingly, also in-the-moment. Through ‘mindreading’ skills, people continuously assess their situation, and based on their assessment, which also involves what is not said, they respond. These micro-events are essential in studying these voice behaviors. These micro-effects also suggest that thoughts and feelings that are perceived irrelevant by the sender could be more relevant as receivers might have noticed that ‘something’ remained unsaid and responded to the cue accordingly. This study also suggests that if and how individuals assess and respond to their situation is very contextual and depends more on the socio-cognitive dynamics between individuals than general factors or antecedents regarding team performance. Moreover, as individuals are not always aware of the effects of their behavior, their behavior might be perceived differently from what they intended. Alternatively, they may underestimate how much of their thinking they communicate even though it is not explicitly expressed. Inquiring into how decision-making takes place in groups requires research methodologies that focus on what individuals actually do instead of what they think they do. As individuals face many dilemmas in-the-moment – sometimes even in a taken for granted way – how they overcome these dilemmas is essential to understanding how individuals and teams perform. As they often try to manage these dilemmas silently, exploration of the (silent) differences and biases between individuals in
groups is required instead of researching their alignments in thinking and categorizing what they already agree on. Moreover, as suggestions were made regarding research methodology, and these were also deployed and reflected upon, these learnings can offer new insight into how to study taken for granted cognitions and behaviors.

6.3 Practical implications

This dissertation has several practical implications for board members, inspectors, board consultants and other stakeholders that work with or for boards. The first practical implication is that ambiguity regarding how to govern and decide, when and about what requires conscious deliberation instead of an automated response. Silent, taken for granted, but different assumptions about governance can negatively impact decision-making in the boardroom and this suggests that these differences and the effects of these assumptions on decision-making warrant exploration and reflection. Second, informal decision-making in informal conversations between a sub-group should be limited as they influence decision-making and cannot be monitored. Thus, although committees are often perceived as efficient ways to govern, and decisions made in these sub-groups are not considered informal, how these decisions are made and by whom should be consciously and deliberately monitored. Third, role-expectations should consciously be reflected upon to limit false attribution bias and silent speculations emerging between board members. In particular, different expectations between the chair, CEO and new inexperienced directors should be avoided.

6.4 Limitations

As this dissertation is an abductive and subjective account, emphasizing the subjective and interpretative nature of this research is essential. A key assumption underlying this research is that social interactions are socially situated, and knowledge is constructed through interaction with others. Nonetheless, despite this assumption and consistent with ‘the unsaid’, this study attempted to consciously design a research approach that would limit the effects of the
researcher’s presence and influence, and simultaneously to gather thick and rich empirical material. Through proactively, retrospectively, and continuously reflecting on the effects of the research process on the empirical material and assumptions underlying this study (thus through reflexive designing), the unsaid was limited throughout the research process. Dilemmas emerging from this design were continuously reconciled. Decisions were often made that helped reveal the unsaid at the individual level at the expense of being able to explore propositions at the board or collective levels. Since the unsaid means exploring biases, blind spots and speculations, the remarks made by board members were highly subjective in nature. However, as these remarks were shared confidentially, they could not be explored and thus neither confirmed nor refuted. On a collective, more abstract level, these findings could be shared and tested with a group; however, on the board level, relevant differences could not be explored. This dissertation’s aim was not to explore who was right and what ‘really’ happened but to determine how these different perspectives of the same meeting that were not voiced shaped the boards’ decision-making.

6.4.1 Unsaid in a relatively open context

Dutch boards of housing corporations are the foundation of this dissertation. This sector is currently in the spotlight due to various incidents, and these boards are now supervised by an external authority (Autoriteit Woningen). Due to these incidents as well as the effects on the public and the housing corporations who had to cover for the housing corporations that failed, the interviewed board members appeared determined to prevent failures in the future. A lot of learning, by means of different types of events organized by many associations and societies, takes place. The openness to learning was confirmed when 25 boards responded to the invitation and indicated their willingness to participate in this research. Assuming that these boards have nothing to cover-up, silence or be ashamed of, it can be posited that these boards are the ones that can be viewed healthy. Moreover, since
most board members also showed a high level of openness during the interviews, it is assumed that most relevant information was shared. A smaller percentage of board members displayed some reluctance to speaking freely; however, after some time, most shared confidential information during the interviews. Only a very small percentage of the interviewed board members did not seem to open up. Moreover, since the Dutch are perceived transparent, direct and even blunt, it can be posited that these Dutch boards are part of the most open boards in the world. Nonetheless, the data showed that a lot was not said. The empirical material also showed that sometimes even very strategic assessments and thoughts and feelings were not shared.

6.4.2 Temporality

This dissertation’s empirical material was acquired in 2018 and was discussed and reflected with boards and board members in 2019. Words such as ‘paradigm-attachment’ and ‘unsaid’ are now used regularly in the housing corporation setting since the boards reflected upon the findings of this dissertation, and the Dutch Housing corporation Authority applies this dissertation’s findings when they inspect these boards. Moreover, education programs also use these terms. This means that this dissertation’s findings are already shaping decision-making processes in the boardroom. Nonetheless, maintaining the balance between cohesiveness and cognitive conflict, and reconciling differences in the boardroom are challenges that continuously emerge in the boardroom. Moreover, talking about conflicts and boards and their behavior does not mean board members apply ‘in action’ what they say they actually do. Accordingly, the impact of how these findings and new words shape decision-making should be considered a constantly changing process that requires continuous exploration.
6.4.3 The effects of the researcher’s paradigm on the quality of the data

As a consultant, the researcher has been aware of and working on ‘the unsaid’ since 1998. In a course, the researcher became aware of the theories of Argyris and the Left-Hand Column method through the educators of Action Design, Boston. Therefore, the researcher developed a bias towards the relevance and effects of the unsaid. This means that the researcher could have nudged board members to think that they were not saying all that they were thinking. However, through three ‘rules’, the researcher tried to prevent this bias from effecting this dissertation’s data. First, when board members said they had said all they were thinking, the researcher would not refute their response but would inquire into what they thought had made them and others say all that they were thinking. In cases where they then had contradicting statements, the researcher would inquire into these contradictions, as was done in all interviews. Second, while studying theories and literature, the researcher also became more aware of the upsides of the unsaid. Due to a lack of time, due to effort, due to taken for granted-ness and due to the risks of hurting cohesiveness, everything cannot be said. Acknowledging the upsides of the unsaid made the researcher more compassionate for silencing views and opinions, which influenced how openminded the researcher was when interviewing board members and made it easier to understand their perspective when board members did not seem to share their thoughts and feelings. Third, since the researcher had no previous experience with supervisory boards, the ‘naïve’ role was consciously taken on. The researcher did not know what governance means and requires. The researcher’s background enabled her to understand financial, legal, strategic and more general organizational topics, so the researcher did not feel inhibited regarding inquiring into the topics. However, regarding boardroom dynamics and governance, the researcher felt very uninformed, almost illiterate, regarding the language in the boardroom. This enabled the researcher to inductively research board dynamics.
6.4.4 Effect of board members’ defensive routines and unsaid on the quality of the data

Board members who were not aware of the unsaid and its effects became aware due to the research question, the invitation to participate and during the interview in which the board members were asked questions and challenged. Moreover, some board members asked questions during the interview, which were answered. The researcher assumed that she needed to open up for the board members to open up. The researcher’s response, her in-the-moment voice behavior, shaped their response and vice versa, and, thereby, influenced this dissertation’s data. Second, not all was said during the interviews. Based on relevant information shared by other board members in their interviews, some board members either did not perceive the information relevant for research purposes, considered the risks too high, or were unaware that they did not share relevant information with the researcher. This mismatch in the data could not be checked due to the confidentiality arrangements. Third, the researcher’s presence and influence might have impacted on the meeting and, therefore, the data recorded during the meeting since board members might have changed their behavior. Board members only mentioned this difference in a few interviews as this effect was noticed but not voiced during most meetings as most board members did not consider this effect relevant. Fourth, the recollection of what was not said during the formal board meeting could have been inaccurate as some of the interviews took place a considerable amount of time after the formal board meeting. Nonetheless, since all board members who were present during the meeting participated, and so many boards participated, it is assumed that the data gathered from the meetings and all the different puzzles offered in the interviews collectively provide a unique insight into the board meetings. Fifth, during events in which the findings were shared, these board members said the findings resonated with their perception of board room dynamics. On a board-level, these board members did not always recognize their board
or their own behavior and assumptions; however, on a collective level, they said the findings resonated.

6.4.5 Transferability and authenticity of this dissertation

This research did not set out to describe what ‘is’ or what is ‘true’. Instead, it sought to inductively explore boards as a way to understand better how board members collectively make decisions. As the unsaid was explored, the incongruities between board members became clear. Moreover, as board members were kept anonymous, this dissertation’s findings could not be openly tested. Furthermore, the unsaid might have shaped this dissertation’s data. This raises important questions regarding how ‘valid’ and ‘reliable’ this dissertation’s findings are (Cho & Trent, 2006), or how ‘authentic’ the findings are (Maxwell, 1992).

Maxwell (1992) stated that he did not work with the qualitative researchers’ explicit statements about validity or their ‘espoused theory’ (Argyris, 1992), but with their views on validity that were shown by what they actually did, their ‘theory-in-use’ (Argyris, 1992). Maxwell also introduced Einstein’s advice that “if you want to find out anything from the theoretical physicist about the methods they use, I advise you to stick closely to one principle: Don’t listen to their words, fix your attention to their deeds” (Maxwell, 1992: 282).

Thus, concurring with the researcher’s social constructive ontological perspective, it is evident that this dissertation’s findings are shaped by the processes between the researcher, other researchers and the participants and should, therefore, be considered subjective in nature. Nonetheless, this dissertation’s findings emerged from a reflexively designed and executed process and from reflexively sharing the findings with many board members on a sector- and board-level. These findings, therefore, offer relevant insights into the boardroom. Nonetheless, the findings should only be considered input for further research for other scholars and board members who, from their perspectives, aim to measure, test and explore the theories offered by this dissertation. It is hoped that this dissertation somewhat opens the
black box of decision-making in the boardroom and that these dynamics are further explored in the future.

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