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The future ways of working of the Board of Directors

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TIIVISTELMÄ:

Maailma muuttuu ja niin myös hallitustyöskentely. Globaali pandemia pakotti kaikki, joilla on siihen mahdollisuus siirtymään etätyöskentelyyn ja sen mukana huomattiin etätyöskentelyn tuomat mahdollisuudet, mitä ovat muun muassa tehokkuuden nostaminen, joustavuus, sekä ehostettu työ- ja yksityiselämän tasapaino. Pandemian rajoituksien poistamisen jälkeen, huomattiin että uudet työskentelytavat ovat tulleet jäädäkseen. Tämän tutkimuksen tarkoituksena on ymmärtää miten hallitusammattilaiset kokevat tulevaisuuden hallitustyöskentelyn näyttävän.

PK-sektorin hallitustyöskentelystä on hyvin niukasti kirjallisuutta. Hallitus on yhtiön suurin toimielin, se johtaa ja edustaa yhtiötä. Hallitusammattilaiseksi usein luokitella henkilö, jonka pääsääntöinen palkkio koostuu hallituspalkkioista. Lisäksi hallitusammattilainen voi työskennellä esimerkiksi oman sijoitusyhtiön kautta tai työskentelee jonkun toisen yhtiön ohjauksen alla, mutta osaamisen takia on lisäksi siirtynyt myös hallitustyöskentelyn pariin. Viime vuosikymmeninä hallituksen puheenjohtajan roolin merkitys on kasvanut ja roolista on tullut entistä monimutkaisempi, sekä vastuut ovat kasvaneet. Hallituksen päätehtävänä on ajaa omistajien etuja.

Tämä tutkimus on laadullinen tutkimus ja tiedonkeruu menetelmänä toimi haastattelut. Jokainen haastateltavista istui haastatteluhetkellä jossain pk-sektorin hallituksessa. Haastateltavat ovat eri puolelta suomea, työskentelevät eri hallituksissa, eri aloilla ja heidän kokemukset hallitustyöskentelystä on eri mittaisia. Toisilla on hyvin kattava kokemus kymmenistä eri yhtiöistä, ja toiset puolestaan ovat viime vuosien aikana siirtyneet mukaan hallitustyöskentelyyn. Osalla haastateltavista on kokemusta hallituksen puheenjohtajan roolista, advisory boardeista, ja myös listatuista yhtiöistä.

Tutkimuksen tulokset osoittavat, että etätyöskentely ei ainoistaan helpota ja nopeuta työskentelyä vaan lisää myös mahdollisuuksia, kuten ulkopuolisien ulkomaalaisien erikoisosaajien saaminen, tehostaa työntekoa, vähentää matkustuspäiviä ja täten lisää vastuullisuutta, sekä ehostaa työn ja yksityiselämän tasapainoa. Lisäksi tuloksissa ilmenee, että hybridikokoukset eivät ole toimivia ja ne lisäävät eriarvoisuutta jäsenten välillä. Tutkimus osoittaa, että pääsääntöisesti hallitus voi toimia etänä, mutta tietyt kokoukset on jatkossakin oltava läsnä. Tämä tutkimus on ainutlaatuinen, eikä vastaavaa tutkimusta olla aiheesta tehty. Ajankohtaisuus myös korostaa tutkimuksen merkityksellisyyttä, sillä maailma on siirtynyt pandemian jälkeen niin sanottuun "uuteen normaaliin".

AVAINSANAT: hallitus, hallitusammattilainen, etätyöskentely, työskentelytavat, osaaminen, advisory board

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1 Introduction

The world is changing – boards wake up! (Hallituspartnerit, 2023).

"Covid-19 is both a global health crisis and an international economic threat" (Kniffin et al., 2021). The worldwide company and industry shutdowns that were enforced and required in order to stop the spread of the virus created a wide range of special obstacles for both employees and employers (Kniffin et al., 2021). This led to remote working becoming the "new normal" nearly overnight. The pandemic forced people to work remotely regardless of their abilities, preferences, and nature of their work (Wang et al. 2021). Remote working has its clear positives and negatives, however there are also unexpected benefits, like enhanced creativity as a result of a better work-life balance, which has encouraged flexible working arrangements not only in scientific research but also in other professions (Hunter, 2019). It is important to keep in mind that although there is evidence of positive experience of remote working by employees during the pandemic, as well as improvement of employee work-life balance, the positive expectations might change if we come to notice that remote working will reduce the opportunities for individual development or career progression (Delany, 2022).

The future is predicted to need and see even more globalization (Contractor, 2022). The operating environment of companies has been in the grip of an enormous change over the past few years. First the global pandemic, then Russia's war of aggression in Ukraine, which have led to amongst other things to disruptions in the operational chain, the price of energy, inflation, and the end of the zero interest rate period. Hence, events that were considered almost impossible just a few years ago have become new everyday life. Companies' risk maps have either become completely new, or events that were previously considered unlikely, have become the subject of a completely new kind of attention. (Salmi, 2023).

Anticipating the future and managing change is now in greater demand than in many decades (Leskelä, 2022). Nowadays, responsibility is an integral part of companies' strategy and goals. Concrete work towards sustainability goals needs transparency into the environmental effects of the company and its value chain operations. The company's board of directors can support the management in bringing a 'responsibility lens' to business management, so that the strategic goals are truly reflected in the management of practical actions. (Martikainen & Tiitu, 2023). Boards are often described as a monitor of management on behalf of dispersed shareholders (Burkart et al., 2017). Directors have an obligation to act in the best interests of shareholders (Adams et al., 2010).

The role of the chairperson, also referred to as chair, has been adjusting for some time; the movement toward greater accountability and transparency has encouraged the chairperson to become more and more visible to a broader variety of stakeholders, not only shareholders. The board chair serves as the board's presiding official. Over the past few years, board chairs' positions and responsibilities have significantly expanded. It's a job that now encompasses everything. (Chahed et al., 2022; Withers & Fritza, 2017). The world keeps on evolving, metaverse may be the next big place of growth, which is estimated to change every business significantly in the next decade, as well as to bring forward completely new businesses. Corporate boards do not need to try to predict the future, however they need to be able to deliberate, analyze and readjust within the right time span. (Nyström, 2022).

Literature on boards of directors in SMEs are limited due to the availability of data and nature of their work since they are most often classified company secrets which may negatively affect the firm's future and overall competitiveness. Furthermore, since country specific laws and regulations effect board work, there are even more limitations for research. There is very little research on Finnish companies altogether. All of the above, limit the literature available for this thesis.

At least to the knowledge of the researcher of this thesis, there is no academic literature available reflecting on the board of directors and remote working. Hence it also increases the novelty value of this thesis and research topic. It is in the interest of the researcher to focus on the future of board work from the perspective of Finnish work life. In addition, the fact that remote working affects work-life balance and corporate social responsibility of firms, it is an extremely important matter to study.

1.1 Research objective and questions

The purpose of this thesis is to analyze the current and future working methods of the board of directors. In addition, the purpose is to understand what factors affect board work. All this is being analyzed from the perspectives of small and medium-sized enterprises (SMEs) in Finland. The main research objective came to be:

To understand how the board of directors view their work to be in the future.

In addition, two research question are set to support answering the research objective. As well as to provide clarity for the reader. These questions are:

1. *How has the board of directors' work changed?*
2. *How can board work be developed?*

1.2 Structure of the thesis

The thesis consists of six main chapters. First, the introduction chapter presents the background and justification for the topic. Additionally, the research objective and research questions are presented. The second and third chapters form the theoretical framework of this thesis. The second chapter focuses on future of work as the third chapter focuses on boards of directors. The fourth chapter consists of the methodology of the research, with research strategy and design, data collection and analysis, as well as reliability and

validity of the research. The fifth chapter includes the empirical findings of the study. Lastly, chapter six, is the conclusions. The chapter includes discussion of the empirical findings and linking them to theory. Furthermore, key findings of the study are high-lighted and discussed, as well as limitations and future research suggestions presented.

2   Future of work

The world post the Covid-19 pandemic is filled with severe effects, particularly psychological ones that have severely affected individuals both on their personal and professional lives (Mukherjee, 2021). Since digitalization and multiculturalism have expanded their effects, the business environment has seen a significant transformation throughout the past century (Falcioglu, 2022).

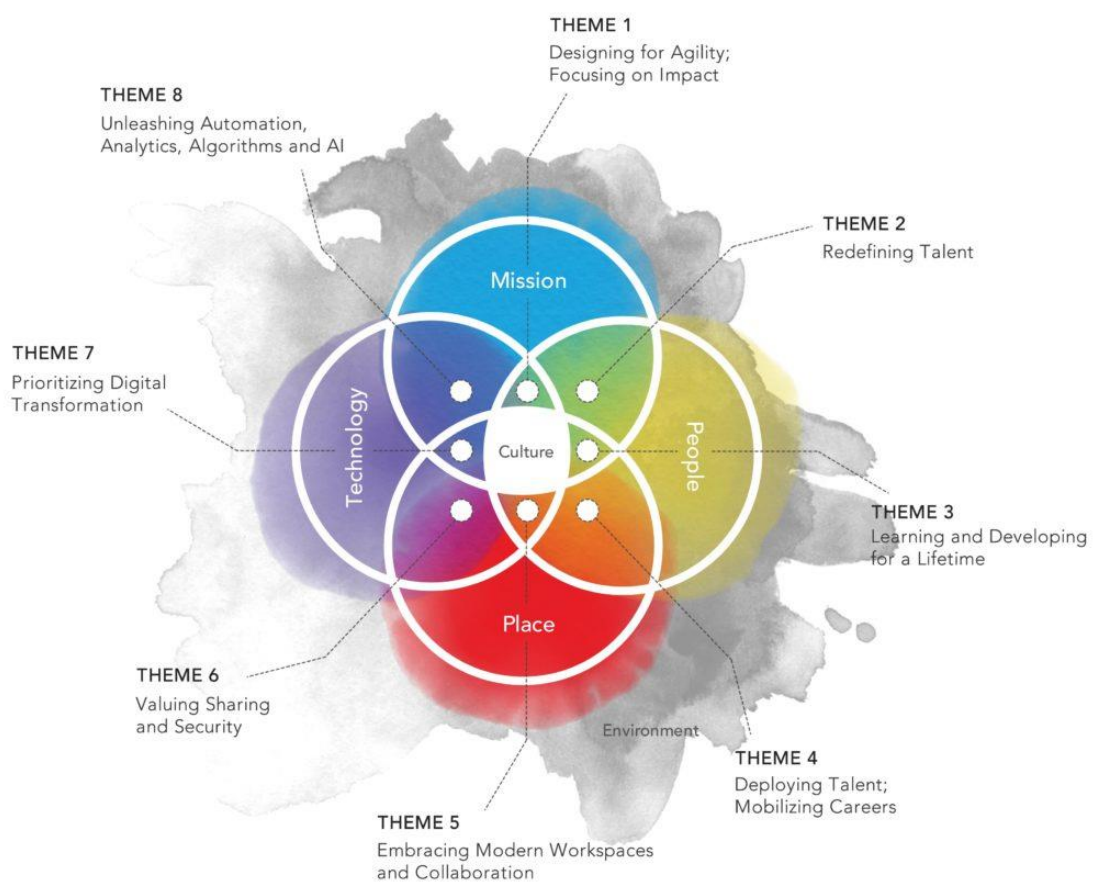**Figure 1.** The Future of Work Framework. (Nasa, 2018).

Figure 1 presents NASA's framework for Future of Work (FoW) it is based on four meta forces which are Mission, People, Technology and Place. The first meta force *mission* reflects on the capability to implement the firm's mission in an emerging industry with increasing and new competition. The second meta force is the on organization's greatest

asset, which is its *people* and understanding expectations which are changing, valuing diversity, and encouraging skill development. The third mega force is *technology* which is the most widely discussed transformation driver for the future of work. The rapid advancement of technology has changed how information is exchanged and coordinated in real time. The fourth mega force *place* reflects on where, when, and how work is being conducted and is continuously changing as the organization migrated towards a global and uniform workforce. The usage of physical and virtual spaces is foreseen to boost employee engagement and satisfaction. (Skytland & Smith, 2018).

2.1   Globalization and international business leading the future

The post-pandemic so called "new normal" may be somewhat different, but globalization in all of its forms will continue. Global coordination is going to be more crucial for shared intergovernmental actions to address future climate change, pandemics, emerging technologies, as well as international tax-avoidance, to establish common product and technical standards, and to manage the increasing sensitivity of global customers to sustainability, ethics, and corporate social responsibility concerns. The future is predicted to need and see even more globalization. (Contractor, 2022).

Globalization is "in a general sense, the increasing worldwide integration of economic, cultural, political, religious, and social systems. Economic globalization is the process by which the whole world becomes a single market. This means that goods and services, capital, and labor are traded on a worldwide basis, and information and the results of research flow readily between countries." (Oxford Reference). There are numerous number of authors that have presented possible definitions for *globalization,* however there is no accepted definition even though it is a frequently used phrase. (Robertson & White, 2007). Al-Rodhan & Stoudmann (2006) proposes the following definition: "globalization is a process that encompasses the causes, course, and consequences of transnational and transcultural integration of human and non-human activities."

The term *international business* likewise has many definitions by a vast number of authors. Guillén (2001) states that "international business refers to economic activities across the boundaries of nation–states, of which trade and foreign investment are the most important." In literature the terms *globalization* and *international business* are often used in place of each other when characterizing business activities which surpasses national borders, however there are fundamental ideological differences and differences in ethical implications between the two concepts (Ho, 2003).
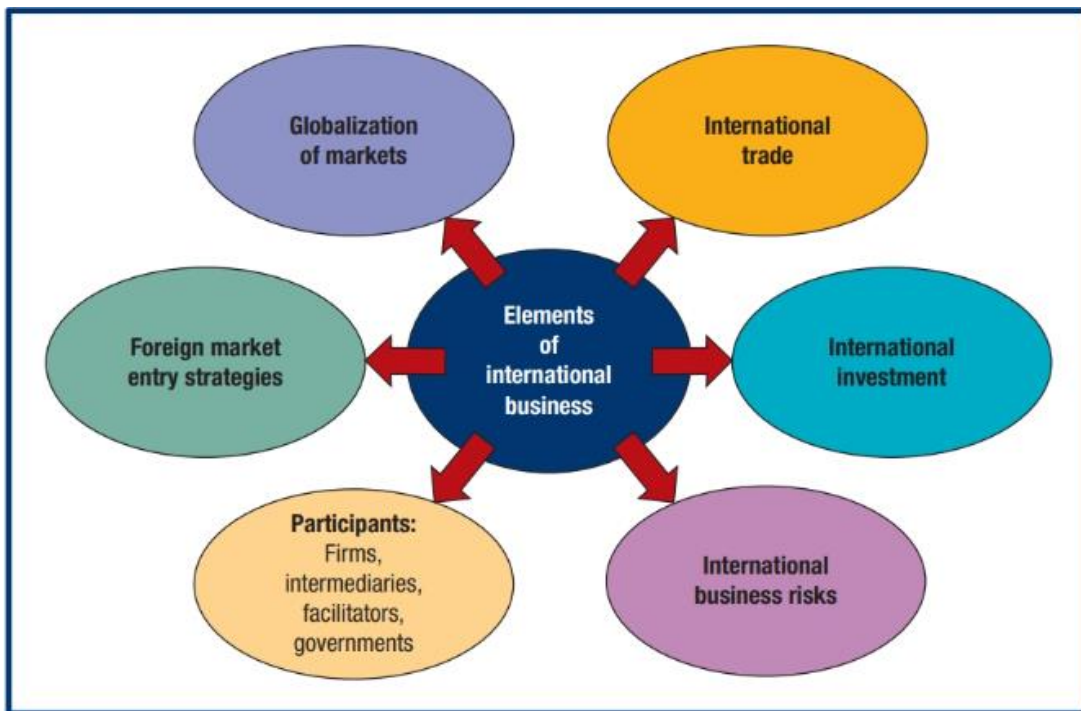
Figure 2. Elements of international business (Cavusgil et al., 2020).

According to Cavusgil et al. (2020) international business can be represented in six major dimensions, as shown in Figure 2. The globalization of markets is a result of firms' expanding their international activities. Despite the fact that cross-border trade has existed for centuries, present-day international business has grown significantly in strenght and complexity during the last decades. More than ever before, firms are seeking for international market opportunities. Due to social media's increase in popularity, international business affects the daily lives of people across the world. Online platforms like Instgram, Facebook, Alibaba and Amazon are examples of

expanding economic integration and rising interdependency of nations worldwide, refered to as the globalization of markets. Globalization both forces and endorses companies to expand internationally. In addition, firm internationalization is easier than it has ever been. Some decades ago, large multinational firms dominated the world of international business, however recent improvements have created a fairer playing field that enables all types of businesses to gain advantage from active involvement in international business. (Cavusgil et al., 2020 p. 37-39).

Worldwide, there is a noticeable increase in the number of firms that implement international business into their operations from an early stage of their existence (Weerawardena et al., 2007). These born global firms play a significant role in many economies, frequently as vital participants in ecosystems that back major multinational companies (Zander et al., 2015). Knight & Cavusgil (2004) define "born globals as business organizations that, from or near their founding, seek superior international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries." *Born global* firms refer to young firms with an entrepreneurial mindset which are pursuing customers in international markets which populated the business landscape. Small domestic market countries tend to foster a significantly higher proportion of born global firms. Furthermore, innovative activities support in the development and cultivation of new markets as well as adjusting the operations of the firm to cater to those markets. (Cavusgil & Knight, 2015). According to Weerawardena et al. (2007) early internationalization is reinforced by particular dynamic capabilities that internationally entrepreneurial founders have developed and nurtured. Specifically, they exploit the dynamic capabilities approach to speculate that learning and learning orientation play a significant role amongst born global firms.

2.1.1 Digitalization – the driver in the future of work

Two key factors play a significant role in how easy it is to conduct business internationally, First, technological advancements have made international communication and travel relatively quick and convenient, and second, the collapse of the communist world has

made many countries' economies more open to private business. (Maxwell, 2018). Over time, national borders will not matter much to entrepreneurial businesses due to globalization and technology. The "international" component of international business may no longer be relevant to next-generation business owners because many of them will not be concerned with where sales and value chain activities take place, particularly entrepreneurs who run online businesses that focus on providing information-based services and other formless goods and services. (Cavusgil & Knight, 2015). The digitalization process, also known as Industry 4.0, is one of the primary causes of the dynamic economic development of the world that has been observed in recent years (Brodny & Tutak, 2021).

Amankwah-Amoah et al. (2021) debate that Covid-19 is "the great accelerator" in driving the current global trend towards adopting modern emerging technologies which is bringing changes in work habits, lifestyle, and business strategies. However, they found that the endorsement of emerging technologies may be interfered by external factors, nostalgia, and employer opportunism, along with negative consequences on employee well-being affecting productivity, work-life balance, and future of work. As reflected on in Figure 3, while digitization may present new opportunities, it also carries risks that can be challenging to foresee or prevent. As "the great accelerator" Amankwah-Amoah et al. (2021) see the pandemic as an incentive in promoting the use and expanding the use of different technologies.
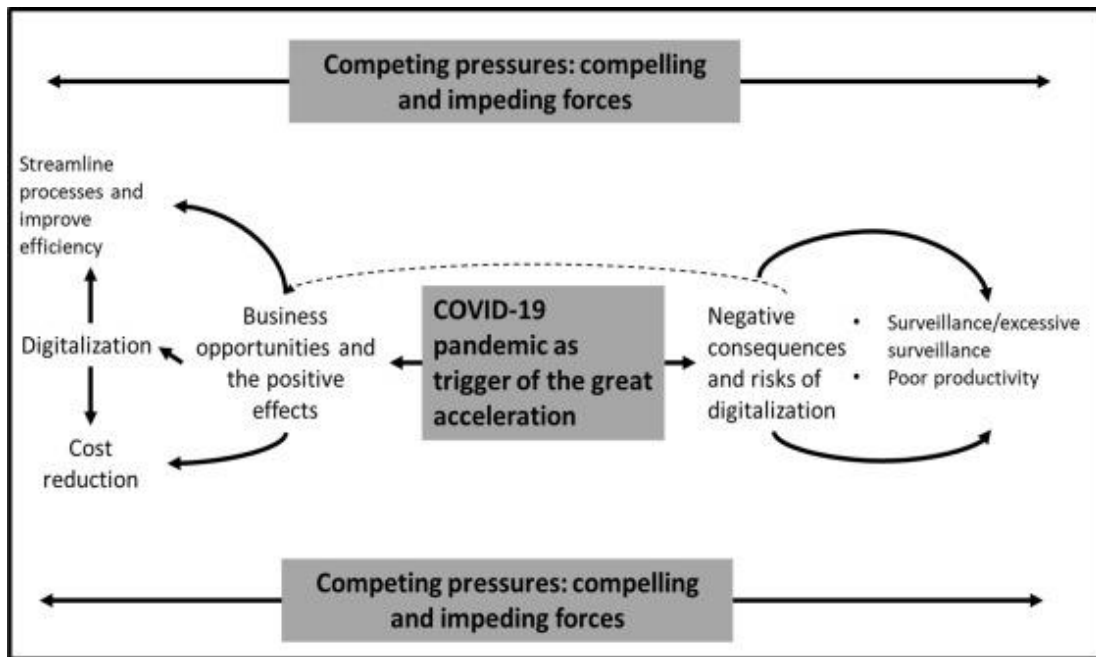
Figure 3. A "unified" framework of competing forces from COVID-19. (Amankwah-Amoah et al., 2021).

It is crucial to be clear about the benefits of digitalization, the areas in which it matters, the enablers required, and the rules that should apply to organizational and managerial procedures. The firm should also have internal processes that are adaptable, be open to constant learning, and be clear about what it intends to accomplish. Its digital transformation will be accelerated as a result, making the firm more competitive. (Bjorkdahl, 2020).

Artificial intelligence (AI) has been a rising theme in recent years under digitalization. According to Jarrahi (2018) the upward trend of AI requires a new human-machine symbiosis, which offers a shifting work division amongst humans and machines. Universal visions of human-machine partnerships suggest that humans should focus on more creative work while letting machines handle the mundane tasks. Jarrahi (2018) suggests that humans are more likely to outperform AI in subjective evaluation of qualitative matters. Consequently, AI can help and augment human decision making instead of replacing it.

2.1.2   Current statistics on world trade and trade in Finland

International trade and especially global value chains have been important drivers of global economic growth over the past decades. Small and open economies that have always seen trade as a need rather than an option stand to benefit the most, as international fragmentation of production creates possibilities to leverage on comparative advantages in specialized segments of global value chains. Backlash against globalization due to job relocation and job-losses as well as rising inequality and structural changes have been driving issues for why trade growth has slowed down. These elements affect Finland, a small open economy with a rather high integration in global value chains. Report by OECD & Statistics Finland (2020) show that Finland is more dependent on global value chains than what was known before, with foreign content of exports being over one-third of the total value of Finland's exports, which is over 10 points more than previously estimated. (OECD & Statistics Finland, 2020).

World Trade Organization issued a publication which dove into the latest developments in world trade including comprehensive analysis on latest trends in trade, called the World Trade Statistical Review 2022.
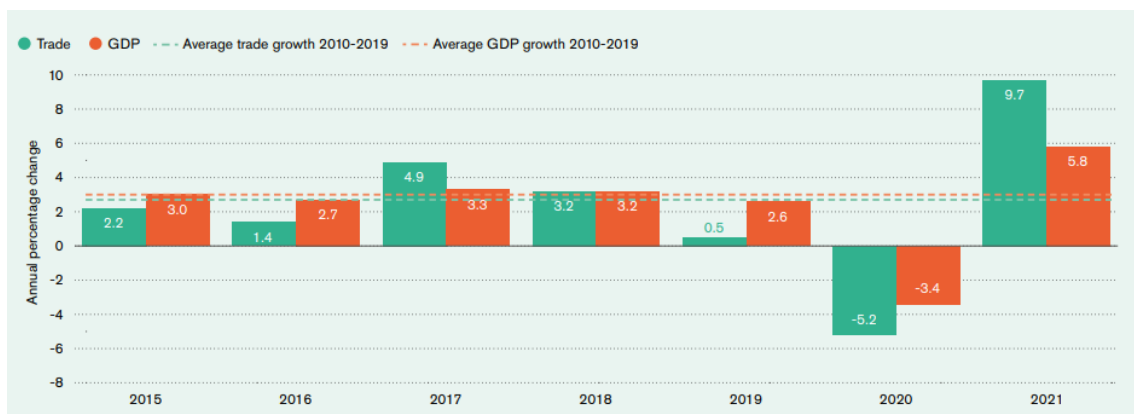
Figure 4. World merchandise trade volume and real GDP growth, 2015-21. (World Trade Statistical Review 2022).

As presented in Figure 4, in 2020 there was an abrupt fall due to the Covid-19 pandemic. In the first half of 2022, merchandise trade reduced as the global economy struggled as

a result of a number of connected factors, such as the war in Ukraine, high inflation, and the COVID-19 pandemic's residual impacts. According to the statistical review and the Director-General Okonjo-Iweala "Global merchandise trade grew by 26 per cent in value terms in 2021 – with estimated average price increases of 15 per cent accounting for the difference with the 9.8 per cent increase in global merchandise trade volumes. Particularly strong year-on year growth was observed for major manufacturing inputs such as iron and steel (+60 per cent) and chemicals (+26 per cent). The value of world trade in pharmaceuticals and office and telecom equipment was as much as 1.3 times higher in 2021 than in 2019, before the pandemic, mostly due to high demand for COVID-19 vaccines and an increase in remote working."

Furthermore, the trade statistical review and Okonjo-Iweala stated that the "World trade in commercial services was up 16 per cent year-on year in 2021, boosted by the recovery in demand for transport services (+35 per cent) and the resilience of other services (+12 per cent), including financial and business services, fostered by digital technologies. Digitally delivered services – which are critical for remote work, learning, and entertainment – were estimated at US$ 3.71 trillion in 2021, 30 per cent above 2019 levels. This continues the growth recorded in 2020. However, despite positive year-on year growth, travel-related expenditures remained 57 per cent below 2019 levels, as travel restrictions were only partially eased during the year. As a result, total services trade remained 5 per cent below pre-pandemic levels."

Finland

		Rank in world trade, 2021	Exports	Imports
GDP (million current US$, 2021)	298 868	**Rank in world trade, 2021**	**Exports**	**Imports**
GDP per capita (US$, 2019-2021)	50 614	Merchandise	43	44
Current account balance (% GDP, 2021)	0.9	excluding intra-EU trade	-	-
Trade per capita (US$, 2019-2021)	19 259	Commercial services	33	32
Trade (% GDP, 2019-2021)	38.1	excluding intra-EU trade	-	-

MERCHANDISE TRADE

Million US$	Value	Annual percentage change		
	2021	2010-2021	2020	2021
Merchandise exports, f.o.b.	81 971	2	-10	24
Merchandise imports, c.i.f.	85 975	2	-7	26
	2021			2021
Share in world total exports (%)	0.37	Share in world total imports (%)		0.38

Breakdown in economy's total exports
By main commodity group, % (2020)

- Agricultural products: 9.8
- Fuels and mining products: 14.2
- Manufactures: 73.7
- Other: 2.3

By main destination, % (2021)

- European Union: 55.7
- United States of America: 6.6
- Russian Federation: 5.4
- China: 5.2
- United Kingdom: 3.6
- Other: 23.4

Breakdown in economy's total imports
By main commodity group, % (2020)

- Agricultural products: 10.7
- Fuels and mining products: 17.2
- Manufactures: 70.1
- Other: 2

By main origin, % (2021)

- European Union: 55.7
- Russian Federation: 11.7
- China: 9
- United States of America: 3.2
- Norway: 2.3
- Other: 18.1

Figure 5. Finland's merchandise trade. (World Trade Organization, 2022 p. 134).

Above Figure 5, shows a part of the detailed merchandise trade flow regarding Finland presented in 2022 by World Trade Organization (WTO). The figure shows in detail the country's trade value for export and import. Furthermore, it presents top products traded, which in Finland, both exports and imports are dominated by manufactures. Below in Figure 6 are presented the same statistics for trade in commercial services in Finland. As presented in Figure 6, the largest category is "other commercial services", and therefore Figure 7 was included to present those specific categories. As shown in Figure 7, the under other commercial services, Finland's main item of export in 2021 was ICTs with 58%.

Finland

TRADE IN COMMERCIAL SERVICES

Million US$	Value	Annual percentage change		
	2021	2010-2021	2020	2021
Commercial services exports	32 795	4	-15	12
Commercial services imports	35 654	2	-13	12
	2021			2021
Share in world total exports (%)	0.55	Share in world total imports (%)		0.64

Breakdown in economy's total exports
By main services item, % (2021)

- Transport: 10.5
- Travel: 3.3
- Other commercial services: 79
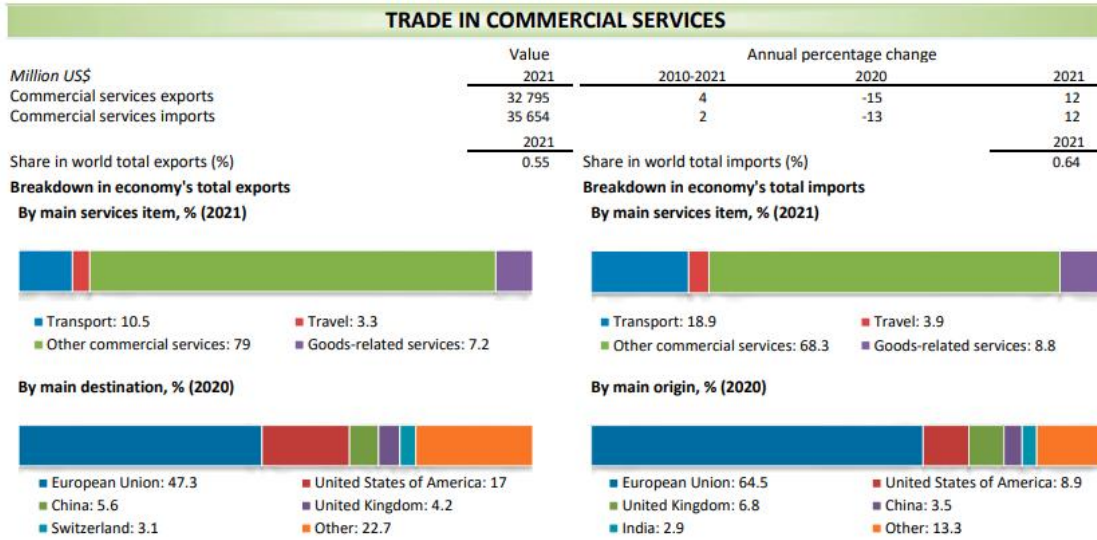- Goods-related services: 7.2

Breakdown in economy's total imports
By main services item, % (2021)

- Transport: 18.9
- Travel: 3.9
- Other commercial services: 68.3
- Goods-related services: 8.8

By main destination, % (2020)

- European Union: 47.3
- United States of America: 17
- China: 5.6
- United Kingdom: 4.2
- Switzerland: 3.1
- Other: 22.7

By main origin, % (2020)

- European Union: 64.5
- United States of America: 8.9
- United Kingdom: 6.8
- China: 3.5
- India: 2.9
- Other: 13.3

Figure 6. Finland's trade in commercial services. (World Trade Organization, 2022 p. 135).

Other Commercial Services and Goods-related Services

Exports of OCS by main item (2021)

- ICTs: 58.0
- Other business services: 26.2
- Intellectual property: 13.2
- Other: 2.5

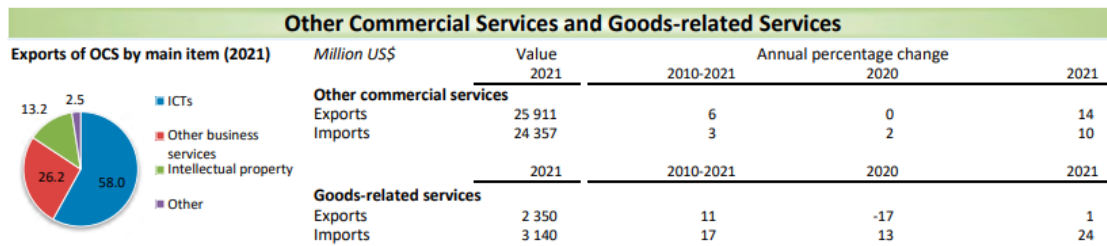| Million US$	Value	Annual percentage change		
	2021	2010-2021	2020	2021
Other commercial services				
Exports	25 911	6	0	14
Imports	24 357	3	2	10
	2021	2010-2021	2020	2021
Goods-related services				
Exports	2 350	11	-17	1
Imports	3 140	17	13	24

Figure 7. Finland's trade in other commercial services and goods-related services. (World Trade Organization, 2022 p. 135).

2.2 Remote work - the new present and future

Remote working, also referred to as telecommuting, term which was first introduced in the 1970s, which means working away from the office. Since then, researchers and other specialists have questioned the worthiness of working outside of the office, since it represents a fundamental alteration to how business has been conducted in companies historically. (Allen et al., 2015). Di Martino & Wirth (1990) define remote working as "a flexible work arrangement whereby workers work in locations, remote from their central offices or production facilities, the worker has no personal contact with co-workers there, but is able to communicate with them using technology". The phenomenon is referred

to as telecommuting, teleworking, distributed work, flexible work arrangements and re-mote working (Allen et al., 2015).

Telecommuting's development and expansion are correlated with technological and eco-nomic improvements. Telecommuting possibilities increased together with capabilities of home computing. (Allen et al., 2015). Before Covid-19, most individuals have not worked remotely or had the possibility to work remotely (Wang et al., 2021). Digital and Information and Communication Technologies (ICTs) as well as remote working have in-creased since the start of Covid-19 (Battisti et al., 2022).

Kniffin et al. (2021) capsulizes "Covid-19 is both a global health crisis and an international economic threat". The worldwide company and industry shutdowns that were enforced and required in order to stop the spread of the virus created a wide range of special obstacles for both employees and employers. Individuals were overnight turned into es-sential workers or from home workers, many were laid off when the service industry for example was shut down (Kniffin et al., 2021). Remote working became the "new normal" nearly overnight. The pandemic forced people to work remotely regardless of their abil-ities, preferences, and nature of their work (Wang et al., 2021). Remote work is a larger category because it refers to working from anywhere, which is not automatically from one's home. Working from home is often preferred by professionals who have complex tasks and do not require peer interaction with those tasks, furthermore they are often more productive when working from home. (Allen, et al., 2014).

Many companies which had to make the switch to remote work during the Covid-19 pandemic have realized that the positions can be remote and are making certain posi-tions permanently remote in the future. Some positions and jobs are the type in nature that remote work is not fully possible, such as health care providers etc. However, having an entire team be in the office at the same time, is in the past. (Sytch & Greer, 2020). Artificial intelligence (AI) will change the world in few years, companies which act rapidly in line with it, will be the beneficiaries of AI and the remote working revolution. AI and

remote working will be the biggest paradigm change on employment that the world has ever seen. (Miller, 2021).

Singh et al. (2022) found the extreme usage of tehnology during the pandemic for both work and personal tasks might lead to technostress in some individuals. Technostress furthemore includes the increase of psycological strains like technology exhauston and overall decrese in subjective wellbeing. Furthermore, their study showed that indivuduals with prior experience with remote working were better at negoating with technostress. Franken et al. (2021) explains that even though remote work during the pandemic was considered to be successful, concerns did arise on individual and team levels due to the lack of preparedness and not having optimal working conditions in the home environment, also work and non-work-life balance was off due to poor boundary management, as well as having to work in isolation from colleagues.

2.2.1 Remote working brings benefits both to the employee and employer

The main benefits of remote working for employees are the ability to maintain careers while beginning families and avoiding the disruption of moving for a temporary position, which often outweigh disadvantages like the lack of in-person interactions in the laboratory or during meetings. There are also unexpected benefits, like enhanced creativity as a result of a better work-life balance, which has encouraged flexible working arrangements not only in scientific research but also in other professions. (Hunter, 2019). Franken et al. (2021) found that even though there was skepticism regarding remote work, after committing and associated adaptation towards maintaining performance, there was a change in mindset and persistence to work remotely in the future, at least part time, in order to achieve a productive, healthy, and balanced work-life.

According to Sytch & Greer (2020) there are several key advantages to shifting at least some of the personnel to permanent remote working positions. First, avoiding the restrictions of hiring from your local labor pool. Second, offering remote working opportunities help to attract and retain competitive talent. Third, remote working has the

possibility to save a lot of time, especially in regards of commuting to and back from the office. (Sytch & Greer, 2020). A servey conducted by McKinsey (2021) found that nine out of ten organizations will incorporate both remote and in-office work. Furthermore, the survey confirmed that both customer satisfaction and productivity have increased during Covid-19. The companies which experienced the most increases in productivity during that time had shown support towards encouraging moments of engagement between their employees. These moments included mentoring, coatching, sharing ideas and coworking. These firms are preparing themselves for hybrid working by redesigning procedures, training managers for remote leadership, and rethinking how to support employees in their positions. (McKinsey, 2021).

Remote working has two sides in the sense that it can help lessen the negative effects of work centrality on family satisfaction, however in the meantime is restricting the positive effects of work centrality on work engagement. Thus, in order to promote employees' professional and personal well-being, organizations and managers ought to be thinking about addressing employees' job centrality and work nature. (Gillet et al., 2021). Delany (2022) highlights that although there is evidence of positive experience of remote working by employees during the pandemic and improvement of employee work-life balance, the positive expectations might change if remote working will reduce the opportunities for individual development or career progression.

2.2.2 Managerial competences and the virtual world

There is clearly a consensus on the fact that the way of working will not be returning back to they were before Covid-19. Researchers, scholars, managers, and other professionals are working towards finding answers on what works best and what the working ways will be in the future. Many show support towards the hybrid virtual model, where some employees are in-office while others are working remotely. The model guarantees better access to talent, higher productivity for individuals as well as small teams, reduced costs, adds individual flexibility as well as improves the experience of the employees. (Alexander et al., 2020; Gifford, 2022).

The transition to the world of virtual working has its risks, in the long term the shared culture, trust, cohesion and might be lost, which are often the key aspects helping remote working and collaboration in the short term (Alexander et al., 2020). As moving towards hybrid working, managers should take into account the limited face-to-face time when planning and keeping in mind that maintaining relationships in virtual teams requires more work. Investing into quality face-to-face time provides a more solid foundation from where to work (Gifford, 2022).

In order to maintain and possibly improve prospects for future organizational strategy to grow, motivate, and retain employees, HR services are crucial in guiding and supporting any shift to remote working. Not least in terms of the transfer of tacit knowledge and the discovery and advancement of talented employees, human resource development is a crucial component of this transformation and the creation of the future workforce. Hence, a key goal for organizations is likely to be manager training or retraining. (Delany, 2022).

Sull et al. (2020) found based on their research five main factors on what leaders should consider in regards of remote work. First, maintain transparent, frequent, and consistent communication, these principles are always great but highly crucial when the workforce is dispersed. Second, provide support for both physical and mental health, social isolation happens easily while working remotely. Third, help employees with staying engaged and productive. Individual productivity especially with task that do not require collaboration with others, has increased through remote work, however there might be decreased productivity with tasks which require collaboration with other teams. Fourth, managing the remote work-life balance paradox. Employees get to spend more time with their families but might have a difficult time setting the boundaries between their personal and professional lives. Fifth, remembering to focus on the strategic priorities. Even if remote work adds new challenges to meeting the strategic objectives, it also brings

new opportunities. Leaders need to create and ensure a healthy company culture while having a dispersed workforce.

3   The Board of Directors in Finnish SMEs

A board of directors in a private company is an elected group of people who serve as the shareholders' representatives. The primary job of the board of directors is to look out for the interests of the shareholders. The members of the board are responsible for monitoring and assessing the company's activities and performance. (Conmy, 2023). Limited Liability Companies Act (624/2006) is a general law that applies to all limited liability companies registered in Finland, unless otherwise provided in the Limited Liability Companies Act or other laws. A limited liability company can be a private company or a public company. (Erma et al., 2019; Finlex). In its operations, a limited company must take into account and comply with all laws concerning the company, and the board's task is to monitor that this happens in the company. In terms of board work, in addition to the Limited Liability Companies Act, key laws include e.g., accounting law and regulation, tax laws, trade register law, securities market law and competition legislation in general. (Erma et al., 2019).

Corporate governance is the set of rules, practices and processes that regulate and control a firm. Corporate governance overall entails striking a balance between the needs of all of a company's various stakeholders, including shareholders, senior management, customers and suppliers, financiers, the government, as well as the community. (Chen, 2022). Good corporate governance can help restore investor confidence (Mallin, 2016).

The history of corporate governance leads back to the 1970s in the United States, where investor institutions started to require more transparent operations from organizations after misdemeanors scandals became public in companies such as Enron, Parmalat, Skandia etc. (Erma et al., 2019; Cheffins, 2011). The term corporate governance does not have a direct translation into Finnish, however it is often translated as "hyvä hallintotapa" or "hyvä hallinnointitapa". In addition, the term *corporate governance* has been entrenched into the Finnish language. (Erma et al., 2019). The Corporate governance code lays forth the requirements for what corporate boards should do to protect shareholder investments. Concerns about good corporate governance and the various types of best

practices that foster it are shared by corporations and shareholders worldwide. Every country has its individual laws and regulatory practices to ensure that stakeholders and shareholders are protected. (Price, 2019). In 1997, Finland received its first corporate governance recommendation, when Nasdaq Helsinki, the chamber of commerce and EK (Elinkeinoelämän keskusliitto) published common instructions for listed companies. (Erma, et al., 2019).

Statistics report of listed company boards in Finland in 2022 by Prönö shows that there are 28% women on boards in Finnish listed companies and the report also showed that the average board member is a 56 year old man in these companies. The representation of female board members is expected to grow since the European Parliament has implemented a directive on gender quotas for boards of listed companies. Additionally, the report showed that in Finnish listed companies 77% of board members are Finnish citizens and only 9% of board members are born in the 1980s of after. (Prönö, 2022).

3.1 Role of the board

The composition of the board always depends on the will of the owner (Erma et al., 2019). Unless otherwise stated in the Articles of Association, there should be from one to five regular members of the board of directors. If there are less than three members, at least one Deputy Member of the board of directors is required. Furthermore, if there are several members of the board of directors, a chairperson needs to be elected. (Act on Limited Liability Companies 624/2006, 6 f 8 §).

The board is responsible for developing the strategy, vision, and direction of the company, additionally it is the company's highest decision-making body. The board must have the ability to make analysis and have the vision and courage to look at the company's future in the longest possible term. (Ilvonen & Martikainen, 2022). The board must ensure that the strategy creates a continuous, participatory process between the personnel, management, and the board. Without a living strategy, the company's resilience to

disruptions and the ability to create new operating methods at every level of the organization will be lacking. (Leskelä, 2022).
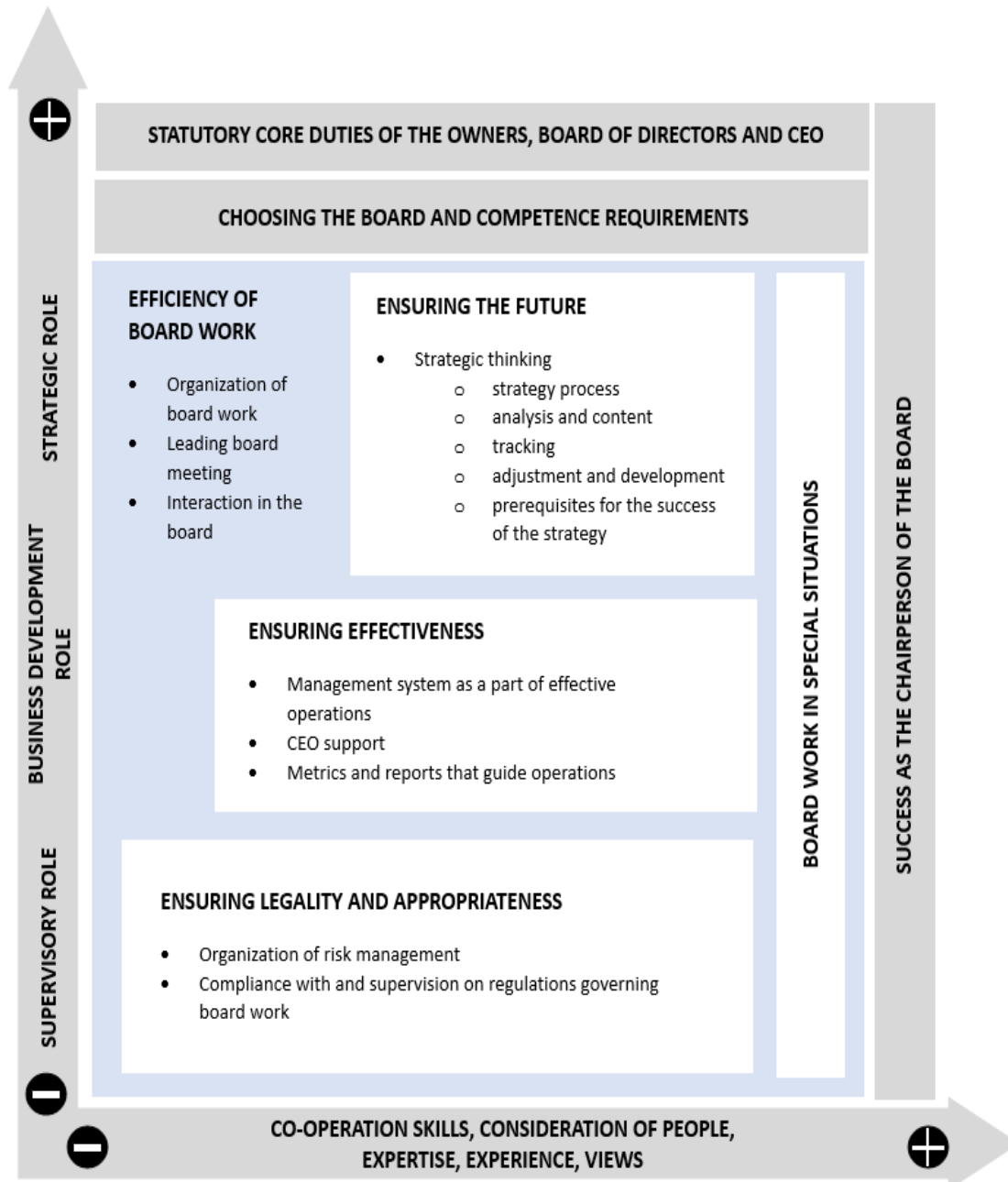

Figure 8. Roles of the board. (Modified from Virtanen & Salminen, 2021).

In Figure 8, Virtanen & Salminen (2021) presents the roles of the board regarding value creation. First, the supervisory role includes supervising the CEO as well as the whole

company's operations and ensuring legality and fulfillment of appropriateness. Second, the business development role of the board is to develop the company's performance and to increase operational effectiveness. Third, the board's role is to consider the company's future and to set future goals and directions, that is, to ensure the company's future (board's strategic role). The more of these roles the board is able to handle according to the company's situations and needs, the more the board can generate added value for the company. (Virtanen & Salminen, 2021).

Directors will be assigned to the board because they will fulfill certain board deficiencies with their particular skills, knowledge, and experience. It is crucial to recognize that while not every director will have every vital skill, the board as a whole must possess the skills needed to steer the company effectively forward. (Australian Institute of Company Directors, 2020). The needs of the board vary and are firm specific. However, a board that actively seeks representation from people with a diverse range of leadership abilities, backgrounds, experiences, and opinions generally has most likely an ideal composition. Organizations with diverse boards benefit by having diverse worldviews and can undertake in more prosperous discussions on strategic objectives. The strongest board members possess a variety of skills, including strong leadership skills, communication skills, teamworking skills, strategic thinking skills, as well as financial literacy, and deep vertical expertise. (Mantravadi, 2021).

Qahatan et al. (2020) found that many businesses experience board-level difficulty in identifying the appropriate sources for developing IT competence. Hence, they suggest boards can address this issue by assigning IT competent board members. They found that an increased share of IT-skilled board members can undoubtedly improve the creation of digital business strategies, the governance of IT risks, and the quality of IT related decisions.

Boards may face challenges with the psychological phenomenon called groupthink. Canet (2016) argues that groupthink has the potential to substantially undermine good

corporate governance and, as such, should be given greater consideration by regulators. According to Coles et al. (2020) groupthink and teamwork both arise from growing director overlap, which is the degree of common service by board of directors. Increased overlap might cause excessive cohesiveness and thus groupthink, where critical thinking is overridden by the desire for consensus. The study shows that director overlap has a negative impact on firm value in dynamic firms, which are more likely to have greater lose from groupthink, however, have a positive impact on firm value in complex firms, which have greater coordination costs and hence benefit from stronger teamwork. (Coles et al., 2020). Study by Kamalnath (2017) showed that gender diversity can possibly help overcome groupthink in corporate boards, given that the women directors also hold independent and outsider statuses. However, other types of diversity, such as racial diversity, educational diversity, professional diversity, tenure diversity, etc., may provide the same advantages and therefore should not be disregarded.

It is crucial that individuals in comparable functional positions, and different functions, exchange knowledge and information to enhance institutional learning. Furthermore, it is essential that digital transformation is encouraged by business leaders that develop a culture of consistent, coherent, and extensive presence of values and norms which enhance the application and usage of digital technologies as well as data to promote firm success in long-term. The business leaders must advocate for the necessity of digital transformation and make sure that everyone collaborates to achieve this shared goal. (Björkdahl, 2020.)

3.2   Different roles in the board

There are different roles within the board of directors, these roles can be for example chairperson, deputy member, secretary, outside directors or non-executive directors, and advisors. (Conmy, 2023; Act on Limited Liability Companies 624/2006, 6 f 8 §). Each firm is a unique entity and therefore requires a firm specific board which compliments it needs. (Virtanen & Salminen, 2021).

Choosing both internal and external board members tend to be critical to a board's and an organization's success. (Conmy, 2023). A director's primary employment must be with a company other than the one whose board they serve on in order for them to be considered as outsiders. Typically, outside directors come from backgrounds that will make them valuable to a board or enable them to provide insight for a significant constituency. (Adams et al., 2010).

In recent decades, the role of the board chair has become more and more complex. According to Banerjee et al. (2020) the number of published studies on the role of the chairperson has increased over the last few decades. Their study found that scholars, professionals, and the media have all recognized significant changes in the board chairperson's job description and responsibilities. The board chairperson's role as the board's leader has become increasingly active and visible as a result of rising demands and expectations from internal and external stakeholders. (Banerjee et al., 2020).

The board chair serves as the board's presiding official. Withers & Fritza (2017) found that while previous research has focused on the CEO's impact on company performance, they suggest and find that board chairs may also contribute significantly to the variance in performance beyond what the CEO effect can account for. Withers & Fritza (2017) highlight that board chairs can affect firm performance through essential assets they offer to their firms, and as a result, it is important who serves as the chairperson of the board. Furthermore, their study shows that in cases where the CEO and chair role are held by different individuals, the board chairperson may explain a substantial amount of variance in the performance of the firm. (Withers & Fritza, 2017).

In order to gain a better understanding of how the position of the board and chairperson will change and what is expected of the future chair, Deloitte published a study in 2022 called the Chair of the Future, presented below in figure 9. According to the study, corporate boards should especially focus their attention on supporting the executive

management in the continuous evaluation of risks, as well as in the critical evaluation of the current operational operating model. (Chahed et al., 2022).
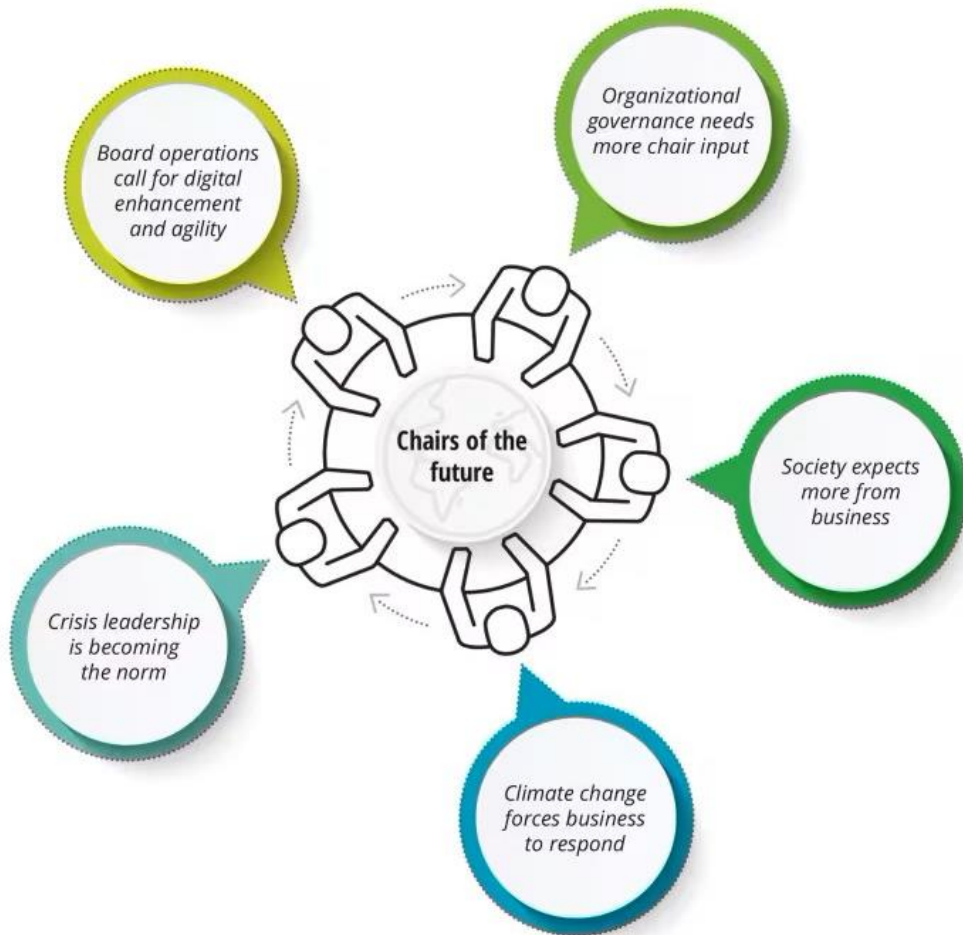
Source: The Deloitte Global Boardroom Program.

Deloitte Insights | deloitte.com/insights

Figure 9. Chair of the Future. (Deloitte Insights, 2022).

As shown in figure 9, based on Deloitte Insights report in 2022, worldwide chairs inform that their work is fundamentally changing. The report included chairs from around the world, who represent large-scale listed companies, and significant private companies, with even some family-owned firms. The report showed five forces which cause the expansion of the role. These five forces are: organizational governance needs more chair input, society expects more from business, climate change forces business to respond,

crisis leadership is becoming the norm, and board operations call for digital enhancement and agility. (Chahed et al. 2022).

Advisory Boards are important cooperation partners to the board. They are utilized in different countries, and their operation is not typically defined in laws or regulations regarding business activities, however there may be mentions in the board work descriptions. Therefore, the features of the operation vary, and because the operating methods are inconsistent, the use of Advisory Boards has understandably been relatively low. Often the reason why advisory boards are not built or considered, is the additional work which it entails. (Ilvonen & Martikainen, 2022).

The Advisory Board is not legally responsible for the company's operations, finances, or product development, nor is it involved. Additionally, it has no decision-making power. For its part, the advisory board ensures, instructs, challenges, and brings its special expertise and views to the formulation of the strategy, but also to the implementation of the strategy, with strong coaching and support. The advisory board can also support restructuring and new growth, for example during internationalization. (Ilvonen & Martikainen, 2022). Murray (2017) suggests implementing stakeholder advisory boards because they provide numerous potential benefits, including increased stakeholder voice, creative ideas, and loyalty, as well as expanding communication lines amongst directors and peripheral stakeholders.

3.3   A brief literature review

Literature on board of directors is limited, especially when focusing on SMEs in Finland. It is important to recognize that the activities of the board of directors are classified company secrets which might affect the firm's future and competitiveness. It is difficult to analyze the effectiveness of the board due to the complexity and multidimensional nature of their operations. At least to the knowledge of the researcher of this thesis, there is not yet any academic literature available reflecting on the board of directors and remote working.

Overall, there is little literature of the boards of directors in Finnish firms. Virtanen & Takala (2016) conducted a study on corporate governance in Finnish listed companies. Their results acknowledge that the board of directors are accountable to shareholders and stakeholders, as well as that their accountability involves social and environmental responsibilities.

The function of boards of directors, their makeup, their role, and impact on the value of firms and their strategic direction have all been extensively discussed in literature. However, empirical study on the boards of directors is challenging due to its complexity, and joint-endogeneity issues in relation with its makeup and actions. (Adams et al., 2010). One of the most closely kept corporate secrets is the board of directors' activities since the matters they discuss may have a big impact on a company's future profitability and competitive position. (Bonini & Lagasio, 2022).

The board of directors' fundamental role is management monitoring of behalf of shareholders, although it is challenging to determine the efficacy of board monitoring (Lin et al., 2014). According to Vafeas (1999) annual board meeting frequency is correlated with company value and an essential dimension of board operations. The rate of director share ownership and the percentage of independent directors rise along with board attendance, suggesting a convergence of interests amongst directors and corporations as well as that increased board attendance is prompted by potent external monitoring. (Lin et al., 2014).

Hahn & Lasfer (2016) found that the increase of foreign non-executives on the board of directors, leads to fewer board meetings in the United Kingdom. Their findings imply that a compromise between enhanced board diversity and decreased monitoring due to fewer meetings weakens the internal governance mechanism, decreases the benefits of the advisory role of foreign non-executive directors who probably will have international expertise and significantly worsens agency conflicts. Although, when organizations have

a higher number of meetings while having foreign non-executive directors, there is an increase in value creation. (Hahn & Lasfer, 2016).

Significantly less is known about board governance in SMEs than in comparison to listed companies, where archival data is easily accessible and available (Kumar & Zattoni, 2019). Uhlaner et al. (2021) conducted a study on beneficially of outside directors in Belgian SMEs. Their findings show that under specific boundary conditions, the presence of outside directors have a neutral or might even have a negative effect on board service involvement in SMEs. However, they highlight that the reality is highly more complex than was prior assumed.

Lewellyn & Muller-Kahle (2020) conducted a study on board gender diversity and presented possible solutions for acknowledging the continuing issue of underrepresentation on females in corporate boards. Terjesen et al. (2015) also focuses on the same diversity issue, examining the institutional factors in relation with legislation on gender quota for boards of directors.

4   Research methodology

In this chapter, the research methodology is described. This chapter gives a detailed explanation on how the empirical part of the study is conducted. First, the research strategy and design are explained. Second, the data collection and analysis are elaborated and discussed in detail. Furthermore, the validity and reliability of the thesis are validated.

4.1   Research strategy and design

This research focuses on overall understanding the role of the board of directors, and their ways of working, as well as the limitations and possibilities related to their work and working ways. The aim of this study is to figure out what the board of directors' ways of working is in the future. A research always has a purpose or mission, which guides and determines the right choices in regards of research strategy (Hirsjärvi et al., 2018 p. 137). Research design describes "the general plan of how you will go about answering your research question(s)" (Saunders et al., 2012 p. 159). The research objective of this thesis is *"How does the board of directors work effectively in the future?".* The aim of this thesis is to find an answer to the research objective, as well as the research questions of the study.

This thesis explores a topic which has not been thoroughly studied and aims to discover and gain insight about the chosen topic of interest, thus it is exploratory in its nature. *Exploratory* studies are exceptionally useful when wanting to clarify the understanding of a problem, or the precise essence of the problem in unclear. Furthermore, it has the convenience of being very flexible and adjusting to changes. Exploratory research often includes interviewing experts, conducting in-dept individual interviews or focus group interviews. These interviews tent to be rather unstructured and highly dependent on the quality of the results from the participants to help steer the research to its next phase. (Saunders et al., 2012 p. 171).

There are two primary research approaches, which are *deduction* and *induction*. Deductive approach is highly focusing on existing theory and formulating a theoretical basis first. Furthermore, a deductive approach is often used when wanting to use data to test out theory, and often it is incorporated with the quantitative research method. On the contrary, inductive research approach focuses on collecting data first, and then develops the theory based on the data analysis, and it is often incorporated with the qualitative research method. Furthermore, there is a third approach called the *abductive* approach, which combines both the deductive and inductive approaches. (Saunders et al., 2012 p.160-165). In this thesis, inductive research approach is used rather than deductive approach, because it is the most suitable due to the fact that, the data is fundamental and the starting point for the study, thereafter, developing a richer theoretical perspective on the basis of the data analysis.

Due to the nature of this study, the chosen research design is *qualitative research*. Qualitative research is the right method when wanting to get a deeper insight and a good description to the phenomenon. As qualitative research is based on non-numeric data and on the contrary quantitative research is numeric data, it is obviously the right method for this study. (Kananen, 2015; Saunders et al., 2012). Instead of operating on predetermined models of variables and their mutual causal or correlational linkages, qualitative research settings rely more on constant circularity and connecting empirical analysis to flexible literature reviews and theories. Qualitative research focuses on understanding and generating the context of the study and fits better finding an answer to "what" and "how" type of questions. (Eriksson & Kovalainen, 2008; Hirsjärvi et al., 2018).

A mono-method data collection method was used because the study focuses on one qualitative research which was conducted by interviewing experts. Even though a multi-method research might potentially have a more prosperous outcome, rather than using a mono-method design, in the end it is most practical in this case, in order to achieve the hoped end results, and a comprehensive understanding within the topic, and to be

able to find answers the research questions and objective. Furthermore, this study is cross-sectional since it focuses on a particular phenomenon at a particular time. (Saunders et al., 2012).

4.2 Data collection and analysis

The data is collected through semi-structured interviews from chosen experts. The interviewees were gathered partly through interviewer's own acquaintances, and the via snowball effect, getting names from previous interviewees. They were first contacted through email, to set the time for the interview, as well as to send the interview questions, since the first interviewees wanted to see the questions beforehand, it was then sent to all in fairness, and to achieve the same baseline for the interviews. However, it was highlighted that no prior preparation was required. The interview questions (Appendix 2) and the interviews themselves were in Finnish, because it is the native language of the interviewees, and it ensures genuine answers and makes it easier to reflect on their personal experiences, thoughts, and beliefs.

While starting the data collection, the detailed aim of the thesis was not yet clear, therefore one pilot interview was conducted in order to test out the interview form and in order to see what sparks interest for this study, thereby explaining the reason for such a long and comprehensive interview form (Appendix 2). The interview questions were grouped under different categories, background of the interviewee, structure of the board, board work, company management in general, and ended with questions such as what motivates you in board work, what kind of ideal board would you build, along with a good and bad memory from working in a board. Remote work was under category board work, and since during the pilot interview the topic showed to be very interesting, current, and an important aspect of working as part of a board in today's world, more emphasis was the put on the subject matter and additional questions were made during the interview. These additional questions became amongst the most relevant questions to the study and were then added to the interview form for the following interviews. Free flow of communication was allowed, keeping a close eye on the fact that each

question got covered. The interviewer did not want to restrict the flow of thought of the interviewee in question.

All interviews took place between 19th November 2022 – 24th January 2023. The interviews all started off with the prologue (Appendix 1) explaining the background and reasoning of the study for the interviewees. The interviewees were given the choice to decide whether they want to meet in person or online. Thus, three out of eight interviews were in person face-to-face interviews and the rest were conducted via the online video communications tool Zoom. All interviews were recorded for transcription. The duration of the interviews was from 1 h 05 minutes to 2 hours 15 minutes.

Table 1 below presents a summary of the interviewees, and their experience with board work, as well as the different roles which they have carried during these years. As shown in Table 1, all of the interviewees hold current positions as the board of directors. As the table presents, there is dispersion in sex, age, place of residence, and of course in experience. All of the interviewees have current roles in small and medium-sized enterprises (SMEs), moreover multiple of them have experience in working in the board of listed companies, IPOs and other larger mergers and acquisitions, which brings different perspectives into this study.

Table 1. Interviews

Respondent	Sex F/M	Age	Place of residence	Number of BoD roles today	Number of BoD roles overall	Experience in years	Role
Interviewee A	M	62	Vaasa area	2+3	30+	20 years	Chair, secretary, member, advisor
Interviewee B	F	36	Vaasa area	5	10*	14 years	Chair, member

Respondent	Sex F/M	Age	Place of residence	Number of BoD roles today	Number of BoD roles overall	Experience in years	Role
Interviewee C	F	37	Vaasa area	2	3	7 years	Chair, member
Interviewee D	M	57	Vaasa area	5	18*	26 years	Chair, member
Interviewee E	M	62	Tampere area	15	24	25 years	Chair, member, advisor
Interviewee F	M	57	Helsinki area	1	1	1,5 (15)**years	secretary, advisor
Interviewee G	M	68	Tampere area	4+4	45	45 years	Chair, secretary, member, advisor
Interviewee H	F	40	Tampere area	2+4	10	10+ (15+)** years	member, advisor, CEO

In the column *number of board of director roles today*, the number of advisor member roles is separated, first is shown the number of Board of Director roles and second is shown the number of Advisor Board roles. Interviewees B & D with the * symbol in the column *number of board of director roles overall*, are counting all board of director work experience, including experience in other fields such as sport clubs, public administration, housing companies and day care centers. Interviewees A & G highlighted that they are not counting any other experience than purely business related board of director work. In this table, the experience which the interviewee considers important, is counted for, however the focus of this thesis is purely on the experience on the board of director work in corporations. Interviewees F & H with symbols ** are indicating the number of years in parenthesis counting other work experience working closely with the board of directors, for example working as the CEO and therefore attending the board meetings etc.

All interviewees were asked to schedule in plenty of time for the interview, minimum 1,5 hours. All interviewees had respected this request, so that there is no stress of time, which allows for free flow of conversation. The interviews were recorded and after the interviews they were carefully converted into text format. It would have been impossible to remember or take note of everything during the interviews and it also made it possible for the interviewer to focus on the interviews rather than on taking notes. After having a lot of data (approximately 121 pages, written with Calibri 11 and spacing 1,15). The aim of the study became clear during the data collection process, and after the interviews were transcribed, the transcriptions were carefully read through and then gathered and color coded under themes which were relevant to this specific topic, and all the irrelevant data for this study was cleaned out. In the end, five main themes came to light which are remote working, efficiency, competences, advisor board and outsiders, and travel. These will be explained in detail in the next chapter under findings. After having eight different documents with color coding in mixed order, for example under one question could be several different colors if the interviewee spoke about remote work and travel in the same context, they were all gathered under one document. This document was 37 pages and had all the answers from the interviewees under each theme and under specific interviewee. This made it easier to make sure that nothing was left unnoticed and also some answers where reconsidered and moved under different theme, since some of them could be under several themes. Furthermore, this made it possible for the interviewer to compare answers under each themes rather than going one interview after another. Since the interviews and transcriptions are in Finnish, in the end they were carefully translated into English language and shortened for punctuality, keeping in mind that the message will come across correctly.

4.3 Reliability and validity

Researchers always reflect to the trustworthiness and quality of their research. The research quality and credibility can be determined by its *reliability* and *validity*. This also raises the transparency of the research and helps the researcher with the capability to

highlight both the strengths and limitations of the research. (Eriksson & Kovalainen, 2008; Hirsjärvi et al., 2018). Even though reliability and validity are the most common evaluation criterion used, a lot of conversation on has risen on how accurate they are especially considering qualitative research. In addition to these two classical evaluation criterion, there are other concepts available for evaluation. (Hirsjärvi et al., 2018; Saunders et al., 2012). Reliability refers to the repeatability of the research in the terms that if the research was conducted again would it have consistent finding, or if the research would be repeated by another researcher, would it still have the same results. (Saunders et al., 2012).

Saunders et al. (2012) present four different types of threats to reliability. First one, called *participant error* involves any factor which might alter the performance of the participant, such as specific time or day of the interview. In this study, all the interviewees were given an open schedule to choose the most appropriate time for them. Furthermore, they were asked to schedule in plenty of time in order to achieve an interview without the stress of time. The second threat presented by Saunders et al. (2012) is called the *participant bias*, which includes all the factors which might create a false response, such as interviewing in an open space where they might be overheard. In this study, the interviewees are anonymous. Furthermore, they were either alone at their home or office space without the fear of being overheard, or the interview was face-to-face in a space where was nobody else. Additionally, since the study focuses on the personal experience of the experts and they were not representing any specific company, their answers would not have been affected. The third kind of threat is called *researcher error*, which focuses on the factors which might affect the researcher's interpretation, such as being under prepared, tired, or misunderstanding indirect messages (Saunders, et al. (2012 p. 192). In this study, this threat was minimized by the alertness of the researcher and willingness to ask more detailed questions to understand the subtle meanings of the interviewees. The fourth kind of threat is called *researcher bias,* which includes the factors which promotes bias in the recording of responses, such as having the researcher's own outlook affect the results (Saunders et al., 2012 p. 192). In this study,

this issue was closely kept in mind and the researcher made sure not to bring up own personal opinions. Furthermore, the interviewees' personal views were asked for throughout the interview, and the tone of the interview was open and transparent.

Validity which is the other classic evaluation criterion refers to the capability to measure what was intended to be measured with correct data and trustworthy results. Fundamentally it means that the findings precisely represent the phenomenon, and they are therefore certain. (Eriksson & Kovalainen, 2008; Hirsjärvi et al., 2018). To establish validity in this research, the terms used in the interviews were defined and questions were asked from both parties to ensure that the concepts were understood the same way. The semi-structured interview questions were gathered under different themes, coming from multiple different kinds of sources, such as theory, other interviews, podcast etc. The interview form was presented to the thesis supervisor before the interviews to confirm that they comprehensively cover the topic. Furthermore, the pilot interview was conducted to test out the questions, which did end with additional questions to the interview form. Since the questions were sent in advance to the interviewees, this made it possible for them to collect their thoughts and possibly think about their final answers. Also, it made it easier for interviewee to understand the flow of the interview and to know what will be asked later on. In the end, the interviewees were given the possibility to express if they had something to add and they were also told that they can stay in touch weather they something on their mind.

5 Findings and results

The empirical findings will be presented in this chapter. The interview data gathered consists of eight responses from chosen individuals, which all hold current positions as the board of directors, all have comprehensive experience and knowledge about the board of directors and their ways of working. Even though, all the interviewees were Finnish, they were living in different cities, different ages, both male and female representatives and had different backgrounds, as well as had experience in many different companies, business fields, and company sizes. Details about the interviewees are presented and described in Table 1. From the interviews five main themes came to light. Next these themes are explained in detail in this chapter. These five themes are remote working, efficiency, competences, advisor board and outsiders, and travel.

5.1 Remote working

All interviewees highlighted the important and vital role of the chairperson of the board. Most interviewees stated that the chairperson has two main roles, first, take charge of the meetings and make sure the right things are being discussed, also to keep in mind the time and to see that everything gets their needed time, furthermore, to make sure every board member gets to state their opinion, and also help solve conflicts. Second, the other role is to be the sparring partner of the CEO and make sure the CEO always has someone to talk to and discuss maters which they could not discuss with anyone else in the organization rather than the chairperson of the board.

> *"The chairperson also ensures that matters relevant to the company are discussed at board meetings, decisions are made, the company's key figures are monitored, and corrective measures are taken if necessary." – Interviewee A*

> *"Well, [the role] is absolutely crucial, because the chairperson is the one who brings the attitude and rhythm to the work. However, it is expected of them to lead the speech in those meetings." – Interviewee C*

"So, to speak, it is a big figure or the captain of the ship, if we are going towards the rocks, it will be able to make the prescribed instructions or movements so as not to shipwreck. Because the chairperson has a surprisingly big role, but then again, in this society, it's not really understood how important the role of the chairperson is in every place, and that responsibility is poorly paid in my opinion in Finnish society." – *Interviewee D*

"It is important to note that the board is the CEO's superior, but often it is delegated to the chairperson. So, the chairperson negotiates with the CEO, but within the framework, that the board determines." – *Interviewee E*

Due to the Covid-19, all in-person meetings were switched to online remote meetings. Since then, the pandemic has calmed, even though the virus is still amongst us, it is no longer affecting meeting up in person. However, these new working ways have become the new normal. All the interviewees stated that they have been working remotely and just now have started having some meetings in person, however they are mostly being remote.

"I believe that in modern companies there should be the possibility to keep meeting remotely, or it is important to just be able to give the possibility even if it would never be used." – *Interviewee C*

"Yes, we have been basically now the entire covid time, around two years only remote. And it feels like it will be continuing, because now everyone has gotten used to it and has the capabilities of being remote and it just works. However, during this last year or little over a year, we have at least met it person once a year." – *Interviewee E*

I am currently sitting in one board where we have never met in person, another board where we have met twice in person and 30 times remotely, and in a third board, currently we meet every third or fourth time in person, and the rest remotely." – Interviewee H

All interviewees agreed that remote working is possible, and it works efficiently. However, all interviewees stated that not all meetings can be online. That there are some meetings which must be in person. These meetings are for example strategy days and other days where ideation is the main focus.

"Up to a certain point you can be remote, which has now become evident in these various companies and enterprises and boards etc. However, you still have to be able to sit down for certain things, these are a few meetings a year, such as strategy and the annual meeting." – Interviewee D

"As a rough division, if we have an ideation meeting, we have to be present, if we have a follow-up meeting, we can cover it remotely. As in principle. Of course, there are tools available for the ideation meetings and such, but that is a little more challenging." – Interviewee G

During remote meetings, it is harder to know if the participants in the meeting are focusing on the meeting itself. Interviewees which have experience as the chairperson explained what they focus on as in the role of the chairperson to ensure that all participants are active.

"The chairperson's role in the meeting is to ensure that everyone is heard. There are always those members who bring their own views out loudly, are happy to actively give speeches and are actively involved in that discussion. Then there are those who are naturally quieter, who may find it more difficult to express their own views.[…]As the chairperson, I'm looking for everyone to participate in the

discussion and also in the decision-making process, so I make sure that everyone is surely on the opinion that this is a unanimous decision and that everyone has understood what is being decided." – Interviewee B

"As the chairperson in remote meeting, I try to go through all the participants when we are speaking about any matter. I always ask them something, which makes them more awake knowing that the chairperson will ask for your opinion. During in-person meetings, there answer those who have something to say, but during videocalls when we go through everyone, then you that all the participants are following along and paying attention. " – Interviewee E

Most interviewees actually prefer the new way of working remotely. However, then there are of course those who prefer the old ways.

"I believe the board can probably be remote, and that is quite possibly the future, however I don't personally like it. " – Interviewee G

"I like it, I think it works. After Covid, I have noticed it now in all business related subparts, how much time we have consumed behind the wheel of a car, and all for nothing." – Interviewee F

"I think it has gone really well, but I also do work remotely a lot, or in the sense that I also have a team member in my team now who I have never met in person, and we have been working together for a year. […]I just don't see a reason why we wouldn't be remote. All [boards] where I have been, remote work has had a big role. And when you start taking people from different cities, it's just very natural." - Interviewee H

While the interviewees are not quite agreeing on the fact if they like working and having meetings remotely or rather in-person, many pointed out that a hybrid version is the

worst. Interviewees felt that hybrid meetings leave the remote participants feel like outsiders and overall affect the meetings negatively.

"It is more equal when everyone is in the same place, be it all remotely or all present. Well, at least with that, it requires quite a lot from a person to be able to be natural in both and there aren't terribly many with those skills. Of course, it's also a very basic dynamic factor that if a few people see each other, and someone just hears, that person easily becomes an outsider. " – Interviewee C

"[...]A hybrid is kind of bad. It's kind of stupid that if some are there and some aren't, then in my opinion it's like not good. Either everyone is or it isn't. Okay fine if it is a case of illness or something like that. But basically, if I am remote and others are there, then yes, I am quite an outsider. Then it doesn't work, so there's a lot of hidden things there, or things such as lunch and others, which you are then left out of, and you're then a bit of an outsider." – Interviewee H

Even though there were questions whether or not the individuals prefer working remotely or not, there was clear agreement on the fact that the future of board work will be online. The question seemed to be how to merge a hybrid model of having both in-person meetings and remote meetings.

"Future of board work will be primarily remote." – Interviewee H

Rules and meeting practices should be set for online meetings just like for in person meetings. Preliminary materials should always be sent in prior to the board of directors' meetings. All interviewees agreed that they need time to go through the material beforehand, hopefully with a few days to think them over or with time to request for further information. The number of days varied from interviewee to interviewee and are probably just personal preferences or the way they have gotten used to the process.

5.2 Efficiency

The size of the board affects the efficiency of the board. It was clear that all interviewees agreed that the optimal number of board of director members is five. Having more than five members, getting a hold of them all if something unexpected occurs is difficult. Furthermore, time management gets very difficult if having to work around the busy schedules of so many members. The issue with too little, such as with three members is that there is not enough viewpoints and experience, this is extremely difficult if these three people have similar backgrounds.

"It must be large enough so that there is sufficient expertise in terms of the organization's current stage of development, but it must not be too large, because the entire board must be able to communicate, and the mutual interaction and exchange of ideas is the hugely an important thing.[…]It's the same regarding the interaction between people, a smaller group that has a vision, who are able to discuss together - that's how things really move forward." – Interviewee F

"[With three members] it becomes a bit unnecessarily narrow, and especially if those people are of the same mind, then it does not bring any challenge to those things at all. " – Interviewee D

"Five is optimal, because it is an odd number, in the sense that the chairperson's role is not highlighted and thus their vote is just one out of five. If there is four members and votes go 2-2, the chairperson's vote settles. I have noticed that in a company crisis, it is good to have a smaller board. A really professional board of 3 people, due to the fact that they can be put together quickly, they can make decisions quickly and if they are still professional, and complement each other, then it provides a good foundation." – Interviewee G

Companies need speed and efficiency to survive in the rapidly changing business environment. Issues arise continuously and the board of directors must be able to come together to find solutions and steer the company into the right direction.

"Remote working increases flexibility and the speed of decision-making." – Interviewee A

"I feel that we are able to improve the quality of the company, the overall quality, when the board is able to get together very quickly. And at the same time, several meetings can also be held, meaning that before the corona virus it was very typical in the meeting to agree to come back to something. In other words, something like that, which could have been sorted out quite quickly, was always moved to the next meeting in a month to be decided. Now, it can be stated, if we are remote via video, we can agree that we'll find out this and that tomorrow and decide on it on Wednesday, that the new teams meeting will be held on Wednesday, which means that the decision-making is also sped up." – Interviewee B

Interaction between people is really important. Especially with those whom you work with and spend your weekdays in communication with. The decrease in genuine interaction due to remote work, is affecting how new relationships are being built and how old relationships are being maintained.

"Too little attention is paid to how the board groups itself. Many so called stumbling blocks that can come, are related to the fact that the group does not work as well as the group could and should work" – Interviewee C

"Meeting up in person, really, it's not even necessary in terms of managing things, it's just nice. [...]It makes the human interaction more human, and it's easier if we have sat together at lunch talking cuddly. But in terms of managing things, it's 100% possible remotely. But then, meeting the owners is an essential part of the

board's activities, and I don't think you can request that from the owners, then again we come to the matter of the interaction, since it is the board's task is to fulfill the wishes of the owners, how do you learn to know and see the wishes, as well as to learn to know those owners?" – Interviewee F

"Regarding discussion, in a way, there is a lot of social discussion in it, which is almost completely left out, or you have to have a really professional chairperson who can handle that social discussion remotely." – Interviewee G

" As we have learned to work remotely, and I think it works really well regarding board work, it just requires real interest from everyone, yes, it is nice to meet people in person, but it includes so many challenges." – Interviewee H

Orientation and feedback are crucial in all parts of an organization, same as within the board of directors. It is important to feel a part of the team, understand where we are going, what is expected of me. Interviewees worry about having too many roles in the company and about the challenges which that brings, such as working in the organization or board, and at the same time being an owner. Many interviewees pointed out that it is crucial that the CEO cannot be a member of the board. Few interviewees shared about their orientation experiences or the lack of. While other interviewees brought out real life examples of what they do to ensure an open communication culture within the board.

"There are bad experiences when a board member also works operationally in the company, the board role and the operational role get mixed up. The situation is really difficult if all the board members work in the company and at the same time in the board, in which case the dynamic and strategic ability suffers through operational issues." – Interviewee A

"I came to that company, so it happened a little bit like I jumped on a moving train, which meant that the orientation was quite short, because it was thought that,

okay, you are an owner-representative and therefore you know these things, but in fact it was not the case. So, a year went by and then came the outsider, which made it incredibly much easier for me too, since I finally got the orientation from the sidelines when the new board member was being oriented." – Interviewee B

"By no means did I get enough [orientation], everything came a little by little, when things came up, they were dealt with. And when the other outsider came, then I learned a lot. Now I would know to demand more and know what I could personally do differently." – Interviewee C

"We also do a survey to the members of the board once a year, like at the end of the term of office, about what is good and what is bad and what should be improved. And those should be revisited every now and then and ponder about the development of board work." – Interviewee E

"Which each member of the board, the chairperson should have a goal and development discussion. I believe it is one key thing, that it is addressed personally what your role is, what we want to achieve, why you are here, what I want from you and what do you want from the board ? Often it is handled in the way of welcoming one and thanking them of joining, and then everything gets started. The new member is there 4 years without knowing what we are talking about. " – Interviewee G

5.3   Competences

The board of directors should consist of a group of people with different backgrounds and expertise. Each board member should know what they are bringing to the board and what is expected of them. Furthermore, they should have passion to learn more and develop their personal competencies. Markets, laws and regulations, and the business environment itself change continuously and the board of directors must be able to keep up and develop alongside of the changing world.

"A good board and its members should also have the ability to listen and should understand the company's current situation during each stage of the company's life cycle." – Interviewee A

"One essential factor is that the board members also have time to commit to the board work." – Interviewee B

"[…]board members should be able to show real desire towards development, and the ability to develop." – Interviewee F

"[…]A group of people who truly with a good will want to understand about others' activities and dares to ask the hard questions while respecting others' views and opinions." – Interviewee F

"I would say that perhaps the biggest problem is that not every member realizes that the main purpose is to drive the company's interest, and everyone must take part, and be active." – Interviewee G

"It is also important that the company knows how to be humane, that it is not only about the financial factors but also environmental." – Interviewee H

All interviewees agreed that a certain level of business education is required. Few interviewees stated that it is wrong that universities do not teach a course on the board of directors, it is the highest management level in companies, and still it is not covered during university studies. Newer members of the boards mentioned that they have a mentor whom with they can discuss and bounce off ideas and ask questions. Most interviewees suggested that the Certified Board Member Course (Hyväksytty hallituksen jäsen -kurssi, shortened HHJ -kurssi) held by Kauppakamari in Finland gives an excellent basis for board work and also gives an in depth view into company's operations. Furthermore, it helps with avoiding conflicts and unnecessary discussion. However, the course

is not obligatory, board members can achieve the same level of competence through experience, such as working in upper level management and gathering the required information by reading about the Limited Liability Companies Act. All interviewees that have completed the course speak very positively about it and recommend it for all. Some interviewees which have not done the course mentioned that they probably will do it in the near future – especially if they will take on more board positions in the future, because it does bring credibility and support to board work. As the wellbeing of a company is in hands of the board, and through that many families' incomes are dependent on those individuals. Nevertheless, some mentioned that they do not see what the hype is about. All members of the board cannot have extensive experience, because then it means that everyone would be old, diversification is great and needed, therefore the younger members can either be taught on the side, have a mentor, or complete the course.

"I have noticed that in addition to experience, a board member must have a sufficiently good educational background, because an educational background provides a broad understanding and an extensive thinking capacity." – Interviewee A

"[The certified board member course] brings structure to board work, also that we are talking about the same things and are on the same page. If we compare time before and after all board members had completed the course, there was a major change. It really, truly has a big impact when everyone has completed it." – Interviewee B

"Completing the course at least helps to understand what the responsibilities of board members are, and that if we are not going in line with corporate governance and something goes wrong, there can be really nasty surprises. It is in the interests of all parties that we are going by the book, then right things are dealt with, and right decisions are made." – Interviewee F

"[…]Most important is to have leadership experience or experience in leading the company forward, or to be able to think from the highest level perspective of a company." – Interviewee H

While working remotely, the importance of comprehensive IT tools and competences to use them is crucial. Interviewees mentioned that there was a learning curve with some, especially older members of the board, however at this point everyone should be able to use them sufficiently. In the beginning of Covid-19 and transferring into the online world, there were issues with learning how to effectively do the same work using online tools. These tools include use of cameras, microphones, online meetings, online platforms, such as the signature platforms etc. All interviewees said that during online meetings cameras should always be on, that it is extremely disrespectful to others if you do not have your camera on. However, it does not mean that the cameras need to be on the whole time, for example if there is a presentation, seminar, or otherwise a bad connection. Interviewees mentioned that it is also a way to avoid conflicts, since if the cameras are not on, you do not know why some other member is raising their voice on some matter, when they just might be speaking closely to the microphone, therefore when everyone has their cameras on, you see their body language and facial expressions. In addition, if you do not see the other people, they feel distant.

"All the problems with technical difficulties were very frustrating, they took up too much time out of the set meeting time. Also, it was very frustrating that when you yourself are well prepared for a meeting and others have problems, it tells you about their level of commitment and seriousness." – Interviewee C

"As the chairperson, I ask everyone to have their cameras on. I know not all chairs request it." – Interviewee E

Each interviewee mentioned that their board uses the annual clock as one of their key tools. The boards use communication tools, different online platforms such as signature

platforms, management tools such as tracking tools (intermediate targets and internal supervision) and financial tools, and digital folders etc. in their daily work. Interviewees agree that the tools are only improving and getting more user friendly. Furthermore, few mentioned that the tools in the future will help make it feel like we are in the same room even when we are remote. In the end, the risks are important to keep in mind, since most information discussed by the board are company secrets, thus classified, and therefore they cannot be uploaded to just any platforms or online tool. Sometimes simple ideas can have a huge impact on conveniency and efficiency.

"The world is constantly developing, tools develop, IT develops, geopolitical situations change and the market changes. […]Dynamic capability and its know-how are needed even more in a rapidly changing business environment." – Interviewee A

"We have found it useful to have all actions listed under the meeting minutes with schedule and person who is responsible. The idea is to have them always available in the minutes and color code them during stage of completion. Then in the end of the year, we can go through all the actions done during the year." – Interviewee B

"Various tools are continuously offered, but I do not think there are any specific IT tools for board work. Also, question arises why not?" – Interviewee E

"I have come to the conclusion it is an amazing idea to have the annual clock as an attachment to the agenda, which are always two different documents[…] Nowadays in every company, I always keep the annual clock under next meetings in the agenda. This is very simple but works amazingly." – Interviewee G

"Most important is to have somewhere to archive everything and a tool for signatures. It would be awful to still sign on paper, it even could be a reason why I would not join such board at the moment." – Interviewee H

5.4   Advisory board and outsiders

All interviewees agreed on using outside partners. Companies need support from accountants, accounting firms, consultants, and other economic and legal partners and experts. When going into specific substantive knowledge, it is easier to buy it from outside rather than trying to work out everything on your own. Since the board usually consists of only a few members, it is more efficient and helpful to use outside partners with precise in detail knowledge on the specific topics. Remote working makes it easier to manage schedules of all board members and outside partners. Furthermore, it helps to cut down on additional costs and adds possibilities for attracting needed partners.

"Remote working also makes it very easy to use external experts. That is, if there is such a situation that you would like to prepare some decision or some bigger entity using some external expert, an external point of view. [...]In other words, with a very small threshold, it is possible to include various experts in those remote meetings, because it does not require them to travel and it is with extreme ease to juggle schedules, especially in this world where everyone knows how to use teams, and it has become part of everyone's everyday life." – Interviewee B

"Also, the fact that you might get a high-profile member of the board, typically such high-profile people already have a lot of work in their day-to-day life, so they might not be too excited about the idea of going to the other side of Europe to sit on the board, and physically fly every month, that commitment is so difficult to make. However, these remote connection make it possible to get the kind of competences that before has not even been thought of as possible for our company." – Interviewee B

"It increases the possibility of finding competence. If you cannot find the right kind of competence from Finland, you find it from Asia, and then the person is remotely from Asia. It enables the diversification of competence." – Interviewee G

"As the world is becoming more and more global, we need to get also foreigners into our boards, so that not everyone would be Finnish." – Interviewee H

Advisory board can be an addition to the current board of directors. Usually, they have some sort of expertise of the specific stage of a company's life cycle or a process. Advisory boards as the name suggests, usually are experts who cannot or don't want to commit to day-to-day board work or their expertise is needed to support the company's operations short term. Few interviewees also highlighted the difference in responsibility and representation in comparison to the official board of directors. Unlike the board of directors, the advisory board does not have any decision-making power. Rather their job is to give advice and support the decision-making of the company's board and/or management. Furthermore, it also provides a larger pool of candidates and adds diversity.

"At some point it is good that there is an existing Advisory board. The external board and external members also belong as a solid part of the growing company. Some can't act as members of the board, but can act on the Advisory board, so it is possible to get around certain things a bit, and it makes sense to use it, if you can use external members. Let's say that they are on their own timeline in the company arc, whether it is at the beginning or the end or in the middle, Advisory board is usually 6 months - 2 years, therefore it is its own timeline. The external members can be for example just in certain meetings, it is a question of how to use the external members, whether they are in one meeting or in several meetings or for a longer period of time." – Interviewee D

"When you are on the Advisory board, then you are in an advisory role, you are not really responsible for those decisions in the first place, you just give advice and others make the decisions, and another thing, a significant thing is that you can bill it through the company. And that's why I've preferred these advisory board roles." – Interviewee G

"There is also a question of responsibility, that you should understand legislative matters, so there will certainly be more of the kind of Advisory role as part of the board of directors, which means you are not an official board member but also not responsible. For example, we had one of our investors show interest in being a part of our board of directors, however, did not end up joining because of Finland, does not understand the Finnish legislation, and second, they could not join as a representative of their company, meaning that in Finland, in the board of directors, you must represent personally rather than through a company. – Interviewee H

5.5 Travel

Travel came to be one of the key themes because it is directly linked to all the other themes, it plays an important role in remote working, however interviewees mostly referred to it in a subordinate clause and indicated that the topic is quite self-evident. Therefore, the data on travel came to be narrower than in the other themes. Working remotely naturally minimizes travelling, travel costs, time, travel days and is an environmentally conscious way of working. However, one interviewee pointed out that the travel costs of the board of directors are on a company level very small.

"Typically, the travel costs of the board are so small compared to the company's total costs that it doesn't matter. Often the biggest challenges are that the people sitting in the board of directors are very busy. And personally, I like to think that 10-20% of board work are the actual meetings, and the rest 80-90% of time is used for preparation and getting to know the board as well as including travel. Of course, there is always the challenge of competence development, today the world is changing at a rapid speed, how do we certify that the board of directors are able to keep up? Last 3 years, Covid has brought new challenges to board work while limiting the mobility and physically being in-person for meetings." – Interviewee A

"They are always minimum one day trips. That means there will be a lot of travel time, of course you can use it effectively, so I don't know if it would necessarily be

the limiting factor, as in terms of use of my time, if the board seat was in another city. " – Interviewee C

"Let's put it this way, now this has become reasonable, before we were flying between different board seats, and now you can be at home doing the same work with a much more efficient day. Due to Covid and remote work, it has become reasonable for people are they are saving so much of their time." – Interview D

"Before when I used to work at a large multinational firm, we had a very efficient chairperson. Our meetings were linked to the aircraft schedule. Chairman came from one country, then we all Norway, Sweden and Baltics included, travelled to the airport as the chairperson's flight came, if it was late, the meeting started late. Overall, it usually went well, and when the chairperson's flight was about the leave, the meeting ended." – Interviewee G

Remote working also supports work-life balance. The board members have the possibility to spend more time with their families by having to spend less time travelling. Boards appreciate diversity and continuously are trying to get a more diverse group by attracting for example younger directors. All the additional time saved from travel promotes work-life balance, which is especially important when considering younger directors with small children. Parents want to see their children grow up and be present, a lot of travel requires for the other parent then to be able to substitute for the other. As can be imagined, not everyone has that possibility. The need for work-life balance was more highlighted by the female interviewees, but they also represent the younger group of interviewees. Although, other interviewees also spoke about the unnecessary time which travelling requires, and not all female interviewees considered travelling to be problem. Furthermore, providing the option to work remotely affects the way the company is viewed, modern companies support remote working.

"Fortunately, more and more foreigners have also come all the time, but even then, those remote options just make sense. That you can't always transport everyone from all over the world to your board meetings, as in many cases. And people don't also want to, they appreciate being able to be at home and see their family amongst other things." – Interviewee H

"If I was offered a board member spot, but it required travel, presumably I would turn it down. […]I would also get the feeling that this company is not very modern when it operates like this." – Interviewee H

6 Conclusion and discussion

The purpose of this thesis is to examine and increase knowledge of the board of directors and the future of work. The goal is to integrate these two aspects together and give suggestions for the future of board work while supporting the statements with theory. In this chapter the conclusions to the study are presented. First, research objectives and questions are presented. Then, a holistic view is taken into future of board work and managerial implications. Lastly in this chapter, limitations and future research suggestions are made. The main research objective of this study is: *To understand how the board of directors view their work to be in the future.* This will be answered with the help of the research questions which are:

1. *How has the board of directors' work changed?*
2. *How can board work be developed?*

How has the board of directors' work changed?

Due to the global pandemic, everyone who had the ability to work remotely had the obligation to do so (Kniffin et al., 2021). Now, that the restrictions have been lifted, boards are continuing to work mainly remotely. However, some boards have started having some in-person meetings in addition to remote meeting. Remote working does not only make working sufficient, but it also additionally increases flexibility and decision-making speed (Franken et al., 2021). The chairperson of the board leads the board meetings, and it is their responsibility to make sure that the remote meetings are of the same quality as in-person meetings (Withers & Fritza, 2017). This can include making sure that everyone is equally listened to, all materials have been sent in good time in order for the directors to prepare. Without the pandemic, most likely this level of transition to remote working would not have happened. Due to the restrictions, all members of boards had to learn how to use IT-tools in a way that they are able to work remotely with the same quality of professionalism. Furthermore, remote working has made it easier to use outside partners and help create advisory boards and the possibility of being able to obtain

international experts rises. Remote working is effective and helps with scheduling issues while outsiders as well do not need to schedule in time for travel. The study shows that remote board work enhances work-life balance (Hunter, 2019). Directors are always busy and most often have either multiple boards where they operate or are permanently employed in some other firm. Remote working makes it easier for the directors to maximize their time at home and spend time with their families.

How can board work be developed?

As the world is becoming more and more global, Finnish firms need to be able to also attract foreigners to their boards. The study shows that composition is important, the findings show that five members of the board is the optimal number of board members. Five is optimal, because it is an odd number, in the sense that the chairperson's role is not highlighted and thus their vote is equal to everyone else's. It is important to have members whose competences complement one another (Mantravadi, 2021; Adams et al., 2010). They need to have their own special skills which they bring to the board, which additionally minimizes the risk of groupthink (Canet, 2016; Coles et al., 2020). The role of the chair is more and more complex, and their competences are highly important (Banerjee et al., 2020; Withers & Fritza, 2017). The key to a great board is having a good chairperson who knows what the right things are to focus on. Overall, the group dynamic of the board is highly important, showing respect is essential, feedback and orientation are highly suggested.

Dynamic capability and know-how are needed even more in a rapidly changing business environment. Continuous learning is a must in the director role, as the world is always changing and evolving. International business and globalization will continue to grow (Contractor, 2022). Some examples are market knowledge, cultural understanding, language skills, as well as technological knowledge. Merging all of the skills mentioned above, gives board directors the ability to make right decisions, in the right amount of time, with the right set of expectations. However, the board also needs to know the will

of the owners (Conmy, 2023), in order to know which role to implement (Virtanen & Salminen, 2021). Even though the board needs to analyze numbers and figures to know the present and the past, the main focus should be in forecasting the future. The world is changing and becoming more technical at a rapid pace, information technology will play an even bigger role in all of our personal as well as our working lives in the future. Hence, it is important to bring more diversity to the board of directors. Digitalization is required in order to sufficiently work remotely, and the future will most likely bring more IT-tools which support remote working by improving and getting more user friendly. Artificial intelligence and the possibilities which it brings, will be a focus point in the future (Jarrahi, 2018).
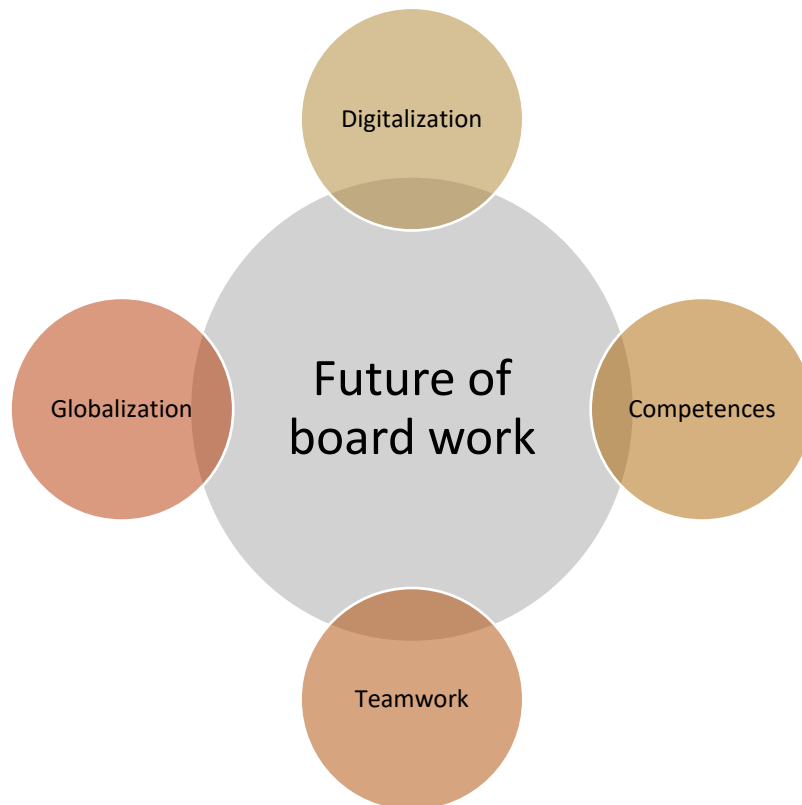

Figure 10. Future of board work.

Figure 10 visualizes how the researcher of this thesis sees the future of board work in a larger scale based on the theoretical framework and the empirical findings of this study. The four large scale entities are globalization, digitalization, competences, and teamwork.

Globalizations refers to international business, growing markets, understanding these markets, building efficient supply chains, and all relationships with current and future stakeholders. Digitalization is essential in order to achieve successful operations in the firm, in this study the emphasis is on digital tools which support and affect remote working. Furthermore, the trend of the future seems to be AI, it brings creative and innovative possibilities which are not even know today. The third entity, competences, refer to leadership and management capabilities, continuous learning, adaptation, and skills of individuals. In, addition it involves the specific qualities and competences of the most important member of the board, the chair. And fourth, teamwork refers to the relationship between the individuals in the board. The members need to respect each other, show commitment to one another, have their specific skills compliment the rest of the board and to have a successful teamworking mentality. Lastly, their role is to lead the firm by work together and focusing on doing the right things in the right way, according to laws, regulations, and rules, in order to achieve the will of the owners.

The utilization of advisory boards was an interesting and somewhat surprising topic rising from the findings. While directors have a fiduciary duty to protect the interests of the shareholders' (Adams et al., 2010) an advisory board is not legally responsible for the company's operations, finances, or product development, nor is it involved. Additionally, it has no decision-making power. For its part, the advisory board ensures, instructs, challenges, and brings its special expertise and views to the formulation of the strategy, but also to the implementation of the strategy, with strong coaching and support. The advisory board can also support restructuring and new growth, for example during internationalization. (Ilvonen & Martikainen, 2022). The study showed that advisory boards are a great addition to support and help the board of directors with decision-making and bringing expertise to a particular firm specific lifecycle stage. It was clear that many interviewees prefer to work in the advisory member role, since they also do not need to worry about the day-to-day board operations. Furthermore, it was stated that while working as advisor, one is able to invoice through a firm, while when working

as a board member, one is personally responsible and therefore also invoicing done directly to the member in question.

The study showed that there is some visible correlation between the age of director and the level of enjoyment towards remote working. The study showed that the younger interviewees were clearly enjoying remote working the most, they see it to be the future and hope it to be. Younger directors usually have younger children and want to maximize their time at home, which directly links to work-life balance. The older the interviewee, the less they enjoyed working remotely. Many factors can affect this, first, the older the interviewee, the more experience they have working in the board of directors, and it can be difficult to change the working ways in such a drastic way, especially with the rapidity which it happened. They have years' worth of experience working in a specific way and it can be challenging to change one's behaviour and operational ways. Second, they felt that more hands on approach is better. They argued that the employees need to see the board of directors, know who is running the company and to be present, as well as to see the company's operations with your own eyes, then you can see what is really going on. This awoke the question that even though it is an easier way to operate, is it a better way? Third, it can be assumed that the younger directors are more comfortable with using the digital tools which remote working requires and better understands the possibilities of new tools and are more intrigued and wanting to adapt new technologies into their daily operations. Although, the study showed that the older interviewees do understand and see the positive sides of remote working and see it to be the future, however they personally do not prefer it.

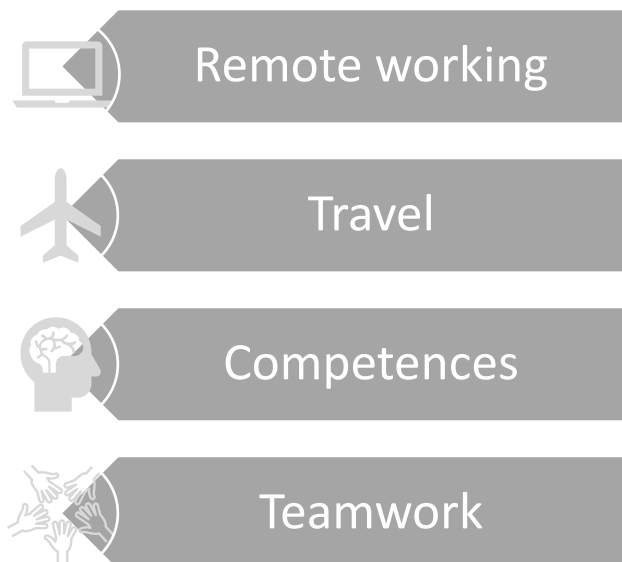## 6.1 Managerial implications

Figure 11. Increasing board efficiency

Figure 11 summarizes the main four entities which has a direct effect on board efficiency and provide possibilities to further increase efficiency. Remote working can be a successful way for the board of directors to operate in their daily work. Modern companies provide modern solutions, and it may possibly be a reason why someone would not consider joining the board of the specific firm. This includes directors, other outsiders, and the advisory board members. The board is responsible for developing the strategy, vision, and direction of the company. The board must have the ability to make analysis and have a vision and courage to look at the company's future in the longest possible term. Boards should also focus on creating starting point assumptions, and other scenarios. The board needs to analyze numbers and figures to know the present and the past, however the main focus should be in forecasting the future.

 Most board meetings can be remote, however meetings such as strategy days and other meetings which require innovative brainstorming, as well as annual meetings, should preferably be in-person meetings. The results were scattered, but these meetings might

be for example quarterly, it is dependent on the firm specific requirements, and own preferences of the directors. Furthermore, it is important to take note that successful remote working of the board of directors requires effective and transparent communication. "A board of directors is a team" (Adams et al. 2010). The group dynamic of the board is highly important, making genuine relationships is harder remotely, however if all members are willing and wanting, it is possible. In the arrival of a new director, it is crucial that proper in-depth orientation is provided, and expectations expressed, especially while remote working, due to the complexity of their work. Feedback and development discussions are additional ways to make sure that the directors are aware of the current situation and creates and open culture where the chairperson is having one-on-one communications with the board members. It is important at an individual does not have several roles in the firm at the same time in order to avoid conflicts, such as the CEO should never be a board member. It is always people that argue, not the matters themselves. Hence, hidden or connected agendas can be avoided when the roles do not get mix.

The Certified Board Member Course is a great tool when wanting to get more familiar with board work. It is not necessary, however while taking into consideration firm performance and how many families' incomes are relying on the board of directors, they should be working accordingly. Additionally, it may help avoiding conflicts and unnecessary discussion, if every director is aware of why things are being done in a way, or what is expected by corporate governance. However, the course is not obligatory, board members can achieve the same level of competence through experience, such as working in upper level management and for example by gathering the required information by reading about the Limited Liability Companies Act. However, the course can be helpful especially to younger directors with less experience to obtain confidence.

In order to achieve successful board meetings remotely, hybrid meetings should be avoided. The hybrid meetings leave the remote participants feel like outsiders and overall affect the meetings negatively. It is more equal when everyone is in the same place,

be it all remotely or all present. While working remotely, meetings should be treated with the same level of quality as in-person meetings. This means assessing materials and preparing in advance, making sure the network connection is working and all microphones and cameras should be on. While working remotely, the importance of comprehensive IT-tools and competences to use them are crucial, additionally it is highly important to understand the information security risks and which third party platforms are not trustworthy enough, due to the board working with firm high-level classified information. Organizations should establish policies and guidelines for secure data handling and confidentiality. Simple ways to add efficiency is by questioning why some things are being done the way they are, this may be merging two documents together, such as to have the annual clock as an attachment to the agenda. Another way is to have all actions listed under the meeting minutes, hence in the end of the year, all actions should be visible.

Remote working effects on key problems we face in the world, less travel means more environmental impact. It can contribute to sustainability efforts by reducing carbon emissions. While board members are travelling less, the environmental footprint if the board's activities can be reduced substantially. Additionally, it helps with the firm's corporate social responsibility. As it is essential that corporations are humane. By minimizing travelling, directors are able to spend their days effectively and are able to maximize their schedules more sufficiently. In the end, it helps to increase the work-life balance of the board of directors.

Last, board work should be taught in universities. It is questionable why it is not, because the board of directors are the highest body in charge of a firm's actions, operations, performance, corporate governance, and the whole future of the firm. The board of directors require a large variety of personal competences such as leadership skills. As it is not being taught in universities, it means that often the board members are older and have achieved the required level of experience. In a world where technological advances are happening at rapid speed, younger individuals could be great additions to boards.

However, the lecturer or professor teaching about board work should themselves have experience in working in a corporate board. Hence, they can know how the board work truly operates and what the day-to-day activities involve.

6.2   Limitations and future research suggestions

Just like all research, this study has its limitations. Limitations of this study reflect on utilizing the qualitative method, which means there is no numeric data to draw conclusions from. In addition, since this is a master's degree thesis it means that it is limited by time and other resources. In the end, eight interviews were conducted, since the interviews started to resemble one another, and lots of data was collected, it was considered to be the relevant number of required interviews for the study. Furthermore, since research is limited on the efficiency and operations of the board of directors, especially focusing on Finland as a country's legislation plays such a large role, very little relevant theory is available. No prior literature is available on board of directors and remote working.

Future research is needed to put light on work-life balance avenues weather remote work will have a positive long-term effect on work-life balance, due to time and travel especially for people with families that have small children. A possible topic for further research is the behavioral differences in the board of directors brought by age. Lastly, future research can show whether or not remote working becomes a permanent part of board work as well as to show what the long-term effects are. Overall, researchers should be more intrigued of the board of directors, their work, and the effects of their work, these are amazing opportunities for future research.

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Appendices

Appendix 1. Prologue

Hei,

Ensinnäkin suurkiitokset, kun lupauduit minulle haastateltavaksi.

Opiskelen tosiaan Vaasan Yliopistossa kauppatieteitä ja pääaineena minulla on kansain-välinen kauppa. Teen pro gradu -tutkielmaa aiheesta hallitustyöskentely. Keskityn pk-sektorin yhtiöihin. Lähdin ohjaajan neuvosta liikkeelle aineistopohjalta, joten itse tutkielman näkökulma tarkentuu tässä prosessin edetessä.

Haluan painottaa, että tämä on täysin anonyymi ja luottamuksellinen haastattelu, aino-astaan minä tiedän haastateltavat ja näen haastattelumateriaalin. Mikäli tutkielmaan tu-lee sitaatteja niin niistä ei koskaan tule selville henkilö tai yritys millään tavalla.

Toivottavasti sinulle on ok, että nauhoitan haastattelun litterointia varten, mutta edel-leen kukaan muu ei näihin materiaaleihin pääse käsiksi. Kun tutkimustyö on valmis, niin tuhoan kaikki nämä nauhat.

Osa kysymyksistä on laajempia kuin toiset, ja toivon että mikäli jotain oleellista jää tässä hetkessä kysymättä, että voin olla sinuun yhteydessä myöhemmin.

Kaiken kaikkiaan toivon rehellisiä ja avoimia vastauksia kysymyksiin ja painotan mielipii-teesi tärkeyttä vastauksissasi.

Appendix 2. Interview form

Hallitustyöskentelyn haastattelurunko (Luottamuksellinen)

Nimi:

Ikä:

Sukupuoli:

Asuinpaikka:

Koulutus ja työura:

Mikä on sinun päivätyö? Istutko tällä hetkellä jossain hallituksessa tai oletko istunut? Kuinka monessa?

Monenko vuoden kokemus sinulla on hallitustyöstä?

Minkälaisen yhtiön hallituksesta sinulla on kokemusta? (toimiala/paikkakunta/henkilö-määrä/liikevaihto/yhtiön toiminnot: suunnittelua, tuotantoa, kansainvälistä liiketoimintaa jne.)

Missä roolissa olet ollut? (PJ, sihteeri, jäsen, advisor jne.)

Hallituksen rakenne:

Miten kuvailisit hyvää hallitusta?

Kerro millainen teidän hallitusrakenne on. (Tulisiko hallituksen olla monimuotoinen?

Onko hallituksessasi diversiteettiä? (esim. eri sukupuolien edustajia, eri ikäisiä, eri kansalaisia...)

Millainen tausta täytyy uudella hallituksen jäsenellä olla? Vaaditaanko hallituskoulutusta? Mitä kompetensseja?

Tulisiko hallituksessa olla ulkopuolisia jäseniä? Miksi/miksi ei?

Tulisiko hallituspaikoilla olla kiertoaika?

Hallituksen koko?

Mikä on pj:n rooli?

Hallitustyöskentely:

Miten hallituksen kautta johdetaan yritystä?

Mitkä on hallitustyöskentelyn suurimmat haasteet?

Mitkä ovat kriittiset menestystekijät hyvään hallitustyöskentelyyn?

Mitä hallituksen jäseneltä vaaditaan?

Mitä hyvä hallintotapa (corporate governance) merkitsee sinulle?

Etätyöskentely ja hallitustyö. Miten toimii ja voiko hallitus olla täysin etänä?

Mahdollistaako etätyöskentely lisää hallituspaikkoja?

Miten etäkokoukset pitää järjestää?

Aiheuttaako etätyöskentely konflikteja?

Kuinka usein pitäisi fyysisesti tavata?

Miten optimoida hallituksen kokoukset? (Esim. ennakkomateriaalit hallitukselle)

Miten konflikteja ratkotaan?

Miten kansainvälinen liiketoiminta vaikuttaa hallitustyöhön?

Mitä työkaluja hyödynnät/hyödynnätte hallitustyössä? (Esim. vuosikello)

Onko jotain työkaluja mitä pitäisi hyödyntää? Tai koettu hyväksi?

Minkälaisia ennakkoluuloja ihmisillä on hallitustyöstä?

Mitkä ovat mielestäsi tulevaisuuden näkymät? Kuinka pitkälle tulevaisuuteen hallitus pohtii strategiaa ja haasteita?

Yleisesti yrityksen johtaminen:

Mitkä ovat ihanneyrityksen elementtejä?

Mitkä ovat avainasioita menestymisen kannalta?

Kansainvälinen kauppa rooli yrityksen johtamisessa?

Mikä sinua motivoi hallitustyöskentelyssä? (Motivoiko hallituspalkkio?)

Jos sinulla olisi valta, millaisen ihannehallituksen rakentaisit?

Miten sitouttaisit hallituksen jäsenet?

Kerro hyvä ja huono kokemus hallitusajaltasi. (Tarinoiden kautta oppii parhaiten) 😊

Onko lisättävää? Muuta kerrottavaa?

KIITOS! Tuliko haastattelun aikana esille jotain sellaista mitä et halua, että raportoin?