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How effective are boards of directors perceived to be in Finland?

Board members and CEO's perceptions of the state of the attributes that
support effectiveness of boards of directors at South Ostrobothnia and
Ostrobothnia, Finland

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Tiivistelmä:

Tehokkaasti toimiva hallitus on voimavara, joka tuo valtavasti arvoa yritykselle. Nykypäivän muuttuva ympäristö ja kriisit ovatkin korostaneet hallitusten roolia ja vastuuta. Kaikesta tästä huolimatta, monet hallitukset ovat hyvin passiivisia ja tehottomia. Näin ollen tässä tutkimuksessa analysoidaan, kuinka tehokkaaksi hallitusten kanssa työskentelevät henkilöt kokevat heidän hallituksensa työskentelyn Etelä-Pohjanmaan - ja Pohjanmaan yrityksissä. Erityisen tarkkailun kohteena ovat hallituksen jäsenten ja toimitusjohtajien käsitykset niistä ominaisuuksista, jotka rakentavat hallituksen tehokkuutta: riippumattomuus, aktiivisuus, osaaminen, ja käyttäytyminen. Lisäksi tutkimuksessa verrataan vastauksia eri vastaajaryhmien välillä: H1; suoritettu - / ei suoritettu hallituksen koulutusohjelma, H2; yrityskoot 0–9 hlö. / yli 9 hlö., ja H3; alhainen - / korkea vastuu.

Tutkimus perustuu viitekehykseen, joka on rakennettu laajan kirjallisuuskatsauksen avulla niistä ominaisuuksista, jotka selittävät hallituksen tehokkuutta. Viitekehyksen pohjalta tehtiin laaja ja yksityiskohtainen kysely. Tutkimus tehtiin yhteistyössä Etelä-Pohjanmaan kauppakamarin kanssa, jonka verkostosta suurin osa vastauksista saatiin. Tutkimus perustuu 50:nen hallitustyöskentelyssä mukana olevan vastaajan näkemyksiin. Ryhmien välisiä tilastollisesti merkitseviä eroja analysoitiin t-testillä ja Mann-Whitney U-testillä.

Tutkimus esittää monia mielenkiintoisia tuloksia liittyen hallitusten tehokkuuteen. Hallitusten aktiivisuudessa oli paljon vaihtelua vastaajien välillä ja aktiivisuus saikin kokonaisuudessaan huonommat arviot verrattuna muihin ominaisuuksiin. Alueemme hallitukset ovatkin yllättävän epäaktiivisia. Myös riippumattomuudessa on parantamisen varaa, sillä suurin osa vastaajista arvioi, että yksittäisten hallitusjäsenten intressit eivät ole täysin yrityksen edun mukaisia. Ei ollut yllättävää, että kompetenssi ja tasapuolisuus liittyen ikään ja sukupuoleen oli kokonaisuudessaan heikkoa. Toisaalta hallituksen käyttäytymisellä oli parhaat arviot hallitusten tehokkuutta selittävässä ominaisuuksissa. Kokonaisuudessaan tutkimus toi esille merkittävästi kirjallisuudessa painotettuja hallitusten heikkouksia. Tutkimuksen hypoteesit eivät vaikuttaneet tilastollisesti merkittävästi hallitusten tehokkuuteen. Kuitenkin tutkimus toi esille monia muita tilastollisesti merkittäviä eroja eri ryhmien välillä. Oli tilastollisesti merkittävää, että hallituksen valmennusohjelman/-ohjelmat suorittaneet vastaajat käyttivät paljon enemmän aikaa hallitustoimintaan, ja heillä oli monipuolisempi kokemus hallitustyöstä. Toisaalta pk-yritysten / suurten yritysten vastaajat olivat lähes tilastollisesti merkittävästi tehokkaampia kuin mikroyritykset, sillä huomattava osa kyselykysymyksistä osoitti tilastollisesti merkittäviä eroja isompien yritysten eduksi. Myös suurta vastuuta yrityksestä kokevilla vastaajilla oli kokonaisuudessaan parempia tuloksia, kuin vastaajilla, jotka kokivat alhaista vastuuta yrityksestä, mutta ei tilastollisesti merkittävästi.

KEYWORDS: BOD, Board of directors, Effectivity, Independence, Activity, Competence, Behaviour, CBM-course, microenterprise, SME, Large enterprise, Accountability

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1 Introduction

Prior studies illustrate that the board of directors (BOD) are crucial, and their attributes have vast influence on company's success (Hongharu, 2006; Northcott & Smith, 2011; Roffia et al., 2022). Hence, there are clear differences in attributes of BOD, when analysing the success - and failure cases of companies (Masli et al., 2018). For example, many board professionals and literature emphasize the importance of board independence and diversity (Luoma, 2022; Siren, 2022), the activity of BOD (Guerra & Santos, 2011; Van de Berghe & Levrau, 2004), the right competence of the board (Mohamad et al., 2014, Suvanto-Harsaae, 2022), and the fitting behaviour of the board (Masli et al., 2018; Robeson & Connor, 2013).

Also, there has been a clear change in BOD activity. Earlier, BODs were often criticized to be a just a decoration and company's biggest asset that is not utilized (Gramen & Kau-ranen, 2019). However, many crises have increased pressure and accountability of BOD (Hongharu, 2006). Thus, nowadays BOD has more responsibility, and more pressure to be actively involved in business (Masli et al., 2018; Van de Berghe & Levrau, 2004). For this reason, it is not surprising that many educational programs for BOD have started in the early 2000s (Hongharu, 2006). Also, the Finnish internationally awarded certified board member -course "HHJ-kurssi" (CBM-course) was established in early 2000s (HHJ, 2024). As the literature supports the continuous increase in BOD responsibilities, activities, and influence, research on BOD effectiveness is topical.

However, despite the vast amount of research on BODs increasing importance, and the knowledge of the beneficial attributes, there is a gap in research about the real state of these attributes. Hence, this study answers to the call of Masli and others (2018) to use their framework of requirements for effective board of directors (independence, competence, activity, and behavioural attributes). *"We encourage researchers to take this framework and use it as a starting point for future research."* In addition, using this framework emphasizes aspects that have been ignored on the previous research of BOD.

“The attributes of board competency and the board’s behavioural attributes are of particular interest as they have, to a certain extent, been ignored by prior archival research.”

The purpose of this study is to tap into this research opportunity by answering the following research question:

How effective are of boards of directors perceived to be in Finland? (*Effectiveness = The BODs capability to bring value for the organization*).

The nature of the research presents additional research opportunities. Interestingly, most of the research on BODs attributes are focused on large enterprises (Masli et al., 2018; Northcott & Smith, 2011; Roffia et al., 2022). However, a lot of the responses of this study are from microenterprises, which gives a unique perspective on a company’s size’s effect on the BODs attributes. On the other hand, chamber of Commerce facilitates the CBM-courses. More specifically, South Ostrobothnia’s chamber of Commerce facilitates CBM-course in their province. As the research is conducted in collaboration with the South Ostrobothnia’s chamber of Commerce, the respondent group of the research consists mostly of the representatives of the South Ostrobothnia’s chamber of Commerce’s member companies. Hence, there is a possibility to contribute to Gemark and McGurk’s (2010) study, which illustrates that companies have a tough time measuring the effects of education programs. Hence, the BODs training program/s effect on BODs attributes is analysed. As a final variable, the influence of accountability to the attributes of BODs is analysed. In Masli and others (2018) framework and in other literature (Keya, 2017; McIntyre & Murphy 2008) directors’ accountability is argued to influence positively to all the attributes of the BOD.

Hence, the research taps to the additional research opportunities by analysing the following hypotheses:

H1: People with completed training program for BODs have more effective BODs compared to people who have not completed training program for BODs.

H2: People in SME's and large companies have more independent and competent BODs compared to people in microenterprises.

H3: People with high accountability have more effective BODs compared to people with low accountability.

The research questions are answered by utilizing Masli's and others (2018) framework and complementing literature to produce a fitting set of questions for the questionnaire. Quantitative study is justified as the aim of the thesis is to analyse "how effective" the BODs are in Finland. Also, the study goes top down as it aims to confirm or reject the mentioned hypotheses 1-3. Hence, the study aims to get numerical data with Likert – and/or Osgood on scale from 1-5, that the responses can be compared.

The quantitative study is conducted with a survey that is sent to the Southern Ostrobothnia's chamber of commerce's member network, which has over 800 companies -, a couple thousand of individual members -, and hundreds of people who have completed the CBM-course in their network. Being a member of BODs, or a CEO is a prerequisite for the survey respondent to be included in the study. The questionnaire consists of questions to analyse the level of independence, activity, competence, and the behavioural attributes of the board of directors in Finland (Southern Ostrobothnia and Ostrobothnia). As a data analysis method, a t-test - or a Mann-Whitney's U-test is used to see if there are statistically significant differences between the respondent groups when focusing on company size, CBM-course's completion, and the director's accountability.

This study contributes to the literature in three ways. Firstly, it extends Masli's and others (2018) research framework for effective board of directors' attributes by using the framework to conduct a study about the current level of these attributes in Finland. By using the framework, this study adds more layer to the less researched topics relating to board of directors such as board competence (Mohamad et al., 2014, Suvanto-Harsaae, 2022), and behavioural attributes (Robeson & Connor, 2013; Masli et al., 2018). Additionally, the study analyses often ignored aspects that might influence BODs attributes: effect of company size (especially microenterprises) (Masli et al., 2018; Northcott &

Smith, 2011; Roffia et al., 2022), and effect of education programs for BODs (Gemark & McGurk's, 2010). Finally, this study contributes to the literature of accountability's positive effect for BOD (Keya, 2017; Masli et al., 2018; McIntyre & Murphy 2008).

The thesis consists of five different sections. Firstly, the introduction explains the study's purpose, theoretical grounds for starting research, and the structure of the thesis. In the second section, the literature behind BODs and their effective attributes are analysed in depth. The third part of this thesis explains how the study is conducted and how the quality and reliability of the data is ensured. After that, the fourth section analyses the findings of the empirical part of the study. Finally, the fifth section synthesizes the main findings of this thesis, focuses on managerial - and theoretical implications, explains the limitations of the study, and suggests avenues for future research. Figure 1. illustrates what type of questions are answered in different sections of this thesis. These questions need to be analysed to answer the research question and complete the thesis.

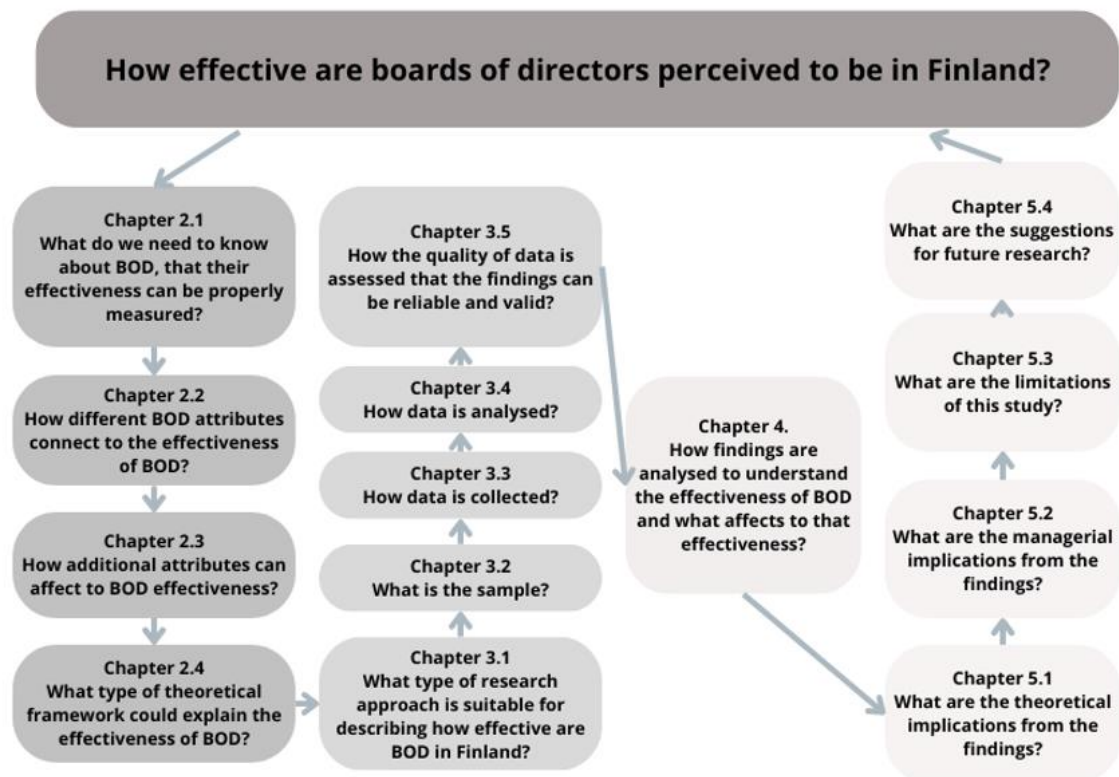


Figure 1. Questions that guide the different sections of the thesis.

2 Theoretical background

2.1 Board of directors

All corporations need to have a board of directors (BOD) (OYL 624/2006, 6:1). In smaller companies' shareholders are usually the company's BOD (Roffia et al., 2022). However, BOD can be seen as the elected group of people between shareholders and management (Hongharu, 2006). Shareholders choose BOD members that can protect their interest in the best possible manner (Arvopaperimarkkinayhdistys ry, 2020). Hence, the main purpose for BODs existence is to protect the shareholders' interests (Garcia-Torea et al., 2016). This purpose is achieved by monitoring or/and giving operating guidance to the management of the company. The goal is that the company's deeds are in line with the shareholders' interests (Masli and others, 2018; Northcott & Smith, 2011).

There are four distinct positions/roles in BOD that need to be considered: shareholders (owners), chairperson, directors, and the CEO. Shareholders are the people who own the business, and everything should be done according to their interests (Garcia-Torea et al., 2016). Even though shareholders might not be a part of the BOD, it is particularly important that shareholder/s make a clear statement or preferably a document of their will. This way the BOD will know what they strive to fulfil (Luoma, 2022). Next, a chairperson is seen as the most influential BOD member as their responsibility is to facilitate the meetings and connect with the CEO (BoardClick, 2021; Harrison & Murray, 2012). Thus, the chairperson must do more work and shoulder more responsibility than a regular BOD member (Luoma, 2022). On the other hand, usually most of the BOD members are regular directors, which possess certain competencies or experience that is beneficial for the company. With a successful combination of directors, companies can find the best set of actions to different situations (Silaskivi, 2024). Finally, CEO is the link to the management of the company and constantly connected with the BOD (Northcott & Smith, 2011). The most important task of BOD is to make sure that the CEO succeeds in their work (Directors' Institute Finland, nd). It is important to know that there are distinct roles

in the BOD, because it is seen that for example CEO and chairperson have different perspectives to the effectiveness of BOD (BoardClic, 2021; Northcott & Smith, 2011). Hence, the roles in BOD need to be considered in the empirical part of this study.

BOD has many responsibilities: governance (monitoring and guiding); recruiting, changing, and mentoring the CEO and other senior management; shaping culture, vision, and mission; directing and planning strategy; leadership with ethics and values; serving shareholders; reviewing and approving financial plans etc. (Directors Institute Finland, nd; Northcott and Smith, 2011; Wire, 2023). BODs are responsible for the critical decisions in the company (Van De Berghe & Leverau, 2004). Nowadays, BOD is expected to be more active, and shoulder more responsibility. Thus, their competence is utilized more to influence the company's performance (Masli et al., 2018).

Corporate governance (CG) is the core of BOD work (Guerra, 2011). The most common definition for CG is "the system by which companies are directed and controlled" (The Cadbury Committee, 1992). Also, Rezaee (2009) describes CG as the system that shareholders use to make managers act to their greatest advantage. Gammal and others (2020) state that CG has been expanding from following laws and regulations to a full set of cultural, legal, and institutional activities and determines the level of control, risk-taking and style of the company. Additionally, CG has expanded to emphasize ethics and corporate social responsibility (CSR) (Gammal et al., 2020). Following chart 1. illustrates the "corner stones" for good CG in Finland.

<i>"1. The mission of the board is to promote the company's sustainable value creation in the long term and the culture that supports it"</i>

<i>"2. The board is diverse in terms of expertise, backgrounds, and views. The members of the board are equal, and each member contributes to the work of the board."</i>

<i>"3. Evaluation of board work and sufficient board members' turnover ensure the competence of the board composition as the company and operating environment evolve."</i>

<i>"4. The Chair of the board is responsible for the board's activities and ensures that the board has mutual trust and an open, appreciative atmosphere for discussion."</i>

<i>"5. The board prepares the company's strategy together with the executive management, decides on the strategy and monitors the implementation of the strategy and the achievement of the goals."</i>
<i>"6. The most important tasks of the board are appointing, rewarding, and dismissing the CEO. The board ensures that the CEO succeeds in his or her work. The board cooperates with the executive management, supports, and inspires it and, if necessary, challenges it constructively. The board also knows the company's other key staff members"</i>
<i>"7. The board is responsible for ensuring that the company has effective remuneration with the right metrics."</i>
<i>"8. The board supervises the proper organization of the company's operations and compliance with the law, which requires the board to have knowledge of the business and the operating and regulatory environment, anticipating their changes."</i>
<i>"9. The board identifies its relevant stakeholders and engages in dialogue with them. The board knows the ownership strategy of the major owners."</i>
<i>"10. The board and each board member always act carefully and ethically in accordance with the interests of the company and all its shareholders and do not represent the interests of an individual shareholder."</i>

Table 1. "Corner stones" of good corporate governance ((Directors' Institute Finland, nd).

Table 1. illustrates the practices of good CG in Finland, but CG varies depending on the country and its economic characteristics (Shleifer & Vishny, 1997). In Finland good CG is strongly affected by limited company law, (OYL 624/2006). According to Finnish Securities Market Association (2020) Finnish CG supports these three principles: majority – and equality principle; strong minority rights; and transparency. Majority principle supports the strong ownership role by stating that decisions should be made by majority decision if not agreed otherwise. On the other hand, the equality principle balances the majority principle by stating that all shareholders have equal rights. In this way minority shareholders are protected, and other shareholders cannot be favored at the expense of others (Arvopaperimarkkinayhdistys ry, 2020). Duty of loyalty also supports the equality principle by stating that everyone in leadership positions (shareholders, BODs, management) should act in the best interest for the company (table 1). In addition, strong minority rights illustrate that minorities cannot be neglected in Finnish CG. Finally, CG in Finland is expected to be as transparent as possible. This

demands companies to keep up high standards with their CG and increases interaction and trust with the company and its stakeholders (Arvopaperimarkkinayhdistys ry, 2020).

BODs main task is mostly seen as protecting shareholders' interests (shareholder theory) (Mansell, 2013). However, nowadays the view has broadened in a way that BODs are also seen responsible for protecting stakeholders' interests (stakeholder theory) (Directors' Institute Finland, nd; Gammal et al., 2020). In the shareholder theory company can be seen as the property of shareholders and BODs/management has been accepted to take care of the "shareholders property." Thus, BODs have the duty act according to the wishes of shareholders (Mansell, 2013). On the other hand, stakeholder theory has risen to counter the idea that companies should only focus on shareholders. Stakeholders are any group or person who is affected by the company like competitors, communities, customers, employees, suppliers, management, and shareholders (Argandona, 2011). The principle behind stakeholder theory is that companies should aim to be ethical and socially responsible (Gammal et al., 2020). Even though there is a constant debate on between BODs responsibility for shareholder and/or stakeholders the theories do not need to exclude each other (Zhang, 2011). In many cases focusing on stakeholders is also in the best interest for the company and the shareholders. Hence, considering stakeholders is justified in nowadays business environment (Directors Institute Finland, nd; Pichet, 2011).

Agency theory explains why the need for BOD has emerged. In the agency theory it is assumed that management (agents) might not imply practices that go against their interests. For this reason, management does not protect the best interests of shareholders' and there can be conflicts of interests between principal (shareholder) and agent (management) (Masli et al., 2018). Hence, according to agency theory BODs are needed to protect the interests of the shareholder (Nothcott & Smith, 2011). The agency theory assumes that: (a) humans gravitate toward self-interests, (b) humans have a limited ability to long-term reasoning, and (c) humans avoid risks (Kalbuana et al., 2022). Thus, there can be many costs for a company if the agency problem is realized. Hence, BODs aim is

to minimize the agency cost by making sure that the management is not following opportunistic (self-serving) behaviour, and instead protecting the interests of shareholders (Cheung et al., 2013).

On the other hand, smaller enterprises often have the same person as the shareholder, manager, and director (managerial ownership). This does not delete the agency problem; it can just be viewed from a different angle. Roffia and others (2022) illustrate that when managers and owners are the same person, agency problems can be seen in “inefficient risk taking, underinvestment’s and self-interests”. As an example, if there is a family company with many shareholders in BOD, the interests of different shareholders might not be equally emphasized, and thus the equality principle (Arvopaperimarkkinayhdistys ry, 2020) or CG cornerstones (figure 1) might not be fulfilled. However, it is not always the case that managerial ownership is a bad thing. Lappalainen and Niskanen (2012) found managerial ownership to correlate with positive financial results. Therefore, having a company without managerial ownership does not explain the success of companies. BOD with outside directors come with a cost too (Cheung et al., 2013). Hence, the following stewardship theory is important to acknowledge as well.

On the contrary to agency theory, stewardship theory sees management as intrinsically motivated to act in the best interest of the company (Keay, 2017). Madison and others (2016) illustrate that according to stewardship theory, management wants to serve the company and thus their interests are in line with the company. Scout (2003) states that managers as stewards want to act honourably and do the right thing. Therefore they do not follow their own economical interests. However, studies of stewardship – and agency theory get conflicting results (Keay, 2017). Thus, both theories are relevant while studying the interaction of management, shareholders, and BODs (Roffia et al., 2022).

The importance of effective BODs is highly emphasized. Patel (2015) states that effective and strong BODs is an invaluable asset and a key to success that is envisioned by the entrepreneurs and shareholders. Also, Talerico (2023) summarizes the importance and

responsibilities of BODs in the following way “the board of directors plays a critical role in ensuring that the company is operating in a responsible and effective manner, and that it is delivering value to its shareholders and other stakeholders”. In Addition, many studies have proven that several types of BODs attributes have significant positive influence on business performance (Roffia et al., 2022; Almeida, 2011; Garcia-Tolera, 2016). Thus, this thesis focuses more in depth on these attributes.

2.2 Attributes of effective Board of directors

There are many studies on what attributes make BODs effective. Van De Berghe and Leverau (2004) illustrate that most of the literature has focused on quantitative research of attributes like board size, - diversity, number of board meetings, the number of outside directors, and the levels of competence of directors etc. However, Northcott and Smith (2011) illustrate that the behavioural elements are often even more important than the structure of BODs. Behavioural elements include the directors’ attitude and behaviour, relationships between directors, - management and - shareholders, and all the social elements that enhance critical, but open decision making (Masli et al., 2018; Northcott & Smith, 2011; Van De Berghe & Levrau, 2004). However, both structural and behavioural attributes need to be effective to obtain effective BODs. Masli and others (2018) combine these attributes and illustrate what affects the effective BODs in the following figure 1.

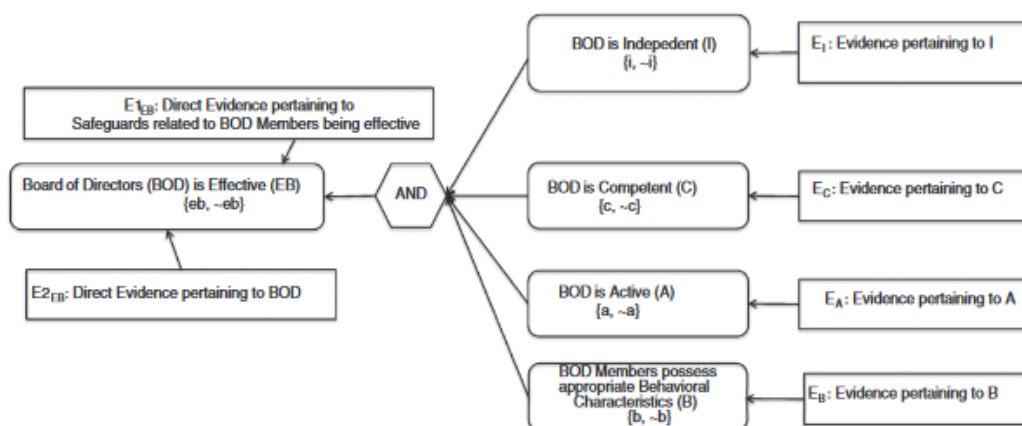


Figure 2. The theoretical model for analysing the effectiveness of BODs (Masli et al., 2018).

Figure 2. illustrates how a company's BODs effectiveness could be measured. Firstly, in E1 the "safeguards" mean the state of directors' accountability and all the measures which affect the level of accountability with directors. Secondly E2 illustrates all the other factors that affect the BODs effectiveness that are not related to accountability. Finally, there are the four attributes: independence (I), competence (C), activity (A), and behavioural characteristics (B). The "minus sign" (-) illustrates that the evidence pertaining to that attribute is negative. The "AND" box is meant to explain that every one of these four attributes needs to be in proficient level to BOD to be effective. If one of the attributes is not at a satisfactory level, it causes the BOD to be ineffective. The whole of this model is meant to explain whether the operation of the company's board is effective or not (Masli et al., 2018).

2.2.1 Independence

The level of BODs independence is most often defined by how many of the members of BODs have no relationship with the company except as directors (outside directors) (Perez-Calero et al., 2019). This means that too close relationships with BODs and management/owners reduces the independence of the BODs (Masli et al., 2018). The number of outside directors is regulated in bigger corporations. The Finnish Securities Market Association (2020) states that BODs in Finnish listed companies should consist of over 50 % of outside directors to avoid conflicts of interests. Additionally, at least two directors should be fully independent from every shareholder that the company has.

The literature has vastly illustrated that the BODs independence has a positive effect on company's performance and financial results (Cheung, et al., 2010; Masli et al., 2018; Kivini, 2020; Buallay Hamdan et al., 2019). It is thought that Independent BODs decrease the agency cost for a corporation (Gammal et al., 2020). The more independent BODs are, the more likely it is that they protect shareholder interests and can make the necessarily tough decisions (Duchin et al., 2010). As an example, in less independent BODs there might be closer relations with directors and CEO. In this situation it is often the case that CEO's bad results are tolerated, and changes are not made even if they would

be necessary (Masli et al., 2018). Thus, in principle Independence of BOD should have a positive effect on a company's performance.

However, many studies illustrate that BODs independence has negative effects on company's profitability and performance (Cheung et al., 2013; Van de Berghe & Levrau, 2004; Ararat et al, 2010). Thus, having an outside director/s is not always a good thing. For example, Duchin and others (2010) illustrated that outside director usefulness depends on the cost of acquiring information of the company. If the cost (time, uncertainty, complexity) is high, outside directors perform worse than insiders. Also, Agrawal and Knoeber (1996) illustrate that if there is not a suitable selection process for outsider directors, they might only add expenses. Outsider directors might be lacking in competence, - time, and - incentives to do their part properly (Cheung et al., 2013).

As smaller companies rarely have outside directors (Abel, 2021), it is beneficial to not solely connect independence of BODs to the number of the outside directors. In addition, as situations change independent directors might not be that independent in later times (Elberg et al., 2022). Thus, every director should be an independent thinker and continuously practice it. Independent thinkers are less affected by the opinions of others and can analyse situations critically from different perspectives (Phillips-Wren, 2018). By focusing more on Independence of thinking, independence could also be evaluated in smaller enterprises which might have the same people in the position of shareholder, BOD, and management (no outside directors).

The attribute of independence in Masli's and others (2018) framework is not always supported when thinking of independence only from the perspective of the number of outside directors (Duchin, 2010). Therefore, it might be even more important to study directors "independent thinking" (Phillips-Wren, 2018). In this way one could argue that companies that are successful without independent directors have high levels of independent thinking, which enables effective BODs and reduced agency costs.

2.2.2 Activity

BOD activity consists of the number of meetings in a year, and all of the director's behaviour surrounding these meetings. This means the level of attendance to the meetings, activity and attentiveness in those meetings, number of hours for board work outside of meetings, preparation for meetings, and post meeting follow up (Masli et al., 2018). Additionally, all the communication between BODs outside the meetings (calls and different digital communication channels) and remote meetings are part of active and modern board work (Koskinen, 2023).

The literature emphasizes the importance of active BODs for enhancing company's performance and financial results (Falatifah & Hermawan, 2021; Masli et al., 2018; Roffia et al., 2022). Firstly, the more active role BODs have in the company, the more they can influence the company's performance (Van De Berghe & Levrau, 2004). Birindelli and others (2018) illustrate that the more often the BODs meet, the better oversight they have of the board activities and they can coordinate their efforts to achieve greater results. Interestingly, Vafeas (1999) found out that difficulties often lead to abnormally high levels of meetings, which are correlated with increased performance in later years. Also, Macavoy and Millstein (1999) got results that companies with more frequently held meetings get better returns for shareholders.

Literature does not introduce an optimal frequency for BODs meetings, but most of the boards meet at least once a quarter and more if the company is going through changes or difficulties (Summit Junto, nd). Hadzima (2005) illustrates that new growth-oriented companies BODs might meet every month, and more stable companies' 4-6 times per year with committee work filling the meeting gaps. Boards should meet at a frequency that makes it possible that they can fulfil their responsibilities as directors (Sivula & Worthington, 2023). Hence, the need for higher frequency of BODs meetings can be justified as nowadays BODs have more responsibility and outside pressure to impact the company's performance (Masli et al., 2018; Van De Berghe & Levrau, 2004).

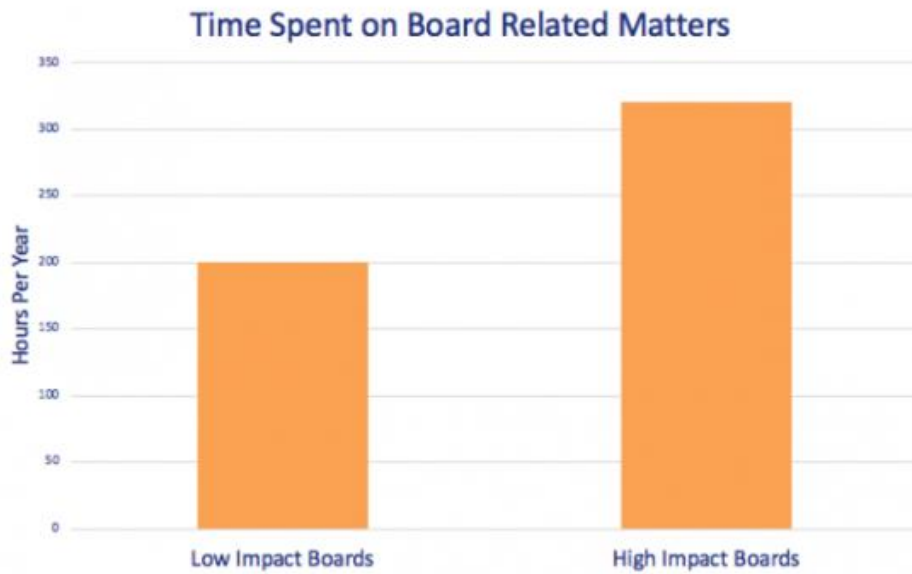


Table 2. Time spent on board activities by independent directors (Executive Advisory, 2020).

Table 2. illustrates that high impact boards spend much more time on board activities than the less impactful boards (Executive advisory, 2020). Board activities include all the meetings, preparations, and informal contacts with the company. In addition, Kehoe and others (2016) found out that in almost all perspectives of CG, the BODs who spent the most time on board related matters were the most effective. Executive advisory's (2020) study illustrated that the high impact boards spent over 40 working days on BODs related activities and low impact BODs between 20-30 working days in a year. In addition, Kehoe and others (2016) study illustrated that thriving BODs use 41 working days – and an average BODs use 30 days on board related activities in a year. Of course, the most passive BODs only do the minimum requirements (Hongharu, 2006), and thus their time spent on board related matters can be argued to be much lower than that average.

Masli and others (2018) emphasize also the directors attendance and then attentive participation to the discussion in meetings. Directors cannot bring their maximum value if they are not actively participating in the discussion in the meetings (Gramen & Kauranen, 2019). Directors are more active and insightful if they prepare for the meeting by performing industry – and competitor research, consulting with other BODs and

people, reviewing financial documents and annual reports, and reviewing newspapers and industry journals (Executive advisory, 2020). Thus, directors participation in meetings should also be considered when analysing BODs activity.

However, literature also highlights the negative effects of activity on BODs (Brindelli et al., 2018; Guerra & Santos, 2011). High frequency of meetings can be associated with inefficiency (Brindelli et al., 2018). Also, if a director is present in many BODs (directors with over 3 board roles) it is studied that the performance of those directors decreases as they do not have enough time to fulfil the responsibilities of all the BODs they are in (Guerra & Santos, 2011).

2.2.3 Competence

Company's direction is dependent on BODs competence (Almeida, 2009; Masli et al., 2018; Silaskivi, 2024). Fitting competence can be seen as the second most crucial factor when choosing new directors, only coming second to the director's passion for the company's purpose (Boardsource, 2021). Firstly, literature highlights competencies that every director should have. These are strategic thinking, leadership capabilities, and the ability to understand entities. (Northcott & Smith, 2011; Ingley & Wan Der Walt, 2001; Suvanto-harsaae, 2022). These three competencies give foundation for directors. The more specific and diverse competencies of individual directors can make BODs to have an effective entity of competences than can answer to the needs of the company (Silaskivi, 2024).

Strategic thinking can be defined as *"the process of finding alternative ways of competing and providing customer value"* (Abraham, 2005). Northcott and Smith (2011) illustrate that the key responsibility of BODs is to be the strategic decision-making unit that ensures company's prosperity in the future. Fittingly, Luoma (2022) states that value adding directors focus more on the strategic matters, than the operational activities of the company. When directors are selected, the most important competence after the trust and loyalty to the shareholders has been studied to be the perceived strategic

competence (Ingley & Wan Der Walt, 2001). Therefore, strategic thinking is perceived as one of the most important competencies for a director.

Not surprisingly, directors need to have great leadership skills as they can be said to be the leaders of the organisation (Heracleous, 1999). BODs need leadership skills that they can be great collaborators and communicators (Ingley & Wan Der Walt, 2001). Additionally, great leadership attributes like commitment, independent thinking, motivation, and expertise tend to make directors more active, do more research, and communicate more constructively (Nahum & Carmeli, 2020). Interestingly, chairpersons skills on leadership have vast influence on the whole BODs group dynamic, culture and performance (Northcott & Smith, 2011). Thus, companies need to be extra careful while selecting the chairperson.

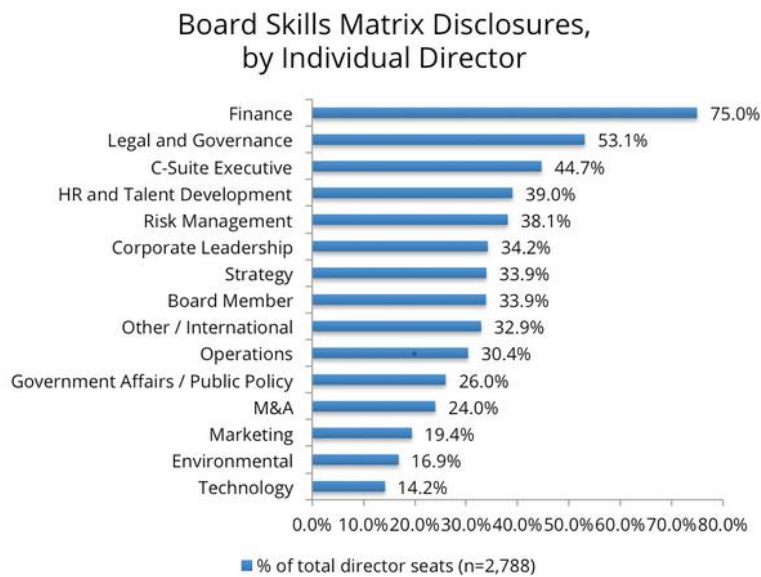


Table 3. The most common work-related individual director skills on BODs (Equilar, 2017).

Table 3. illustrates what are the most common competence/expertise for individual directors in bigger corporations, when measuring the previous work experiences of the directors (Equilar, 2017). Interestingly finance, - legal, - and governance experience is the most common type of work-related expertise with directors. Table 3. also highlights that there are many different specific competencies that are needed in BODs. Hence, the focus is often on the importance of the diversity in the competencies that BOD has

(Silaskivi, 2024; Melon-Izco, 2020). However, it is important to not box directors to one specific competence. Suvanto-Harsaae (2022) states that BODs benefit from being multi-skilled and of understanding the entity. As BODs have better understanding of all aspects of the business, they can have constructive conversations of the specificities rather than just accept one person's expertise.

Experience as a director and - working with the company is beneficial for directors (Duchin et al., 2010; Kim et al; 2014; Masli et al; 2018). Directors with a lot of different director positions is correlated with positive company performance (Ferris et al., 2003). On the other hand, Duchin and others (2010) illustrate that having a clear knowledge and experience of the company is crucial for the success of BODs. Fittingly, Kim and others (2014) found out that the longer a director is with the company the better that director can monitor and advice the management. For this reason, it can be said that experience with company and BODs independence are contradicting. Directors' independence would mean no connections to the company (Perez-Calero et al., 2019), but experience with the company is best with the directors that have tight connections with the company (Duchin et al., 2010). One needs to remember that the recommendations for BODs do not rule out insider directors. As over 50 % of large enterprises BODs should be independent, there is still room for insider directors who have history with the company (Arvopaperimarkkinayhdistys ry, 2020).

Literature has also found a connection with BODs education and company performance. Papadimitri and others (2020) illustrated well educated boards have better credit rankings. This is because the better education key directors have, the better trust evaluators have that the business can withstand competitor -, industry/country -, and financial risks. Also, Chen and Hao (2022) illustrated that well educated BODs are more likely to conduct digital transformation which is essential in nowadays competitive environment. On the other hand, education specifically for BODs has shown importance. Hongharu (2006) states that many BODs crises have given rise to education programs for directors, which have improved the BODs work. It is no wonder that also the Finnish CBM-course

(certified board member course) was introduced in 2007 to improve the competence of BODs (HHJ, 2024).

Company needs diverse competences and expertise that fit the company's situation. For example: in startups this would mean competence on basic things like growth and finances; in more established companies, competences on developing processes and – profitability are needed; companies in crisis need tough and determined directors who have experience of handling difficulties (Silaskivi, 2024). Additionally, Boardsource (2021) illustrates that boards need diverse expertise in finance, strategic issues, legal oversight, fundraising, and other networking competences. In addition, BoardClic (2023) illustrates that industry specific -, digital – and international competences are the most desired competencies for individual directors in 2024.

Diversity of age and gender is also a highly relevant topic for BODs competence. Most of the literature agrees about the diversity's positive influence on company's performance (Janahi et al., 2023). Age and gender are significant things as BODs need to be able to identify with different behaviours and values (Silaskivi, 2024). Thus, diversity related competences are needed to understand the diverse world. Interestingly, gender diversity has a positive influence on innovation, (Rejeb et al., 2020) and to the positiveness towards digital transformation (Chen & Hao, 2022). Also, Melón-Izco and others (2020) show that gender diversity has positive impact on CG practices and effectiveness of the board. On the other hand, age diversity has seen to be improving BODs monitoring activities towards management's decision making (Janahi et al., 2023). Additionally, age diversity has been seen to have a positive effect on performance in non-routine and creative tasks (Backes-Gellner & Veen 2013).

2.2.4 Behavioural attributes

Behavioural attributes are often neglected in literature of BODs attributes (Masli, et al., 2018; Northcott & Smith, 2011). However, in many cases these “softer” attributes are even more important than the structural elements of the board (Northcott & Smith,

2011). It is important to understand that BODs are a team that engages in critical decision-making. Elements that affect to the realization of effective behaviour of BODs are BODs size, different types of relationships relating to BODs work, good atmosphere between directors, effectiveness of the chair, and overall meeting success (Coles et al., 2008; Masli et al., 2018; Northcott & Smith 2011; Van De Berghe & Levrau, 2004).

BODs size is a crucial element that affects the behaviour of the group. Many studies support smaller boards because smaller size enables more cohesive and effective group dynamics (Coles et al., 2008). Thus, it is stated that in boards with over 8 or 9 members, directors have a harder time to contribute and express their ideas causing larger BODs to be ineffective (Lipton & Lorsch, 1992; Jensen, 1993). Larger boards are often justified and have the benefit in terms of varying competences, but they are inferior when measuring the effectiveness, behavioural dynamics and often performance (Coles et al., 2008). According to the limited company law BODs should have at least one member and one alternate member, but there is not a maximum number of members for BOD (OYL 624/2006). However, there should be a balance between the company size, competence that is needed, and the amount of people that can work efficiently together (Griesedieck, 2024; Palmer, 2023). Around 7-12 members is common for bigger corporations (BoardSource, 2021; MCNamara, 2022), and startups are recommended to have 3-5 members (Palmer, 2023).

Board-management-shareholder relationships are important for achieving effective BODs (Van De Berghe & Levrau, 2004; Northcott & Smith, 2011). All these relationships can either enable or limit effective board work. For example, a strong shareholder could override BODs with their own interests and visions that are not in the best interests of the company, or they can accept mediocre results from BODs. Thus, BODs should be able to challenge the shareholder as well (Luoma, 2022). On the other hand, the level of BODs relationship with management depends on how well BODs can support and challenge it (Van De Berghe & Levrau 2004). However, this relationship needs to be built solely to serve on the best interests of the company. Too friendly relations with BODs and

management might lead to favouritism of the current management even though changes would be needed (Masli et al., 2018).

BODs are seen as teams/groups that work together towards common goals with repeated meetings and different types of interpersonal relationships (Shin & You 2023). Hence, one of the most important things for BODs effectiveness is how BODs work together as a team (Masli et al., 2018). A huge proportion of BODs effectiveness comes down to their actions and conduct in interaction situations (Roberts et al., 2005). If the BODs have constructive atmosphere, ability to challenge the management, and healthy open debate they are more effective (Northcott & smith, 2011). Particularly important behavioural processes that enhance BODs effectiveness are “engaging in constructive conflict, avoiding destructive conflict, working together as a team, knowing the appropriate level of strategic involvement, and addressing decisions comprehensively” (Finkelstein & Mooney, 2003). Additionally, it is usual that BODs might form smaller subgroups, inside the board, because of many aligning attributes of some directors. This might cause unnecessary confrontation and worse decision making (Shin & You 2023).

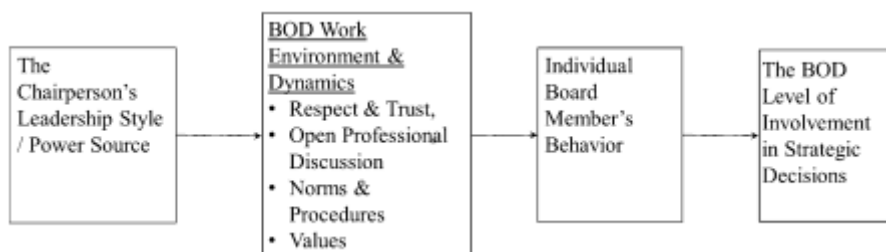


Figure 3. Chairpersons and BODs behaviour’s influence on BODs impact for the business (Carmeli & Nahum, 2019).

As seen in Figure 3. chairperson has one of the biggest roles in making the BODs meeting a success (Boardsource, 2021; Cameli & Nahum, 2019; Northcott & Smith, 2011). Van De Berghe and Levrau (2004) conducted a study where quality of BODs meeting was the most frequently mentioned factor of effective BODs. Harrison and Murray (2012) conducted a survey with 563 respondents which illustrated that a great chairperson has

significant positive influence on CEO, board, and organization. Chairperson sets the culture and leadership style of the board; promotes a good boardroom practice; connects with the CEO; and ensures that the board focuses on the bigger strategic picture rather than the operational activities (Northcott & Smith, 2011). Harrison and Murray (2012) illustrated that a great chairperson makes BODs more committed to the mission, makes actions clearer and more effective, switches focus on the bigger picture, and finds new high-quality directors. Thus, chairperson has a significant importance to BODs, and it can be the “best coach” to get the most out of the BODs (Northcott & Smith, 2011).

The chapter 2.2 has illustrated four attributes that affect the effectiveness of BOD: independence, activity, competence, and behavioural attributes. However, for BODs to be effective they need to have a great level on all these attributes (Masli et al., 2018). For example, BODs could be very competent, but if they cannot work well together, they are not effective (Northcott & Smith, 2011). Or if BODs do not have independent thinking, they would not pursue the best interest of the company (Phillips-Wren, 2018). Thus, it is reasonable to assume that BODs have a tough time to be effective even when only one attribute of these four is lacking.

2.3 What affects BODs attributes?

Previous chapter illustrated that all the “effective BOD attributes” have a connection to each other. However, there are also other significant differences in the environment and in the individual directors that can affect the effective attributes of BOD. Masli and others (2018) illustrated that accountability of directors could affect positively to all the four attributes. On the other hand, as the research in this thesis is conducted through Southern Ostrobothnia’s chamber of commerce’s member network, the responses will partly come from micro enterprises, and from people who either have or have not gone through CBM-course. BODs research has focused on large enterprises (Roffia et al., 2022), which illustrates a gap in research for small- and microenterprises. Also, companies often have no idea of the added value educational programs have on their business (Cermak

& McGurk, 2010). Thus, company size and CBM-course are also unique variables that might influence the effective attributes of BODs.

2.3.1 Training program/s for BODs

Many crises have increased the stakeholder pressure on BODs to perform better and more ethically (Hongharu, 2006). In addition, nowadays BODs are expected to give more value and be more accountable than before (Masli et al., 2018). Therefore, it is not a surprise that different training programs for BODs have become more common. For example, certified board member course CBM-course (HHJ-kurssi) has also gained popularity in Finland with over 15000 certified board members (HHJ, 2024).

BODs need ongoing education to fulfil their responsibilities in the best possible manner (Lambert, 2023). A great board education program makes BODs member more active as they have more knowledge on the best CG practices (Boardsource, 2015). Additionally, when BOD go through ongoing education together, the BODs culture and comradery gets better (Lambert, 2023). It is studied that participating in education programs increases attributes like curiosity, listening and open mindedness (McChrystal, 2015).

In Finland, the most popular educational program for BODs is the CBM-course (HHJ, 2024). The Finnish CBM-course focuses on activating and improving BODs work especially in the SME's (small and medium companies) as the BODs work in larger – and in listed companies is more formal. However, the learnings are highly valuable for larger companies as well. The Finnish CBM-course focuses on BODs responsibilities, composition, risk management and the way of working (strategy work, reporting, and reward systems). The idea is to understand what great corporate governance is and what type of tools are needed to improve BODs work. The Finnish CBM-course explains all the responsibilities of BOD and it has a practical perspective which consists of many supporting case studies (HHJ, 2024). Hence, completing the CBM-course gives a clear understanding of great CG.

However, companies rarely know how much value training programs really bring for the company (Cermak & McGurk, 2010). Training programs increase the individual director's knowledge and competence, but realization of that into results includes many variables. As the Finnish CBM-course aims to improve the BODs effectiveness, analysing the Finnish CBM-courses (or other educational courses for directors) effect on the effectiveness of BODs is justified. Hence, this thesis contributes to the study of measuring the impact of training programs with a following hypothesis 1.

H1: People with completed training program for BODs have more effective BODs compared to people who have not completed training program for BODs.

2.3.2 Company size

BODs size has been a centre of many studies, (Coles et al., 2008; Griesedieck, 2024; Palmer, 2023), however there seems to be less research about the company's size's effect on BODs. Of course, BODs size tends to get bigger as the company grows (Griesedieck, 2024), and the smaller the company is the more likely it is that its shareholders are also part of BODs and management (Park & Bolton, 2022). Additionally, BODs research is mainly focused on the large enterprises (Roffia et al., 2022). Interestingly, only 0,1 % of enterprises are large in Finland (Tilastokeskus, 2022). Hence, as most of Southern Ostrobothnia's chamber of commerce's members are micro enterprises, it is interesting to see how company size might affect BOD attributes.

In terms of this research, company size is easiest to categorize with the number of employees. Companies can be categorized into micro – (under 10 employees), small – (under 50 employees), medium - (under 250 employees) and large - (over 250 employees) (OECD, 2021). However, most enterprises in Finland are microenterprises (96,5 %) and even smaller (0-4 employees 93,1 %) (Tilastokeskus, 2022). Also, the smaller the company is the greater influence BODs have on the company (Bennett & Robson, 2004). Thus,

it is interesting that literature does not focus on microenterprises and their BODs, but mostly on large enterprises and a bit to SME's (Roffia et al., 2022; Masli et al., 2018).

When a company is founded, usually the founder/s are the BODs of that company (Hamadeh & Dinow, 2016). One of the biggest transformations in a company is that the BODs of a company changes from only the owner/manager to a complete group of BODs (Bennett & Robson, 2004). Often the first BODs are either working in that company or have already close ties with the company founders (Abel, 2021; Indeed, 2023). It is common that BODs are a small group and then the growth and scaling of business makes adding new members to the board necessary (Hamadeh & Dinow, 2016). Thus, microenterprises are mostly following the stewardship theory that implies low level of independent directors and BODs that have tight personal connections and roles with the company (Bennett & Robson, 2004). This is similar in family businesses, which are often micro enterprises, and the owners are BODs with high involvement with the company (Park & Bolton, 2022). Once scaling the company becomes topical, reaching to independent directors becomes more common (Abel, 2021). Often these new members are investors, (Hamadeh & Dinow, 2016) or then independent directors that have the competence/knowledge that the company needs (Silaskivi, 2024).

As company size increases changes happen in the BODs size, competence, and independence. When a company grows there is a natural tendency to recruit more BODs members to handle larger entities (Hamadeh & Dinow, 2016). Generally, both SME's and large companies have close to 10 BODs, (BoardSource, 2021). However, larger companies usually have different committees inside the BODs, which give BODs more scope. For example, these committees could be audit -, executive -, and fundraising committees (Masli et al., 2018). The committees inside the BODs take responsibility for certain areas of business, and they often consist of other members that are not part of the original BODs (Boardsource, 2023). Thus, BODs in larger enterprises are a structured entity of branches that then transform the knowledge to the main BOD. On the other hand, companies need different competences in BODs depending on the company size. Silaskivi (2024)

illustrates that as startups need competence on the business basics when larger enterprises need competence on improving processes and profitability. Additionally, BODs of larger corporations are required to have more competence on CSR (Gammal et al., 2020). Finally, larger companies tend to have much more independent directors (Abel, 2021). Legal - and varying competence requirements make independent directors more present in the bigger corporations (Arvopaperimarkkinayhdistys ry, 2020; Masli et al., 2018). Hence, the following hypothesis 2 can be made relating to the company size.

H2: People in SME's and large companies have more independent and competent BODs compared to people in micro companies.

2.3.3 Accountability

Accountability means the level that a person sees oneself to be responsible for some result, for example a company's performance (Keya, 2017). Literature vastly supports the accountability of directors to affect positively to the BODs performance (Keya, 2017; Leblanc, 2013; Masli et al., 2018). The role of the BOD is to hold management accountable for the company's best possible performance. As a result, management's incentives to pursue their own interests decrease. However, BOD also requires supervision to be more accountable. Without any supervision or any limiting factors there is also no guarantee that BOD will pursue interests that are in the best interests of the company (McIntyre & Murphy 2008). Hence, there should be methods in place for increasing director's accountability (Leblanc, 2013). As a starting point for beneficial accountability, director's values and interests should be in line with the company's values and needs (Boardsource, 2021; Luoma, 2022).

Shareholders should hold BOD more accountable (Ciulla & Scharding, 2019). Firstly, shareholders should have high standards so that mediocre work from BODs is not tolerated (Luoma, 2022). Hence, higher standards would force BODs to work more efficiently. There has been a positive link with BOD and company performance when BOD remuneration is connected with the company's results (Roffia et al., 2022). This

implies that remuneration for good results increases BOD accountability. In addition, BOD self- and peer evaluation is often neglected, even though it has been proven to increase the level of corporate governance and accountability (Northcott & Smith, 2011). Thus, shareholders should demand BODs to conduct continuous evaluation on their performance and report that to them regularly (McIntyre & Murphy 2008). The self – and peer evaluation should be honest and focus on the value that the individual director can still bring to the company (Luoma, 2022).

Stakeholders also hold BODs accountable (Ciulla & Scharding, 2019). Different economic crises have made stakeholders put pressure on BODs to perform better (Hongharu, 2006; Van De Berge & Levrau, 2004). Stakeholders are like monitors of BODs who give constant feedback if their interests are not protected (Tiron-Tudor et al., 2020). Also, the different stakeholders are the key reason why directors want to protect their reputation and avoid legal liabilities (Masli et al., 2018). Thus, they are an important part of the entity that holds BODs accountable.

Of course, accountability itself is not enough to make BODs successful. This can be seen in the many examples of smaller companies where highly accountable shareholders are part of the BODs and management, but they are still not successful (Cheung et al., 2013). However, as seen in the previous paragraphs literature vastly agrees that holding BODs more accountable is beneficial and it makes BODs more effective (Ciulla & Scharding, 2019; Keya, 2017; Leblanc, 2013) More precisely, the literature suggests that the more accountable the individual director feels the more they aim to be better in all attributes that build effective BOD (independence, activity, competence, behaviour) (Masli et al., 2018). Hence, this thesis illustrates the following hypothesis 3.

H3: People with high accountability have more effective BODs compared to people with low accountability.

2.4 Theoretical framework

Figure 4. illustrates the theoretical framework on what affects the BODs effectiveness. Importantly, contradicting findings were found in the literature when analysing the evidence that support the attributes. Firstly, independence in terms of the presence/number of directors without connections to the company has a lot of contradicting findings. In addition, competence as an experience in working with the company is contradicting with the idea of directors' independence. Secondly, positive competence of multiple directorships is negative in terms of directors' activity. Thirdly, Masli and others (2018) framework was made for large enterprises, and thus it needed to be shaped for it to be applicable for smaller enterprises. Finally, the three hypotheses were added to the framework. Hence, the following theoretical framework (figure 4.) is the summary of the literature that has been examined in this thesis.

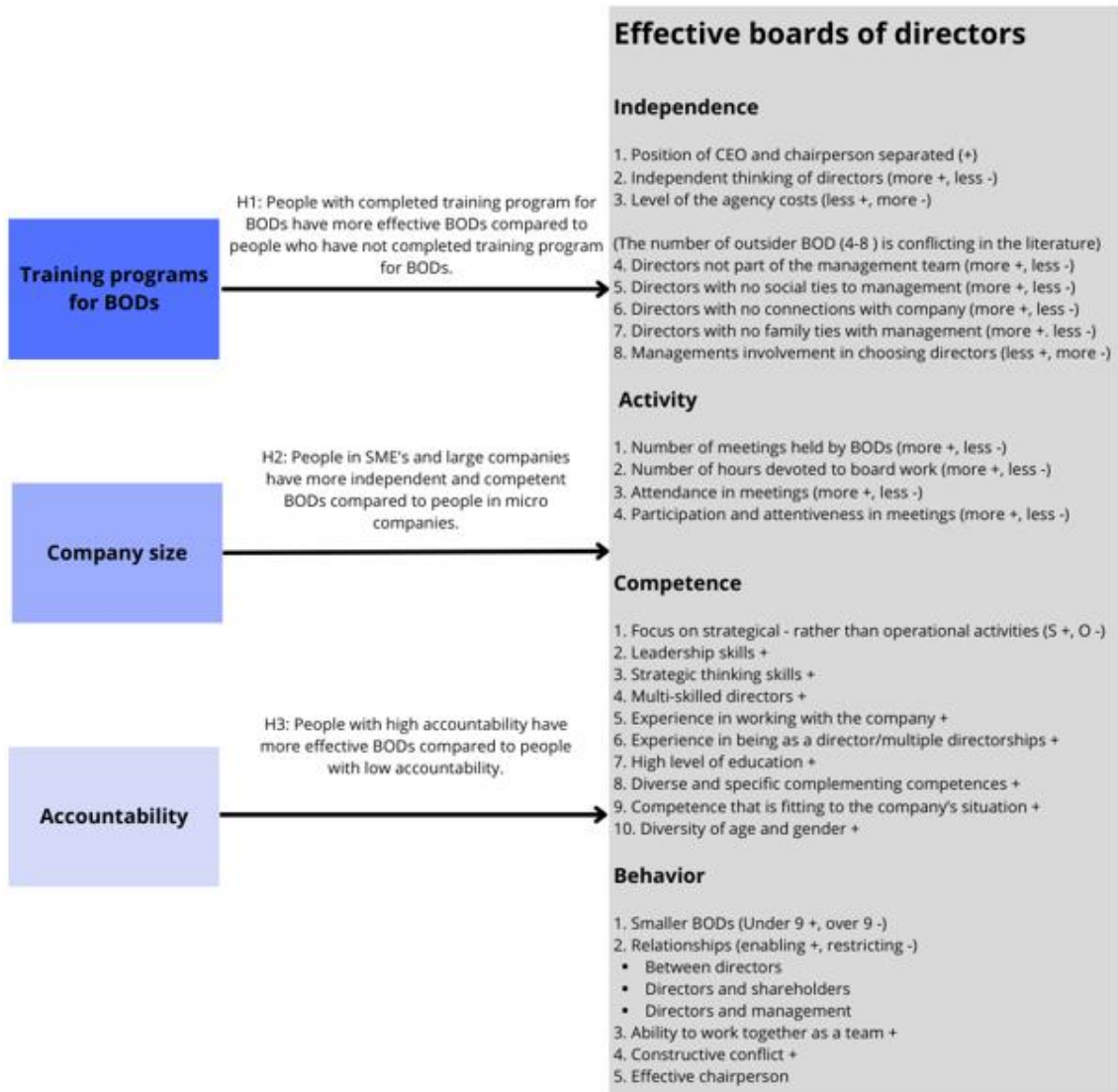


Figure 4. Theoretical framework on what affects the effectiveness of BODs.

3 Methodology

3.1 Research Approach

Choosing the fitting research methodology is crucial to achieve a successful research project (Elsevier, 2024). Research methodology refers to theory on how distinct types of research should be conducted (Sanders et al., 2007). Previous chapter conducted theoretical research to come up with a theoretical framework that is based on existing research. This chapter focuses on the methodology on how to achieve reliable and novel knowledge when conducting the empirical research of this thesis. Sanders, and others (2007) illustrate the “research onion”, (figure 5.) which depicts the issues that researchers need to consider when they are making decisions on the varying methods to collect data.

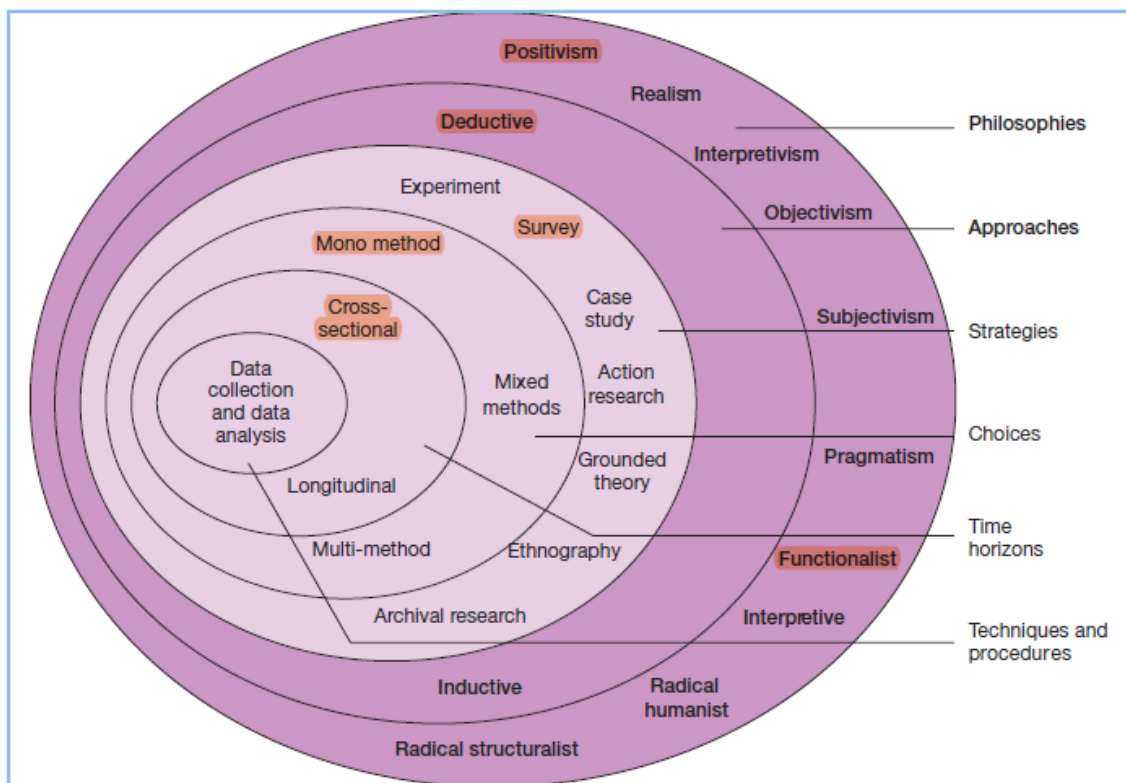


Figure 5. The research onion (Sanders et al., 2007).

The first layer of the “research onion” focuses on the philosophies about researchers’ view of the world. The researcher's philosophy affects what they see as important and what kind of research methods they use (Sanders et al., 2007). Positivism related research philosophy is followed in this thesis. This is because there is clear preference to observe clear attributes and make generalizable findings (Swartz et al., 1998). Additionally, highly structured methodology is preferred, which is particularly common for positivism (Gill & Johnson, 2002). Hence it is common that positivist researchers conduct statistical quantifiable analysis, which is also conducted in this thesis. However, no philosophy is better than the other. Some philosophies are better suited for some research questions, and research rarely fits inside of only one philosophy (Sanders et al., 2007).

Figure 6. paradigms effectively summarize most of the different research philosophies (Sanders et al., 2007). Research relating to radical change challenges the “normal order of things”, and oppositely regulation focuses on improving the normal order of things. On the other hand, subjectivist research highlights that phenomena are happening due to social actors, and oppositely objectivist research highlights that entities exist external to social actors (Sanders et al., 2007). Functionalist (Figure 6.) researchers assume that organizations are rational, and there are rational solutions for rational problems (Burrell & Morgan, 1979). The functionalist approach to research resonates with the research philosophy in this thesis. The thesis suggests that the rational solution for ineffectiveness of BOD is to change/improve the ineffective attributes to be effective.

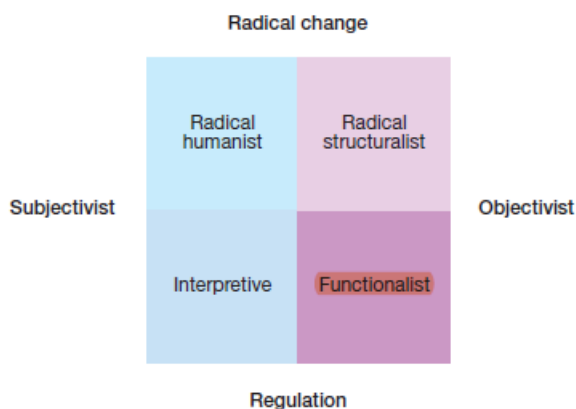


Figure 6. Four paradigms for analysing social theory (Burrell & Morgan, 1979).

The next layer of research onion focuses on research approaches. There are two main research approaches deductive and inductive (Sanders, et al., 2007). Additionally, there is an abductive approach (not seen in figure 5.) that has been set to address the weaknesses of inductive and deductive approaches (Bryman & Bell, 2015). Deductive approach is about testing the theory and it is often connected with highly structural quantitative study to come up with generalizable findings. On the other hand, the inductive approach is about building the theory, it relates to qualitative study, it has more flexible structure, and there is no pressure to come up with generalizable findings (Sanders, et al., 2007). Deductive approach is used in this thesis. This thesis tests the theory of effective attributes of BOD by using survey to gather quantitative results. The goal is to come up with somewhat generalizable findings.

However, weakness in deductive approach can be seen in the selection criterion of the theory that will be assessed (Sanders, et al., 2012). In this thesis, especially the attribute of “independence” has many conflicting findings relating to its effectiveness for BOD. Hence, the attribute of independence would require a more abductive approach as there is a “puzzle” and no clear general rule that the findings could be always true (Bryman & Bell, 2015). Thus, the research separates independence to two parts: conflicting (number of outside directors to enhance independence); and to more accepted ideas (independent thinking of directors, separated CEO and chairperson, and the agency costs).

Finally, the research uses a cross-sectional timeframe and mono-method quantitative survey as a choice of strategy to obtain data. Cross sectional timeframe means that the study is a snapshot of the current time (Sanders et al., 2007). Robson (2002) illustrates that it is common for cross-sectional research to have survey strategy. Survey is one of the most common methods in deductive research to obtain quantitative data (Sanders et al., 2007). Lastly, the mono-method means that survey is the only strategy that is used to obtain empirical data in this thesis.

3.2 Data collection

The data collection in this thesis was conducted with survey, which is supported way to obtain quantitative measurable data (Sanders et al., 2007). The population of the survey were the people who are working with BOD in South Ostrobothnia and Ostrobothnia, Finland (BOD members, chairpersons, CEOs, and shareholders/owners). The data used in this thesis is a sample of 50 people of that population. The respondents were acquired with simple random sampling, but most of the population were out of the reach of South Ostrobothnia's chamber of Commerce's – and researchers own network. Hence, it was impossible to give equal change for every single member of the population to be picked. The survey was delivered by email and with LinkedIn post. More than a thousand people of the population were targeted with emails and LinkedIn combined, and one additional reminder was sent by email. The final response rate for the survey was slightly under 5 %.

A big part of survey study's success is the number of respondents (Sanders et al., 2007). Williams and others (2022) findings of decreasing respondent rates to surveys became clear. Hence, to collect more data/respondents for the survey, the respondents were reached in three diverse ways. Most of the respondents were reached from South Ostrobothnia's chamber of Commerce's member network with direct emails, and considerable proportion of the respondents came from direct emails to researchers own connections in South Ostrobothnia and Ostrobothnia. Additionally, some responses were gathered by using LinkedIn as a platform to reach potential respondents in South Ostrobothnia and Ostrobothnia. On the other hand, the survey also needs to be tempting for the respondents to get more responses and thus more accurate scientific results (AAPOR, 2024). People tend to answer surveys more often if the subject of the study interests them, the survey is easy to answer, and there is possibility for some reward (Grønmo, 2023). Hence, the survey was customized accordingly, and South Ostrobothnia's chamber of Commerce sponsored a reward for three respondents.

To collect data that can be measured and compared there is an importance on the type of the questions (Grønmo, 2023; Sanders et al., 2007; Williams et al., 2022). Hence, most

of the questions were on Likert – Or Osgood scale from 1-5. With these types of questions, it is possible analyse and compare the effectiveness of board work (Williams et al., 2022). Additionally, to enable and enrich the research, some list -, category -, and open-ended questions were added to collect more data. Finally, the survey was made in Finnish language so that all the respondents could answer it in their native language and misunderstandings could be avoided.

3.3 Data analysis

It is important to note that many of the survey questions are on the Likert and Osgood scales, which measure respondents' views and attitudes. People view similar situations very differently and thus their views might not accurately represent the real state (Williams et al., 2022). Hence, this thesis studies more the views of the people working with the BOD and not solely the real state of BOD.

Likert and Osgood's scale are useful in the quantitative analysis of the perceived effectiveness, as they can be used to calculate the total score of a certain attitude or behavior (Williams et al., 2022). Hence, this thesis uses mostly Likert - and Osgood scale to sum up respondents' overall attitude/behaviour in questions that aim to reveal the state of BODs effectiveness (independence -, activity -, competence -, and behaviour related questions). In addition, Masli and others (2018) illustrate that the real effectiveness of BODs is the whole average of the attribute's "independence, activity, competence, and behaviour". Every attribute of effective BODs is analysed separately and in detail, which is more important than the overall score. Afterwards, the BODs effectiveness is calculated in this thesis in a following manner:

Effectiveness of BODs =

+ Likert-/Osgood scale sum value of Independence related questions

+ Likert-/Osgood scale sum value of activity related questions

+ Likert-/Osgood scale sum value of competence related questions

+ Likert-/Osgood scale sum value of behaviour related questions

/4

(Other questions that are not in Likert-/Osgood scale give more depth to the data analysis, but they do not affect to the numeric result.)

The other part of the data analysis focuses on testing the hypotheses:

H1: People with high accountability have more effective BODs compared to people with low accountability.

H2: People with completed training program for BODs have more effective BODs compared to people who have not completed training program for BODs.

H3: People in SME's and large companies have more independent and competent BODs compared to people in micro companies.

The hypotheses in this thesis are tested in IBM SPSS statistics program with either a t-test (parametric test) or Mann Whitney's U-test (non-parametric test). T-test is a parametric test that can make stronger inferences from the data, but it has stricter requirements such as data close to normal distribution, and homogeneity of variances within each group compared (Bevans, 2023). On the other hand, the Mann Whitneys U-test is non-parametric test with less strict requirements (weaker inferences from the data), and it is used if the requirements for the t-test are not met. The t-test (or Mann Whitney's U-test) is often used in hypothesis testing and particularly in situations where the means of two groups are compared. These tests aim to illustrate if there is a scientifically significant difference between the compared groups or if there is random variation related to the sample (Tilastokeskus, nd).

To see if the analysed data is reliable and whether a t-test or Mann-Whitneys U-test can be used, a lot of actions need to be conducted. It is usual that data does not follow normal distribution (Blanca et al., 2013). Hence, the responses deviation from the normal distribution is analysed with skewness and kurtosis values. Skewness evaluates the lack of symmetry in responses and kurtosis evaluates how heavy or light are the "tails"

compared to the normal distribution (Đorić, et al., 2009). The skewness and kurtosis should have values between -1 to 1, but values from -2 to 2 are also acceptable for the findings to be close enough to the normal distribution (George & Mallery, 2010). Additionally, as BODs effectiveness is analysed with grouped questions (“Likert-/Osgood scale sum value of Independence related questions,” etc.) reliability testing needs to be done for all the groups. The reliability is determined by analysing the level of homogeneity in variances between analysis groups with Cronbach Alpha method (Kempf-Leonard, 2004). Accepted rule is that Cronbach Alpha value of over 0.6 indicates an acceptable level of reliability, and higher levels illustrate even better reliability of the results (Ursachi et al., 2015). Hence, these statistical tests are conducted before the other statistical test methods can be chosen.

Independent Behaviour (IB)					
<i>Questions normal distribution and statistics</i>					
<i>Reliability of IB questions = Acceptable (Cronbach alpha: 0,689. N = 4)</i>					
	Mean	Variance	Skewness	Kurtosis	Normal distribution (Skewness and Kurtosis values between -2 and 2)
Do you think that the board members interests are in line with the best interests of the company?	4,04	1,18	-1,17	0,92	Yes
Does your board dare to take risks?	3,52	0,91	-0,65	0,53	Yes
To what extent does your board make investment decisions in a year?	3,06	0,87	-0,28	-0,03	Yes
How much do your board critically evaluate their own and others proposals?	3,14	0,78	-0,47	-0,16	Yes

Table 4. Independent behaviour (IB) normal distribution and statistics.

Independence relating to outside directors (IO)					
<i>Questions normal distribution and statistics</i>					
<i>Reliability of IO questions = Acceptable (Cronbach alpha: 0,618. N = 3)</i>					
	Mean	Variance	Skewness	Kurtosis	Normal distribution (Skewness and Kurtosis values between -2 and 2)
The number of board members that are not part of the day today operations of the company?	3,43	1,3	-0,24	-0,57	Yes
The number of board members that do not have family ties with the management?	3,68	1,95	-0,48	-1,33	Yes
To what extent does your company's management (CEO/management team) participate in the selection of new board members?	3,54	1,98	-0,5	-1,08	Yes

Table 5. Independence relating to outside directors' normal distribution and statistics.

Tables 4. and 5. illustrate statistics and the level of normal distribution on independence related questions. Skewness is below the normal distribution threshold value (-1 to 1) in some of the questions, but it still okay as (-2 to 2) is also seen as acceptable for normal distribution (George & Mallery, 2010). Independence is categorized into two groups as the groups see independence from different angles. Additionally, IO has only 37 respondents compared to the 50 respondents in IB and in other attributes. Hence, if summed up together they cannot provide reliable results (Ursachi et al., 2015). Thus, independence is categorized into two groups, where reliability is statistically acceptable: Independent behaviour (IB) (Cronbach alpha: 0,689. N = 4) and Independence IO (Cronbach alpha: 0,618. N = 3).

Activity					
<i>Questions normal distribution and statistics</i>					
<i>Reliability of activity questions = Weak (Cronbach alpha: 0,525. N = 3)</i>					
	Mean	Variance	Skewness	Kurtosis	Normal distribution (Skewness and Kurtosis values between -2 and 2)
How often does your board meet in a year?	3,46	0,91	-0,92	0,98	Yes
How much time do you spend on the board work for this on company in a quarter? (information search, preparations, contacts, meetings etc.).	2,82	1,66	0,17	-1,02	Yes
How active are your board members in meetings? (participation in the discussion, concentrations stays in the meeting).	3,98	0,8	-0,32	-0,93	Yes

Table 6. Activity-related questions normal distribution and statistics.

Table 6. illustrates statistics and the level of normal distribution on activity related questions. The question related to attendance in meetings was rejected and left outside the calculations as its findings distort the reliability of the activity related questions (high mean, low variance, and kurtosis and skewness way out of the normal distribution range). The reliability of the three remaining activity questions has the Cronbach Alpha value of 0,525, N = 3. Hence, the reliability of the activity related questions is not at acceptable range. Thus, the findings of the sum of activity related questions are not generalizable.

Competence					
<i>Questions normal distribution and statistics</i>					
<i>Reliability of competence questions = Good (Cronbach alpha: 0,719. N = 10)</i>					
	Mean	Variance	Skewness	Kurtosis	Normal distribution (Skewness and Kurtosis values between -2 and 2)
How long have you been involved in this board? (if many, choose the most central board for you)	3,72	1,39	-0,2	-1,5	Yes
What is the highest degree you have achieved?	3,42	0,74	-0,55	0,21	Yes
Our board activities focus on strategic - rather than operational issues...	3,48	0,91	-0,53	0,43	Yes
Our boards ability to challenge and create strategy is...	3,42	0,98	-0,69	0,46	Yes
How would you rate the managements skills of your board members?	3,58	0,82	-0,94	1,27	Yes
To what extent do individual board members have vesatile competence and know-how?	3,76	1	-0,63	-0,02	Yes
The board has appropriate expertise for the company's current situation?	3,62	0,89	-0,66	0,85	Yes
The board has complementary expertise...	3,8	1,35	-1,06	0,64	Yes
The board has surface for identification with all age groups...	3,14	1,35	-0,37	-0,57	Yes
The board has surface for identification with all genders...	2,9	2,05	0,1	-1,33	Yes

Table 7. Competence-related questions normal distribution and statistics.

Table 7. illustrates statistics and the level of normal distribution on competence related questions. All the questions fall in the acceptable range of normal distribution (-2 to 2). Additionally, the reliability of the competence related questions has Cronbach Alpha value of 0,719. N = 10, which is already a good level of reliability (Ursachi et al., 2015).

Behaviour					
<i>Questions normal distribution and statistics</i>					
<i>Reliability of behaviour questions = Good (Cronbach alpha: 0,795. N = 6)</i>					
	Mean	Variance	Skewness	Kurtosis	Normal distribution (Skewness and Kurtosis values between -2 and 2)
Relationships between board members	3,94	0,67	-0,59	0,13	Yes
Relationships between board members and owners	3,94	1	-0,9	0,48	Yes
Relationships between board members and management	4,26	0,81	-1,08	0,37	Yes
What is your boards ability to work in a group?	3,92	0,77	-1,35	3,32	No
What is your boards ability to discuss conflicts constructively?	3,78	0,87	-1,74	3,35	No
How does the chairman of the board lead the work of the board?	3,52	1,03	-0,97	0,59	Yes

Table 8. Behaviour-related questions normal distribution and statistics.

Table 8. illustrates statistics and the level of normal distribution on behaviour related questions. Surprisingly, fourth and fifth question have kurtosis value which exceeds the acceptable range of normal distribution. For this reason, t-test cannot be used, and Mann Whitney's U-test is used in stead (George & Mallery, 2010). On the other hand, reliability of the behaviour questions has Cronbach Alpha value of 0,795. N = 6, which illustrates good level of reliability.

Effectivity					
<i>Questions normal distribution and statistics</i>					
<i>Reliability of the measured effectivity = Great (Cronbach alpha: 0,845. N = 4)</i>					
	Mean	Variance	Skewness	Kurtosis	Normal distribution (Skewness and Kurtosis values between -2 and 2)
Sum of questions related to Independent behaviour (IB)	3,44	0,48	-1,27	1,65	Yes
Sum of questions related to Activity (A)	3,42	0,58	-0,3	-0,13	Yes
Sum of questions related to Competence (C)	3,48	0,33	-1,36	2,83	No
Sum of questions related to Behaviour (B)	3,89	0,42	-1,41	2,63	No

Table 9. Attributes that build the effectiveness of BODs normal distribution and statistics.

Table 8. illustrates statistics and normal distribution of the attributes that build the effectiveness of BODs. The attribute (IO) is rejected and not considered in the effectiveness of BODs as it distorts the findings due to lower number of respondents and elevated levels of variance compared to the other groups. Similarly, literature also illustrated that independence through outside directors is often conflicting with BODs effectiveness (Duchin, 2010). Thus, it is not considered in calculations of BODs effectiveness. Also, kurtosis value is over the threshold in competence and behaviour attributes. Hence, Mann Whitney's U-test is used when comparisons between two groups are made relating to BODs effectiveness. Lastly, the reliability of effectiveness measured by Cronbach Alpha value is: 0,845, N = 4, which illustrates great reliability (Ursachi et al., 2015).

Perceived effectiveness of BODs in South Ostrobothnia and Ostrobothnia, Finland			
Reliability of data and methods			
Attribute	Values inside normal distribution (-2 to 2)	Cronbach Alpha value (data reliability)	Method
Independence (IB) (independent behaviour)	Yes	0,689, N = 4. Acceptable reliability	T-test

Independence (IO) (Outside - directors/structural independence. Not included in calculation)	Yes	0,613, N = 3. Acceptable reliability	T-test
Activity (A)	Yes	0,525, N = 3 Weak reliability	T-test
Competence (C)	Yes	0,719, N = 10 Good reliability	T-test
Behaviour (B)	No	0,795, N = 6 Good reliability	Mann Whitney's U-test
Effectiveness of BOD $= (IB+ A+C+B)/4$	No	0,845, N = 4 Great reliability	Mann Whitney's U-test

Table 10. Summary of the reliability of data and methods used in the data analysis.

3.4 The sample

The respondent group for the questionnaire consisted of 50 people who are working in or with the BOD. The responses were from Finland and more specifically from companies in South Ostrobothnia and Ostrobothnia. Most of the responses are from company representatives in South Ostrobothnia's chamber of Commerce's member network. In addition, some of the responses are from companies in Ostrobothnia and South Ostrobothnia through own connections.

People might be simultaneously in many positions relating to BOD work (Northcott & Smith, 2011). There is some overlap in the roles of people in BOD work in this sample as well (for example, shareholder can also be the chairperson etc.). The respondents in this sample consisted of 27 BOD members, 23 CEO's, 14 chairpersons, and 17 shareholders/owner (table 11.). Hence, all key positions relating to BOD were present in this sample.

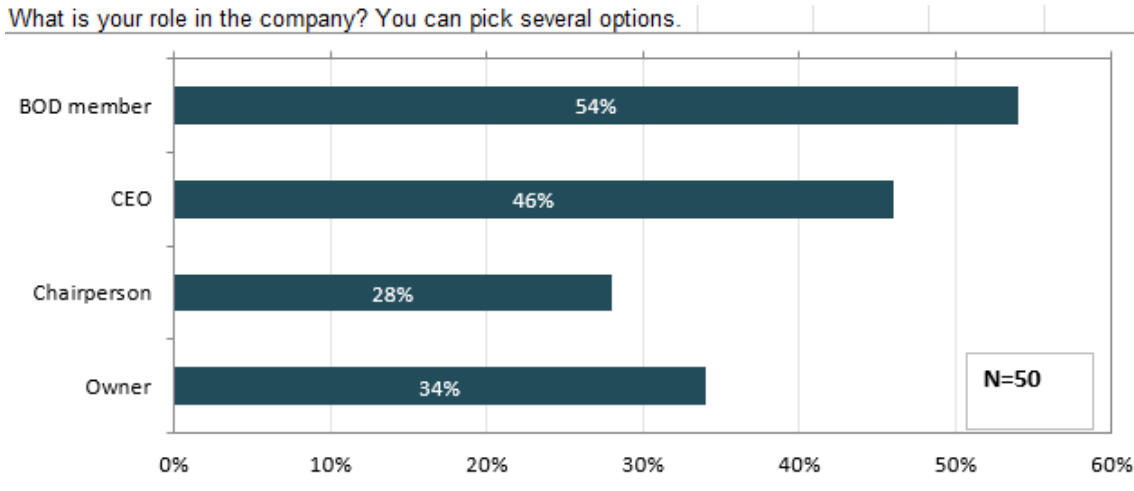


Table 11. Respondent’s role in the company where they are working in or with the BODs.

Age, and gender of the respondents are already showing some signs on how diverse BODs are in the area (Janahi et al., 2023). There were no BOD contributors under the age 35, and most of the BOD age groups belonged to the 46 to 65 age group (table 12.). On the other hand, the gender of the respondents was mostly male as 43 of the respondents were male and 7 were female (table 13.).

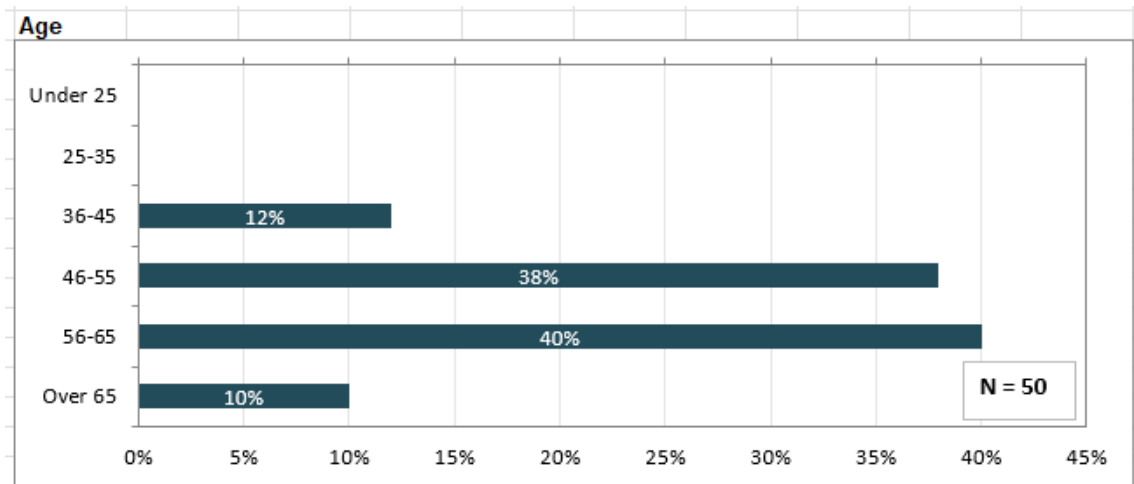


Table 12. Age of the respondents

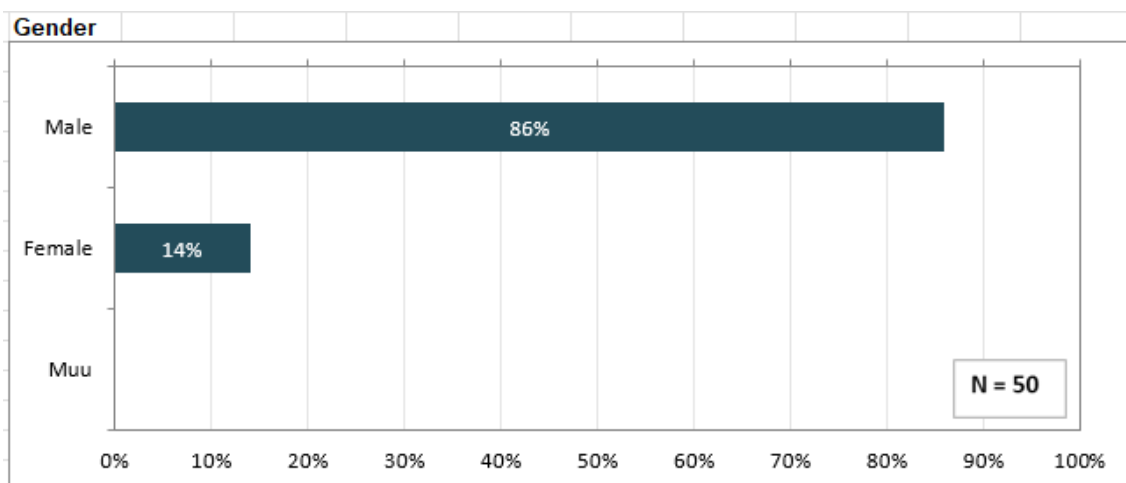


Table 13. Gender of the respondents.

It has been seen that the number of survey respondents has decreased due to the overflow of surveys (Williams et al., 2022). This is also reflected in the low response rate of this study (50). The 50 responses are not enough to make the sample's results generalizable (Sanders et al., 2007). However, it should be considered that the survey conducted in this study is very broad and detailed (43 questions, 7 pages). Hence, 50 respondents can be seen as a significant amount. Additionally, there is clear patterns in the different respondents' answers which can give a good estimate on how effective the BODs are in the South Ostrobothnia and Ostrobothnia, Finland, and how different attributes might influence on that effectiveness. The chapter 4 (findings) analyses more in depth the other attributes of the respondents in this sample.

3.5 The assessment of the quality of the data

The quality of the data can be measured on how well data can answer the research question (Grønmo, 2023). More precisely, the quality of the data is dependent on the level of reliability and validity of the data (Sanders et al., 2007). Reliability means the level at which the research methods and analyses will yield consistent results. From the perspective of this thesis, this would mean that similar observations of BOD attributes would be achieved by other observers, and on other occasions. On the other hand, validity of the

study means that findings are really that what they seem to be. For example, this could mean that the high levels of BOD attributes would really cause BOD to be effective (Grønmo, 2023; Sanders et al., 2007).

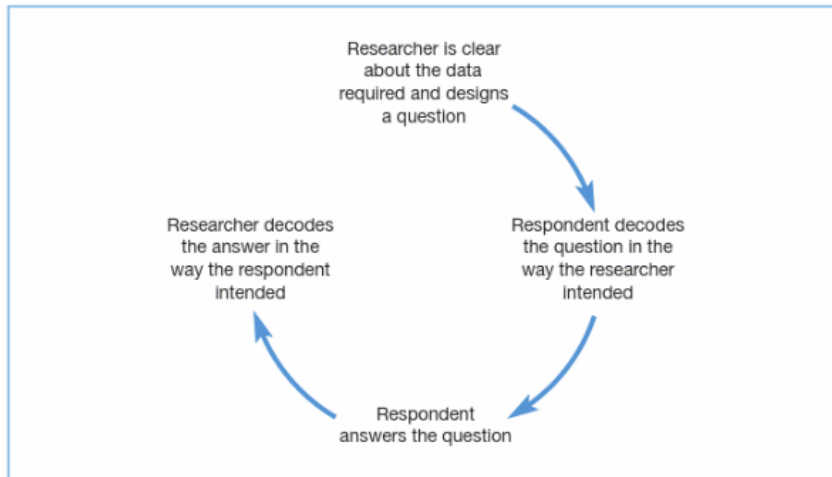


Figure 7. Stages for reliable and valid question (Sanders et al., 2007).

Designing the questions for the questionnaire requires a lot of consideration (Grønmo, 2023). In a questionnaire, designing -, structuring -, and piloting the questions is crucial as they largely explain the validity and reliability of the questionnaire (Sanders et al., 2007). Forming the questions for the questionnaire of this thesis begins with clarity of the data that is required (figure 7.). Hence, this thesis aims that every question is formulated in a way which provides the correct data of the real determining factors. Firstly, questions need to be very precise to get precise data. Secondly, questions need to be formulated so that the respondent decodes the question in a way that was intended (figure 7.). Thirdly, questions need to be structured in a manner that quantitative analysis and comparison between BOD attributes can be done (Sanders et al., 2007).

To make precise questions, this thesis categorizes questions into three categories: opinion -, behaviour -, and attribute (company size, BOD role, etc.) questions. The distinctions are important to understand because they change the nature of the question and the data that is then acquired through that question (Sanders et al., 2007). In addition, a lot

of focus is given to the wording of the questions that they are decoded in an optimal manner by the respondent (Grønmo, 2023). This means that wording establishes questions that are unbiased, clear, familiar, compact, and not offending (Sanders et al., 2007). Finally, this thesis uses closed question types which are best suited for opinion, behaviour, and attribute related questions: opinions with rating -, behaviour with category -, and attribute with list questions (Grønmo, 2023; Sander et al., 2007). Table 14. illustrates how questions are formed in this thesis.

Research question/objective: To analyse how effective Finnish BOD are by analysing directors' behaviour and opinions relating to the beneficial attributes of BOD.		
Type of research: Mostly descriptive, but aim is also to examine differences in responses with directors who have different levels of accountability, company size, and completed/uncompleted training programs for BODs.		
Investigative questions	Variable/s required	Detail in which data is measured
For example: Do directors feel that BOD follow individual interests or company's interests (independence)	Opinion of directors about BOD motivations (self-interest vs company's interests)	Feel. . . (rating) Always following individual interests 1. Mostly following individual interests 2. Balanced 3. Mostly following company's interests 4. Always following company's interests 5.

Table 14. Structure of forming questions, modified data requirements table (Sanders et al., 2007).

Structure of the questionnaire influences the reliability and validity of the research (Sanders et al., 2007). It is required that all respondents will be given a brief explanation of the study's purpose and emphasis on the anonymity of the responses before starting the questionnaire (Grønmo, 2023). A clear guidance on how to answer questions will be given to avoid misunderstandings. Sanders and others (2007) and Grønmo (2023) illustrate the importance of question order and layout. Thus, there are clear rules that are followed in achieving respondent friendly structure for the questionnaire (table 15).

Order	Layout
1. Straightforward questions first.	1. Short and compact survey
2. Most relevant questions for the purpose of the questionnaire in the beginning.	2. Not too many questions on one page.
3. Complex questions in the middle.	3. Text and format that is easy to read for respondents.
4. Personal and sensitive questions towards the end.	4. Using filter questions.

5. Grouping questions into fitting sections.	5. Consistent layout thorough survey.
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Table 15. Structuring the survey (deVaus, 2002; Grønmo, 2023; Sander et al., 2007).

To make sure that the questionnaire is as reliable and valid as possible pilot tests are conducted. Pilot test's purpose is to make sure that respondents have no problems in answering the questions and the questions are fitting for capturing the data that is needed (Sanders et al., 2007). Grønmo (2023) states that it is good to test the questions with members that are suitable to answer the questionnaire (BOD members). Hence, the questions were evaluated by two members of the BOD and course instructors. Additionally, the questionnaire's functionality was evaluated with two additional members of BOD. Changes were made to the questionnaire and additional tests were conducted to make sure that the survey is functional and ready to be sent to the respondents.

The reliability of data can be affected even after the survey has been completed. The obvious risk results from the fact that the number of respondents (50) is quite low (Sanders, et al., 2007). However, the data's reliability was measured and enhanced in data analysis phase (chapter 3.4). In this phase all the questions standard deviation and Cronbach Alpha values were tested and questions that distort the reliability of data were rejected to increase the reliability of the data (Ursachi et al., 2015). As a result, it was found that the attribute of "activity" has weak levels of reliability whereas the other attributes and BODs effectiveness got at least an acceptable levels of reliability values on the Cronbach Alpha scale. Additionally, the fitting method for hypothesis analysis was chosen through in depth analysis.

4 Findings

4.1 Perceived effectiveness of BODs in South Ostrobothnia and Ostrobothnia, Finland

This chapter evaluates findings of the effectiveness of BODs in South Ostrobothnia and Ostrobothnia, Finland. It is important to note that findings are the perception of the (50) respondents and not necessarily the real state. Also, some questions might have more influence on the BODs effectiveness than others, but the findings suggest that they have an equal value. Nevertheless, table 16. illustrates the perceived state of the attributes that explain BODs effectiveness with means of the attributes that are the sum mean of the Likert -Osgood scale questions related to that specific attribute. The overall effectiveness of BODs in South Ostrobothnia -, and Ostrobothnia Finland according to this sample can be seen in the table 16.

Perceived effectiveness of BODs in South Ostrobothnia and Ostrobothnia, Finland	
Attribute	Likert – Osgood scale (1-5) Mean
Independence (IB) <small>(Independent behaviour)</small>	3,44
Independence (IO) <small>(Outside - directors/structural independence. Not included in calculation)</small>	3,55
Activity (A)	3,42
Competence (C)	3,48
Behaviour (B)	3,89
Effectiveness of BOD $= (IB+A+C+B)/4$	3,56

Table 16. Estimation of the effectiveness of BODs in South Ostrobothnia and Ostrobothnia.

There are a lot of findings that can be summarized by the attributes and values in table 16. All the means of the attributes are inside 0,5 range, which illustrates some type of balance between these attributes. Activity has the lowest value on the table 16. This is due to a lot of variances in answers relating to the number of BODs meetings in a year and the time that is spent with BOD work. Hence, a lot of BODs do the bare minimum, and others are very actively fulfilling the growing set of responsibilities. Independence IB (behaviour) and - IO (outside directors) were separated as they measure independence from different angles. Interestingly, clear signs of lack of independence were seen in the IB and a lot of variances in the structural independence in IO. On the other hand, competence has a lot of even answers. However, it was not surprising that age - and gender diversity was the weakness of many BODs in South Ostrobothnia and Ostrobothnia. Finally, BODs behaviour got the highest value on the table 16. Interestingly, from the set of very even responses chairperson leadership got the lowest value. The following chapters will go through all the attributes and questions in depth.

Before analysing the questions, it is important to compare CEO's and other board members responses as CEO's are usually not part of the BODs. There were 23 CEOs in the sample. However, the responses did not illustrate much of difference between CEO's and board members. Only the question of the relationship between BODs and owners illustrated bigger difference as CEO's thought that board members and owners have better relationships, than the board members perceived. Hence, it can be said that CEO's have quite similar views of the BODs effectiveness as other members of the board.

4.1.1 The level of independence

The level of BODs independence was evaluated with nine questions. First five questions were formed to evaluate the level of independence in all companies. These questions focused on separation of chairperson and CEO, BODs stewardship, independent thinking, and the possible agency costs of the respondents. The last four questions concentrate on the number of outside directors (independent directors) in BODs.

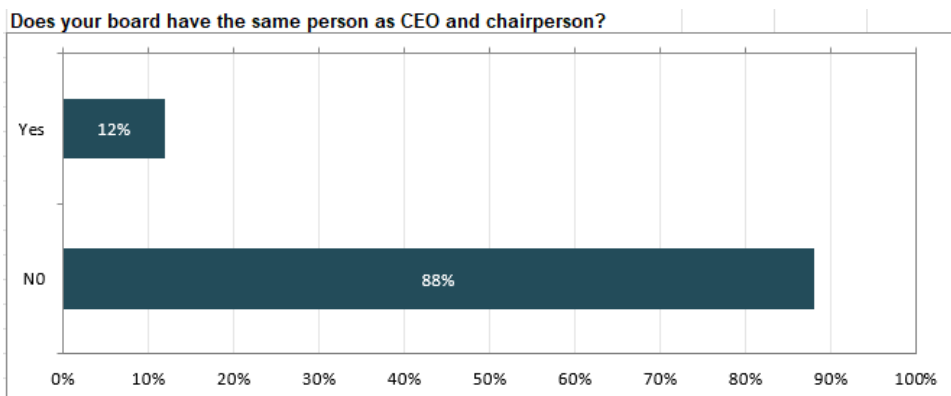


Table 17. The separation of CEO and chairperson positions.

In the first question, it was examined if there is a different chairperson in a company to support and evaluate the performance of the CEO. Table 17. illustrates that 44 respondents had different persons in the roles of CEO and chairperson and in six cases there was same person in the roles of CEO and chairperson. Hence, the findings suggest that 88 % of companies has at least some form of distinction between BODs and the management of the company.

Do you think that the BOD members own interests are in line with the best interests of the company?

Respondents: 50

	1	2	3	4	5		Average
Not in line	2	3	7	17	21	Fully in line	4,0
	4,0%	6,0%	14,0%	34,0%	42,0%		

Table 18. Evaluating the BOD workers level of stewardship.

Table 18. evaluates how BOD members own interests are in line with the company's interests. It illustrates that most of the people working with BOD in South – and Ostrobothnia perceive their BOD members to have interests that are in the best interest of the company. However, there are clearly cases where BODs interests are not in line with the company's interests. Hence, it is interesting that 58 % of respondents see at least some problems with BODs interests compared to the company's best interest.

How much do your board members critically evaluate their own and others' proposals?

Respondents: 50

	1	2	3	4	5		Average
Very little	2	9	20	18	1	Very much	3,1
	4,0%	18,0%	40,0%	36,0%	2,0%		

Table 19. Evaluating the independent thinking of board members.

Table 19. evaluates how well respondents perceive that their BOD can critically view their own or others' ideas. Interestingly most of the responses are in category 3. This can mean that some ideas are accepted without sufficient critical evaluation. A person with strong persona might have too much control over BODs decisions as there is a lack of critical evaluation to keep the strong persona in place. Also, it could be that BODs do not have enough accountability to motivate them to critique decisions or risk a conflict. Again, interesting topic for additional research. This question researched more in depth when testing the hypothesis 3.

Does your BOD have the courage to take risks?

Respondents: 50

	1	2	3	4	5		Average
Weakly	2	4	16	22	6	Very much	3,5
	4,0%	8,0%	32,0%	44,0%	12,0%		

Table 20. Evaluating agency cost: inefficient risk taking.

How much investment decisions your BOD does yearly?

Respondents: 50

	1	2	3	4	5		Average
Not at all	3	9	22	14	2	Very much	3,1
	6,0%	18,0%	44,0%	28,0%	4,0%		

Table 21. Evaluating the agency cost: lack of investments.

Tables 20. and 21. illustrate the level of agency costs relating to risk taking and investments. Most of the responses are more towards the centre of the scale. The findings suggest that it is typical for a company in South Ostrobothnia and Ostrobothnia to have

some avoidance of risk and investments. Of course, there might also be lot of industry-specific or economic reasons that lessen the risk taking and investment capability of a company. However, it is also interesting that risk taking is given the average of 3.5 as the number of investments has the average of 3.1. Often risk taking realizes thorough investments. Hence, here might be a difference in BODs perspective on their courage to take risks and how it really is.

The next four tables (22-25.) focus on the level of independence in terms of the number of independent directors (outside directors) the company has. As all the respondents do not have outside directors in their BODs (table 22.), the respondent group is smaller in the charts that evaluate the structural independence of the BODs.

Does your BOD have outside board members?

Respondents: 50

	N	Percentage
Yes	37	74,0%
No	13	26,0%

Table 22. Number of respondents with outside directors in their BODs.

The number of board members who are not involved in the day-to-day operations of the company.

Respondents: 37

1 = Under 10 %	2 = 10-40 %	3 = 40-70 %	4 = 70-90 %	5= Over 90 %	Average
2	5	13	9	8	3,4
5,4%	13,5%	35,2%	24,3%	21,6%	

Table 23. The number of BOD members who are not involved in day-to-day operations.

The number of board members who do not have family ties to the company's management.

Respondents: 37

1 = Under 10 %	2 = 10-40 %	3 = 40-70 %	4 = 70-90 %	5 = Over 90 %	Average
2	9	4	6	16	3,7
5,4%	24,3%	10,8%	16,2%	43,3%	

Table 24. The family connections with BODs and the management of the company.

To what extent does your company's management (CEO/management team) participate in the selection of new board members?

Respondents: 37

	1	2	3	4	5		Average
Very much	4	6	6	8	13	Management does not participate to the member selections	3,5
	10,8%	16,2%	16,2%	21,6%	35,2%		

Table 25. Managements involvement in the selection of new BOD members.

The tables 22-25. illustrate that there is a lot of variances in the structural independence of companies. The tables 23-25. do not consider the companies which do not have any outside directors. Hence the real structure of companies is much more non-independent that it seems. The table 23. illustrates that it is most common that BODs that have outside directors consist of about 50 % of outside directors and 50 % of people working in the company. On the other hand, it is common that at least some family ties lie between BOD and management (table 24). Finally, it is interesting that in most cases (64.8 %) management does have some form of authority in the selection of the new board members (table 25).

4.1.2 The level of activity

The level of activity of BODs was evaluated with four questions. Later, question of attendance in meetings was rejected from the calculations because it distorted the results and weakened activity variable's reliability. First two questions focused on the number of boards meetings in a year, and the number of hours spent in board related activities in a quarter. The last two questions focus on the level of attendance of directors in meetings and the overall meeting activity.

How often does your board meet a year? (Choose the most central BODs).

Respondents: 50

1 = One time	2 = 2-3 times	3 = 4-6 times	4 = 7-11 times	5 = 12 or more times	Average
3	3	16	24	4	3,5
6,0%	6,0%	32,0%	48,0%	8,0%	

Table 26. Evaluating the number of BODs meetings in a year.

How much time do you spend on board work for this one company per quarter? (information search, preparations, contacts, meetings, etc.).

Respondents: 50

1 = 0-4 h	2 = 5-10 h	3 = 11-20 h	4 = 21-30 h	5 = Over 30 h	Average
9	13	12	10	6	2,8
18,0%	26,0%	24,0%	20,0%	12,0%	

Table 27. Evaluating the time spent on board work in a quarter.

Tables 26. and 27. clearly illustrate the level of activity of BODs and the individual directors. Table 27. illustrates that most of BODs (48 %) have a board meeting 7-11 times a year. A lot of variances can be seen as some BODs clearly do the bare minimum and others many times more. On the other hand, it is interesting to see that the number of hours spent on board related activities is even more evenly distributed (table 27). In general respondents in South Ostrobothnia and Ostrobothnia do not use that much time in BOD related work.

What percentage of your board members usually attend meetings?

Respondents: 50

1 = Under 50 %	2 = 50-70 %	3 = 70-80 %	4 = 80-90 %	5 = Over 90 %	Average
0	0	3	6	41	4,8
0,0%	0,0%	6,0%	12,0%	82,0%	

Table 28. Evaluating BODs attendance (rejected from calculations).

**How active are your board members in meetings?
(participation in the discussion, concentration remains in the meeting).**

Respondents: 50

	1	2	3	4	5		Average
Not active	0	2	14	17	17	Very active	4,0
	0,0%	4,0%	28,0%	34,0%	34,0%		

Table 29. Evaluating BODs active participation in meetings.

Responses to attendance (table 28.) and activity in meetings (table 29.) illustrate responses on the higher end of the scale. It can be said that almost all members of the BODs generally attend the meetings. The activity of people in meetings (table 29.) illustrated a bit more variance. Still, most of the people working with BODs are perceived to be active and sitting as a decoration in meetings is rarer.

4.1.3 The level of competence

The level of competence with BODs was evaluated with 11 questions. The questions evaluated BODs experience, educational background, BODs strategic competences, leadership skills, versatile and complementary competencies, and the diversity of age and gender. These questions aim to make the evaluation of the overall competence of the BODs in South Ostrobothnia and Ostrobothnia, Finland.

How many boards have you been on? (write the amount as a number in the box)

N = 50

	Minimum value	Maximum value	Average	Median
All together	1,0	16,0	4,9	4,0
At the moment	1,0	9,0	2,7	2,0

Table 30. Evaluating BODs experience as a board member.

**How long have you been involved in this board?
(if many, choose the most central board for you)**

Respondents: 50

1 = Under 1 year	1-3 years	3-5 years	5-7 years	Over 7 years	Average
0	10	13	8	19	3,7
0,0%	20,0%	26,0%	16,0%	38,0%	

Table 31. Evaluating BODs experience in the company.

What is the highest degree you have achieved?

Respondents: 50

1 = Elementary	2 = Secondary	3 = Lower university degree	4 = Higher university degree	5 = Doctoral degree	Average
1	6	17	23	3	3,4
2,0%	12,0%	34,0%	46,0%	6,0%	

Table 32. Evaluating BODs level of education.

Tables 30-32. illustrate the experience and educational background of the respondents. Most commonly a respondent has been in 4 different BODs all together and in two BODs now. However, there is a huge variance between highest and lowest amounts (1 to 16, and 1 to 9) (table 30). On the other hand, the most common answer for respondents was to be in the same BOD for over 7 years (table 31). Hence, a lot of experience in the same BOD was surprisingly common. Finally, a higher university education was the most common educational background for respondents, however lower level of education is not that uncommon either (table 32).

Our board's activities focus on...

Respondents: 50

	1	2	3	4	5		Average
Operational activities/supervision	2	4	18	20	6	Strategical activities	3,5
	4,0%	8,0%	36,0%	40,0%	12,0%		

Table 33. Evaluating the BODs strategic focus.

Our board's ability to create and challenge strategy is...

Respondents: 50

	1	2	3	4	5		Average
Very weak	3	4	17	21	5	Very good	3,4
	6,0%	8,0%	34,0%	42,0%	10,0%		

Table 34. Evaluating the BODs strategic thinking capabilities.

Tables 33. and 34. focus on BODs strategic capabilities. Expectedly, BODs focus on operational/strategic scale was mostly in the values 3 and 4. However, also the more

operational types of BODs were still in place (table 33). Quite coherently, strategic thinking capabilities illustrated equivalent results (table 34). Hence, the BODs strategic capabilities can be quite reliably analysed.

How would you rate the leadership skills of your board members?

Respondents: 50

	1	2	3	4	5		Average
Very weak	2	3	14	26	5	Very good	3,6
	4,0%	6,0%	28,0%	52,0%	10,0%		

Table 35. Evaluating the BODs leadership skills.

One of the prerequisite skills for BODs was to have great leadership skills. Table 35. evaluated BODs perceptions of their BOD members leadership skill. Interestingly, the number five response is not that common in the responses and all the categories were present in the responses. This illustrates that leadership skills are not that easy to master and act out even in the BODs.

To what extent do individual board members have versatile competence and know-how?

Respondents: 50

	1	2	3	4	5		Average
One-sided competence	1	5	11	21	12	Versatile competence	3,8
	2,0%	10,0%	22,0%	42,0%	24,0%		

Table 36. Evaluating the BODs versatility in competences.

The board of directors has the appropriate expertise for the company's current situation.

Respondents: 50

	1	2	3	4	5		Average
Weakly	2	2	17	21	8	Very well	3,6
	4,0%	4,0%	34,0%	42,0%	16,0%		

Table 37. Evaluating BODs competences match to the current situation of their company.

The board has complementary expertise.

Respondents: 50

	1	2	3	4	5		Average
Weakly	4	2	9	20	15	Very well	3,8
	8,0%	4,0%	18,0%	40,0%	30,0%		

Table 38. Evaluating how BODs competences complement each other.

Tables 36-38. evaluate how well BODs have been constructed to have all the necessary competences that are needed. Most of the BODs tend to have more versatile competence rather than one-sided competence (table 36). On the other hand, table 37. illustrates the respondents' opinions of the BODs capabilities fit quite well to the current state. Finally, table 38. evaluates how much the BOD members competences can complement each other. The findings illustrate that BODs competences are reasonable well-constructed.

The board has a the ability to identify with all age groups.

Respondents: 50

	1	2	3	4	5		Average
Weakly	6	7	16	16	5	Very well	3,1
	12,0%	14,0%	32,0%	32,0%	10,0%		

Table 39. Evaluating BODs age diversity.

In the board, there is the capability to relate with all genders.

Respondents: 50

	1	2	3	4	5		Average
Weakly	11	11	9	10	9	Very well	2,9
	22,0%	22,0%	18,0%	20,0%	18,0%		

Table 40. Evaluating BODs gender diversity.

Tables 39. and 40. evaluate the BODs capabilities relating to diversity. Not surprisingly both tables display quite low ratings compared to other charts related to competence. Interestingly, table 39. illustrates that some BODs have excellent ability to identify with

all ages. This survey had not any respondents that were under 35 years old. On the other hand, the equal distribution of responses in all categories in table 40. illustrates the lack of gender diversity in the BODs of Southern Ostrobothnia and Ostrobothnia, Finland.

4.1.4 The level of behavioural attributes

The behavioural attributes of BODs were investigated to find out does BODs behaviour in South Ostrobothnia or Ostrobothnia enhance or limit BODs effectiveness. The level of behavioural attributes was evaluated with seven questions. The questions evaluated the BOD size, the ability to work in a group, the relationships with people working with BODs, BODs ability to manage conflict, and the quality of the chairperson.

How many members are there on your board?			
N = 50			
Minimum value	Maximum value	Average	Median
1,0	12,0	5,0	5,0

Table 41. The number of members in the BODs.

What is your BOD's ability to work in a group?

Respondents: 50

	1	2	3	4	5		Average
Very weak	2	0	9	28	11	Very good	3,9
	4,0%	0,0%	18,0%	56,0%	22,0%		

Table 42. Evaluating BODs group working capabilities.

What is your BOD's ability to discuss conflicts constructively?

Respondents: 50

	1	2	3	4	5		Average
Very weak	3	2	4	35	6	Very good	3,8
	6,0%	4,0%	8,0%	70,0%	12,0%		

Table 43. Evaluating BODs conflict resolution capabilities.

Tables 41-43. evaluate BODs group structure and cooperation capabilities. The average board consisted of five members, but there is a lot of variety in the sizes of the boards (table 41). On the other hand, most of the respondents see that there is some room for improvement in the ability to work as a group (table 42). Some boards have very weak group work abilities which is interesting. Additionally, evaluating how the BODs can sort out conflicts (table 43) is similar in terms of responses to the BODs group working capabilities (table 42).

Relationships between board members...

Respondents: 50

	1	2	3	4	5		Average
Makes operations more difficult	0	3	9	26	12	Makes operations easier	3,9
	0,0%	6,0%	18,0%	52,0%	24,0%		

Table 44. Evaluation of the relationships between board members.

Relationship between the owners and board members...

Respondents: 50

	1	2	3	4	5		Average
Makes operations more difficult	1	4	8	21	16	Makes operations easier	3,9
	2,0%	8,0%	16,0%	42,0%	32,0%		

Table 45. Evaluation of the relationships between owners and board members.

Relationships between management and board members...

Respondents: 50

	1	2	3	4	5		Average
Makes operations more difficult	0	3	6	16	25	Makes operations easier	4,3
	0,0%	6,0%	12,0%	32,0%	50,0%		

Table 46. Evaluation of the relationships between management and board members.

The tables 44-46. illustrate the relationships between people working with the BOD. Overall, relationships between people working with the BODs made BODs operations

easier. Interestingly, relationships between management and BODs made the operations 0,4 ratings easier than the other relationships (table 46). Even if only the CEO's responses were considered, the result were the same.

How does the chairman of your board lead the work of the board?
(If you are the chairman yourself, you can voluntarily evaluate your own work).

Respondents: 50

	1	2	3	4	5		Average
Weakly	3	5	10	27	5	Very Well	3,5
	6,0%	10,0%	20,0%	54,0%	10,0%		

Table 47. Evaluating the leadership of the chairperson.

Finally, table 47. evaluates how the "BODs group leader" chairperson leads the work of a board. Interestingly, chairperson's leadership capabilities have the lowest score (AVG: 3,5) compared to other questions that evaluate the attributes that affect to the behaviour of BODs. Even though in this question chairperson's can evaluate their own performance, chairperson's themselves give slightly better ratings for themselves than other respondents in general. Hence, the results are not explained by the modesty of chairpersons.

4.2 Confirming or rejecting hypotheses

This chapter analyses and tests the hypotheses 1-3 in depth. The statistical significance of the differences between groups are tested with either t-test or Mann Whitney's U-test as explained in (table 10). After that, the reasons for the test findings are analysed and some individual questions are highlighted which illustrate clear differences between respondent groups.

4.2.1 Completed – vs. not completed BODs training program/s

This chapter tests the hypothesis 1: *"People with completed training program for BODs have more effective BODs compared to people who have not completed training program for BODs"*. The results indicate that there are no statistically significant differences relating

to effectivity or other attributes (independence, activity, competence, and behaviour) between respondent groups who have completed – and have not completed BOD training. Hence, there is not enough evidence to support hypothesis 1. However, respondents who had completed BOD training were almost statistically significantly more active with a t-test and statistically significantly more active with a Mann Whitney’s U-test. In addition, the individual questions illustrated that it is statistically significant that people who have completed BODs training spend more time relating to BOD activities, and they have more experience on different board roles. There were also many other differences between groups that did not quite reach the level of statistical significance, which may be due to low level of respondents. The BODs training program/s itself was seen as very useful (mean 4,3) by the respondents who had completed it.

H1: People with completed training program/s for BODs have more effective BODs compared to people who have not completed training program for BODs.						
<i>Testing the assumptions that the group that has completed training program/s for BODs has better results than the group that has not</i>						
Hypothesis	Completed BODs training/s Mean (N = 32)	Not completed BODs training/s mean (N = 18)	Method	Statistical significance (value < 0,05)	t	Supported / Rejected
H1: People with completed BOD training are more effective than people who have not completed BOD training. $Effectivity = (IB + A + C + B) / 4$	3,58	3,52	Mann Whitneys U-test	0,2	(+)	Rejected
H1.1 (IB): Have more independent behaviour	3,41	3,5	T-test	0,65	(-)	Rejected
H1.2 (IO): Have more independence relating to outside directors	3,61	3,41	T-test	0,58	(+)	Rejected
H1.3 (A): Are more active	3,57	3,15	T-test and Mann Whitneys U-test	0,056. and 0,032.	(+)	Supported and Rejected
H1.4 (C): Are more competent	3,43	3,58	T-test	0,39	(-)	Rejected
H1.5 (B): Have better behavioural attributes	3,9	3,87	Mann Whitneys U-test	0,37	(+)	Rejected

Table 48. Comparison of the main attributes that explain BODs effectiveness between people who have completed BODs training program and people who have not.

Table 48. illustrates that there are not statistically significant differences in responses relating to effectiveness or any other attribute between group that have completed BODs training program/s and group that has not. However, the attribute of activity is remarkably close to being statistically significant (0,056) in t-test. In Mann Whitney’s U-

test attribute activity would have statistically significant (0,034) difference between groups (boundary value for significance is 0,05). Hence, it can be said that even with only 50 respondents, the results illustrate evidence that respondents who have completed BODs training program/s are more active in BOD activities than respondents who have not completed training program/s for BODs. In addition, table 48. illustrates how the means differ between the two groups. Most of the means are quite close to each other and thus no statistically significant differences can be seen in attributes that sum up results from many questions. Interestingly, some of the attributes like competence and independent behaviour (IB) seem to have slightly higher evaluations with people who have not completed BOD training (negative t-value). Additionally, there were differences between the groups to the responses to individual questions. Next the results are analysed more in depth.

The individual questions that have 0,5 or more difference in means between the group that has completed BODs training program/s and the group that has not <i>Testing if there is statistically significant difference between the groups by comparing the means of each question</i>						
Question	Completed BODs training/s Mean (N = 32)	Not completed BODs training/s Mean (N = 18)	Method	Statistical significance (value < 0,05)	t	Supported / Rejected
How much are the company's failures causing you tangible harm? (e.g. financial or reputational disadvantage)	3,1	3,7	T-test	0,085	(-)	Rejected
How much time do you spend on this one board work for this one company per quarter? (information search, preparations, contacting meetings etc.)	3,2	2,2	T-test	0,012	(+)	Supported
How long have you been involved in this board?	3,5	4,1	T-test	0,133	(-)	Rejected
How many board have you been on all together?	6,5	3,1	T-test	0,014	(+)	Supported
How many boards are you in right now?	3,2	1,9	T-test	0,015	(+)	Supported

Table 49. Questions which have 0,5 or more difference in means analysed with t-test (completed - and not completed BOD training).

Table 49. illustrates that five individual questions had over 0,5 difference between means. Three of those questions have statistically significant difference between groups. It is statistically significant (0,012) that people that have completed BOD training use a lot more time in BOD related activities. This might be because they are more aware of

responsibilities and the role of BOD, which makes them do more to fulfil those responsibilities. Secondly, it is statistically significant (0,014 and 0,015) that people with completed BOD training have a lot more different board experience overall and now. It might be that people apply to BOD training programs as they are more present in different BODs, or they are accepted to more BODs when they have BOD training program certification (for example a certification from the CBM-course). Interestingly, people who have not completed any BOD training have more experience of being in the same company. Also, people who have not completed BOD training tend to experience more negative consequences if the company performs poorly. Thus, it may be the case that company's board members without BOD training are usually more personally involved in the operations of one company.

Has the BODs training program/s been useful in the board work?

Respondents: 32

	1	2	3	4	5		Mean
Not at all	0	2	3	12	15	Very useful	4,3
	0,0%	6,2%	9,4%	37,5%	46,9%		

Table 50. How useful do the respondents see the BODs training program/s.

Table 50. illustrates that most people that have completed BODs training programs have found it to be very useful. Additionally, survey consisted of free comments section where many of the respondents emphasize how BODs training program/s gives more understanding of BODs responsibilities, roles, and clarity of good GG. Hence, it seems that people who have gone through BODs training have more knowledge of what constitutes a great BOD. Thus, they might evaluate their performance more critically compared to BODs that have not received training for BODs. For this reason, it could be that competence was perceived to be a little lower with respondents who have completed the BOD training program/s.

4.2.2 BOD in SME's/large enterprises vs. BOD in microenterprises

This chapter tests the hypothesis 2: “People in SME's and large companies have more independent and competent BODs compared to people in microenterprises”. The results indicate that there are no statistically significant differences relating to effectivity or other attributes (independence, activity, competence, and behaviour) between groups (microenterprises and SME's/large enterprises). Hence, there is not enough evidence to support hypothesis 2. However, all the attributes were higher with SME's/large enterprises. Thus, BODs were almost statistically significantly more effective in SME's/large enterprises compared to microenterprises. Also, there was an extensive list of individual questions that illustrated statistically significant differences in favour of BODs in SME's/large enterprises. The list of statistically significant differences consists of more investments done by board, more BOD meetings, lots of more different board experiences, better strategizing capabilities, better relationships with management and board, and better group work abilities. Additionally, many other non-statistically significant differences between groups were found.

H2: People in SME's and large companies have more independent and competent BODs compared to people in microenterprises						
<i>Testing the assumptions that the BODs that work in SME's or large enterprises have better results than the BODs in microenterprises</i>						
Hypothesis	SME's/Large enterprises (Over 9 employees) (N = 38) Mean	Microenterprises (Under 9 employees) (N = 12) Mean	Method	Statistical significance (value < 0,05)	t	Supported / Rejected
H2: People in SME's/large enterprises have more effective BODs than people in microenterprises <i>Effectivity = (IB + A + C + B) / 4</i>	3,63	3,33	Mann Whitney's U-test	0,058	(+)	Almost supported
H2.1 (IB): Have more independent behaviour	3,52	3,19	T-test	0,151	(+)	Rejected
H2.2 (IO): Have more independence relating to outside directors	3,56	3,5	T-test	0,896	(+)	Rejected
H2.3 (A): Are more active	3,52	3,11	T-test	0,106	(+)	Rejected
H2.4 (C): Are more competent	3,54	3,32	T-test	0,248	(+)	Rejected
H2.5 (B): Have better behavioural attributes	3,95	3,72	Mann Whitney's U-test	0,331	(+)	Rejected

Table 51. Comparison of groups (SME's/large enterprises and microenterprises) attributes with t-test and Mann Whitney's U-test

There are not statistically significant differences in responses relating to effectiveness or any other attribute between respondents in microenterprises compared to respondents in SME's or large enterprises (table 51). However, the overall BODs effectiveness is remarkably close to having statistically significant difference between the groups. Hence, there is already some evidence that BODs in SME's and larger enterprises are more effective than BODs in microenterprises. Additionally, all the attribute's means are higher with people in SME's and larger enterprises than people in microenterprises. As BODs effectiveness was already remarkably close to being statistically significant with only 50 respondents, it is highly likely that the results would be statistically significant with more respondents. In addition, there are many differences between the groups in individual questions which are now analysed in more depth in tables 52, 53, and 54.

The individual questions (1) that have 0,5 or more difference in means between the group of people working in SME's/large enterprises compared to the group working in microenterprises <i>Testing if there is statistically significant difference between the groups by comparing the means of each question</i>						
Question	SME's/Large enterprises (Over 9 employees) (N = 38) Mean	Microenterprises (Under 9 employees) (N = 12) Mean	Method	Statistical significance (value < 0,05)	t	Supported / Rejected
How much are the company's failures causing you tangible harm? (e.g. financial or reputational disadvantage)	3,2	3,9	T-test	0,047	(-)	Supported
Does your board dare to take risks?	3,7	3,1	T-test	0,068	(+)	Rejected
To what extent does your board make investment decisions each year?	3,3	2,4	T-test	0,005	(+)	Supported
How often does your board meet a year?	3,7	2,8	T-test	0,008	(+)	Supported
How much time do you spend on this one board work for this one company per quarter? (information search, preparations, contacting meetings etc.)	3	2,3	T-test	0,135	(+)	Rejected

Table 52. The first set of questions which have 0,5 or more difference in means analysed with t-test (microenterprises and SME's/large enterprises).

Table 52. illustrates three statistically significant differences between the groups. It is statistically significant (0,047) that BODs in microenterprises are affected more by the failures of the company. This might be because BODs in microenterprises are more personally involved in the business. Secondly, it is very statistically significant (0,005) that

BODs in SME's/large enterprises make more investments in a year. This can be caused by the lack of resources or the unnecessary cautiousness that BODs have in microenterprises. Thirdly, it is statistically very significant (0,008) that BODs in SME's and large enterprises have more BOD meetings in a year compared to BODs in microenterprises. There were also clear differences (but not statistically significant) between the groups in risk taking and time spent on BOD activities. BODs in SME's and in larger enterprises show evidence of more courage to take risks and more time spent on BOD activities.

The individual questions (2) that have 0,5 or more difference in means between the group of people working in SME's/large enterprises compared to the group working in microenterprises <i>Testing if there is statistically significant difference between the groups by comparing the means of each question</i>						
Question	SME's/Large enterprises (Over 9 employees) (N = 38) Mean	Microenterprises (Under 9 employees) (N = 12) Mean	Method	Statistical significance (value < 0,05)	t	Supported / Rejected
How many boards have you been on all together?	6	3,1	T-test	0,005	(+)	Supported
How many boards are you in right now?	2,8	1,5	T-test	0,001	(+)	Supported
Our boards ability to create and challenge strategy is...	3,6	2,9	T-test	0,042	(+)	Supported
Relationships with the management and the board members...	4,4	3,8	T-test	0,023	(+)	Supported
What is your boards ability to work in a group?	4,1	3,4	Mann Whitneys U-test	0,013	(+)	Supported

Table 53. The second set of questions which have 0,5 or more difference in means (microenterprises and SME's/large enterprises).

Table 53. illustrates five questions that have statistically significant differences between the groups. First two questions illustrate, that it is statistically very significant (0,005, and 0,001) that BODs in SME's and large enterprises have much more different board experiences when compared to BODs in microenterprises. Interestingly, it is also statistically significant (0,042) that BODs in SME's and large enterprises are better at strategizing. It might be that the bigger the company gets the more the focus can be shifted from the operational issues to the bigger picture. Additionally, it is surprising that it is statistically significant (0,023) that relationships between management and BODs is better in SME's and large enterprises compared to microenterprises. Finally, there is statistically

significant (0,013) difference between the groups relating to group working abilities. Hence SME's/large enterprise seem to have better group working capabilities as well even though their boards are bigger.

Have you completed any training related to board work?
(CBM-course, chairperson-course or something else)

Respondents: 50

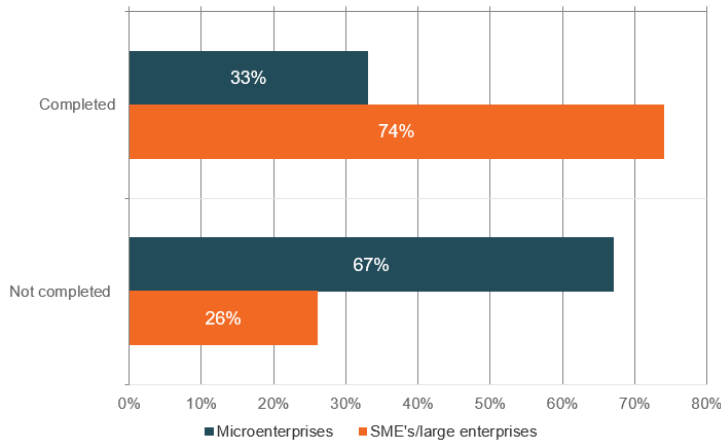


Table 54. Completed - and not completed BOD training in microenterprises and SME's/large enterprises.

It is interesting to see that 77 % of respondents in SME's/large enterprises had completed training program/s for BODs as oppositely only 33 % had completed it in microenterprises (table 54). This finding might illustrate that BODs in SME's/large enterprises are more likely to develop their skills and knowledge relating to board work. As the completed BODs training program/s is so highly presented with BODs in SME's and large enterprises it might also have an influence on the responses.

4.2.3 High accountability vs. lower accountability

This chapter tests the hypothesis 3: *“People with high accountability have more effective BODs compared to people with low accountability”*. The results indicate that there are no statistically significant differences relating to effectivity or other attributes (independence, activity, competence, and behaviour) between groups (high accountability and low accountability). Hence, there is not enough evidence to support hypothesis 3. However,

effectivity and all the other attributes had higher mean values in high accountability group compared to the low accountability group. Individual questions did not illustrate statistically significant differences either. However, clear differences can be seen in the sample as BODs with high accountability are more influenced by company's failures, have more critical evaluation, and better relationships with owners compared to BODs with low accountability. The differences of effectiveness and the attributes were tested with Mann Whitney's U-test, due to only eight respondents on the low accountability group.

H3: People with high accountability have more effective BODs compared to people with low accountability						
<i>Testing the assumptions that the BODs with high accountability have better results than the BODs with low accountability</i>						
Hypothesis	High Accountability (values 4 and 5) N = 42 Mean	Low Accountability (values 1, 2 and 3) N = 8 Mean 8	Method	Statistical significance (value < 0,05)	t	Supported / Rejected
H3: People with high accountability have more effective BODs than people low accountability <i>Effectivity = (IB + A + C + B) / 4</i>	3,58	3,43	Mann Whitneys U-test	0,233	(+)	Rejected
H3.1 (IB): Have more independent behaviour	3,48	3,25	Mann Whitneys U-test	0,382	(+)	Rejected
H3.2 (IO): Have more independence relating to outside directors	3,6	3,38	Mann Whitneys U-test	0,731	(+)	Rejected
H3.3 (A): Are more active	3,52	3,43	Mann Whitneys U-test	0,687	(+)	Rejected
H3.4 (C): Are more competent	3,49	3,45	Mann Whitneys U-test	0,397	(+)	Rejected
H3.5 (B): Have better behavioural attributes	3,93	3,63	Mann Whitneys U-test	0,315	(+)	Rejected

Table 55. Analysing the differences in attributes between respondents with high – and low accountability with Mann Whitney's U-test.

Table 55. illustrates that there are not statistically significant differences in BODs attributes between the high – and low accountability respondent groups. However, BODs with higher accountability illustrate higher means in all the attributes, but the differences (and sample size) are not big enough to make the differences between groups statistically significant. Next the differences in the individual questions will be analysed.

The individual questions that have 0,5 or more difference in means between the group that has high accountability and the group that has low accountability						
<i>Testing if there is statistically significant difference between the groups by comparing the means of each question</i>						
Question	High Accountability (values 4 and 5) N = 42 Mean	Low Accountability (values 1, 2 and 3) N = 8 Mean 8	Method	Statistical significance (value < 0,05)	t	Supported / Rejected
How much are the company's failures causing you tangible harm? (e.g. financial or reputational disadvantage)	3,4	2,8	Mann Whitney's U-test	0,253	(+)	Rejected
How much do your board members critically evaluate their own and others proposals?	3,3	2,5	Mann Whitney's U-test	0,057	(+)	Almost Supported
Relationship between the owners and board members	4,1	3,3	Mann Whitney's U-test	0,13	(+)	Rejected

Table 56. Mann Whitney's U-test on question that have over 0,5 difference in means (high – and low accountability).

The table 56. illustrates that there are not any statistically significant differences in any question between the high – and low accountability groups. Question related to critical evaluation of one's own and other's proposals was already close to being statistically significant. Thus, there is some evidence that people who have lower accountability do not evaluate proposals as critically as people with higher accountability. This might be because they do not feel responsible and thus, they are not bothered to critique their own or others' proposals. In addition, there was some evidence that respondents with low accountability are not influenced as much by company failures and that their relationship with the owners is not as good as with respondents with high accountability.

5 Discussion

5.1 Theoretical contribution

The main goal of this thesis was to measure how effective BODs are perceived to be in Finland (South Ostrobothnia and Ostrobothnia). Effectiveness of BODs was measured by answering Masli's and others (2018) call to use their framework for BODs effectiveness as a starting point for the study. By using the framework, the often-neglected attributes such as competence and behaviour of BODs were also examined (Masli et al., 2018; Northcott & Smith, 2011). However, it became clear that the framework was not fully applicable for the purpose of this study, as the framework focused on larger enterprises by focusing on outside directors and committee work outside of BODs, which is not the case in smaller enterprises (Hamadeh & Dinow, 2016; Park & Bolton, 2022). Additionally, Masli and others (2018) evaluate the independence of the BODs with the number of outside directors, which effects on BODs effectivity is debated (Ararat et al, 2010; Cheung et al., 2013). Masli and others (2018) also neglected the independent behaviour and thinking of individual directors which is crucial to achieve independent BODs (Duchin et al., 2010; Van de Berghe & Levrau, 2004). Hence, the framework was modified to achieve the purpose of this study.

The findings relating to the independence of BODs illustrated many confluences to the literature. For example, 58 % of respondents perceive that their BODs interests are not fully in line with the company's best interests, which clearly demonstrates the existence of agency costs (Kalbuana et al., 2022). Interestingly, microenterprises were seen to have more agency costs relating to risk taking and investments, which was also stated in the literature (Roffia et al., 2022). Additionally, 64,8 % of respondents perceive that management has at least some influence on the selection of new board members. Agency theory illustrates that this could mean that the best directors are not chosen (Masli et al., 2018). Oppositely the same situation could be a positive thing if management follows stewardship theory, and new BODs selection is not harmed by self-centred interest (Keay, 2017).

Findings of the activity of BODs illustrate confluences to the literature as well. Findings illustrate that relevant proportion of BODs in Finland (South Ostrobothnia, Ostrobothnia) are still very inactive and a big asset that is not used (Gramen & Kauranen, 2019). Additionally, even though many of the respondents were active, the mean of BODs activity was not even close when compared to the values that “high impact boards” usually have (Executive Advisory, 2020).

Like the other attributes, the findings relating to competence were based on theory of competences that benefit the BOD. It was surprising that findings were so even with most of the questions as competence of board members is crucial to the BODs success (Almeida, 2009; Masli et al., 2018; Silaskivi, 2024). However, it was not surprising that competencies relating to diversity (gender - and age diversity) had significantly lower values, as similar findings have also been seen in the literature (Janahi et al., 2023; Silaskivi, 2024).

Interestingly, the findings relating to BODs behaviour illustrated the highest means with the respondents. The mean of the BOD size in Finland (South Ostrobothnia, Ostrobothnia) was five, which is said to be a small enough to enable good group dynamics (Lipton & Lorsch, 1992; Jensen, 1993). However, it was surprising that chairperson’s leadership had the lowest mean score of the behaviour related questions (3,5). Chairperson’s leadership was seen as the central thing, which explains BODs behaviour (Harrison & Murray, 2012; Northcott & Smith, 2011).

The second part of the thesis focused on confirming or rejecting hypotheses. The hypothesis 1: *“People with completed training program for BODs have more effective BODs compared to people who have not completed training program for BODs”* contributed to the literature about the difficulty of measuring the effects of training programs (Gemark & McGurk, 2010). The hypothesis 1. did not have enough evidence to be confirmed, but many interesting findings were found. Interestingly, respondents with completed BOD training spent significantly more time relating to BOD activities. This idea is present in

the literature as Boardsource (2015) illustrates that BODs are more active when they have more knowledge of the responsibilities and good GG practices of the board (Boardsource, 2015). It was interesting that people with no BOD training perceived their board to be more competent, even though literature emphasizes BOD-training to increase BODs competence (Lambert, 2023). However, literature also emphasizes that as BODs receive training, they can evaluate their performance more openly and critically (McChrystal, 2015). Hence, it can be argued that completed BOD training program/s enables directors to evaluate their BOD more critically, which could partly explain the findings.

The hypothesis 2. *“People in SME's and large companies have more independent and competent BODs compared to people in micro companies”* contributed to the literature about company size's affect to BODs. The hypothesis was very close to being statistically significant. Literature emphasizes that bigger companies have more competence - and independence requirements (Arvopaperimarkkinayhdistys ry, 2020; Masli et al., 2018), but it was interesting that also behaviour, activity and almost every question was at higher level with BODs in SME's and large enterprises compared to microenterprises. Hence, the findings support the idea that BODs improve as the company grows (Hamadeh & Dinow, 2016).

The hypothesis 3. *“People with high accountability have more effective BODs compared to people with low accountability”* contributes to the literature of accountability's positive effect to BODs (Keya, 2017; Leblanc, 2013; Masli et al., 2018). Again, there was not enough evidence to confirm the hypothesis 3. However, all attributes of effective BODs were higher with people who had high accountability compared to people with low accountability. This confluences with the literature which illustrates that people with higher accountability have more motivation to perform better in all areas of BOD work (Masli et al., 2018).

5.2 Managerial implications

Companies can drastically increase their performance and potential if their BODs are effective in providing value for the company. The four attributes that explain effectiveness of BODs (independence, activity, competence, and behaviour) should be regularly evaluated to improve BODs effectivity. The study illustrates that it is surprisingly common that board workers interests are not fully in line with the company's best interests. Hence, BODs independence should be regularly evaluated to avoid following wrong interests. On the other hand, the study illustrates that many of the people working with the BODs are not active to provide value for the company. Thus, activity of BODs should also be regularly evaluated.

Directors' competence should also be evaluated consistently. With regular evaluations it can be seen if some directors do not provide additional value or that if the company is lacking the competences that are needed. Additionally, it is beneficial to evaluate the behaviour in the board meetings. The study illustrates that it is surprisingly common that there is at least something that hinders the behaviour of the BODs. For example, it is seen in the study that a chairperson does not always display the best leadership behaviour even though they have a lot of influence to the whole BODs.

The study illustrates that there is a benefit for BODs if director has completed BODs training program/s. It can be seen from the study that training programs for BODs give directors the understanding of BODs responsibilities, - roles, and - good CG practices. In addition, the study shows that people who have completed BOD training program/s spend a lot more time relating to BOD activities as they know better how to provide value for the board. For this reason, it is highly recommended that all the managers, owners, directors etc. complete BODs training program/s.

The study also shows evidence that BODs in SME's and large enterprises are more effective than BODs in microenterprises. Hence, BODs in microenterprises should benchmark the BODs practices on bigger companies. Microenterprises could easily have more

effective BODs by being more active and -strategically oriented. It is usual that microenterprises have more inactive and ineffective BODs. Hence, it would be clear competitive advantage for to focus on BODs and make it effective. On the other hand, the study shows evidence that having directors with high accountability makes them more prone to be better. Hence, different means to increase accountability of BODs should be taken into consideration.

5.3 Limitations

There are many limitations in this study. Even though the survey was exceptionally broad, one of the biggest limitations is that there were only 50 respondents, which is not enough to make the results generalizable. Secondly, the responses come from company representatives in South Ostrobothnia and Ostrobothnia, Finland. Hence, the findings might differ in different regions and provinces. Thirdly, many of the questions are based on the respondents' perceptions, which might not accurately present the real state in the company. Similarly, the respondents might have decoded the questions differently than the researcher had intended.

Additionally, the researchers bias and lack of experience with quantitative research should be considered. The researcher has been working in the South Ostrobothnia's chamber of Commerce and thus it might affect to the structure of thesis and interpretation of the findings. On the other hand, the lack of experience with quantitative research might have influenced to the quality of the questions and questions groups. Even though, the reliability of the question groups was analysed and enhanced, there is always room for more reliability. Also, the chosen data analysis methods could be critiqued.

5.4 Suggestions for future research

The effectivity of the board consists of many distinct characteristics. Hence, there are plenty of opportunities for future research. Firstly, conducting similar research in different geographical area and with more respondents would be an effective way to test if

these findings are more generalizable and - reliable. Additionally, the attributes that build BODs effectiveness could be researched more in depth. Especially the independent behaviour of BODs should be researched. Masli and others (2018) framework and most of the literature focuses on BODs independence from the perspective of outside directors, which totally neglects the individual directors independent thinking and behaviour. In addition, the role of CEOs in BODs should be studied in more detail to understand the dynamics between board members and the CEO.

Also, it would be interesting to research the hypothesis of this thesis in more depth. One interesting research would be to investigate what differences happen to directors' behaviour and thinking when they have completed BODs training program. This could reveal the main behaviours or ideas that are lacking without completed BOD training program/s. In addition, it would be beneficial to have a study where BOD meetings in microenterprises and large enterprises are compared and evaluated. This could bring forward more detailly the main differences in effectivity of BODs related to company size. Finally, an interesting study could be conducted if the mechanisms of holding BODs accountable were researched. This could reveal how intrinsic values or/and monetary -, reputation -, or legal means keep pressure and motivation for BODs to be accountable of the company's performance.

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Appendices

Appendix 1. Survey

Hallitusten tehokkuus

Morjesta!

Tervetuloa vastaamaan kyselyyn, jonka tavoitteena on arvioida alueemme yritysten hallitusten tehokkuutta. Kysely toteutetaan yhteistyössä Etelä-Pohjanmaan Kauppakamarin kanssa ja kyselyn pohjalta tehdään Pro gradu -tutkielma. Kyselyyn vastaamiseen menee n. 5–10 minuuttia. Kysymykset perustuvat teoriaan tehokkaiden hallitusten ominaisuuksista. Voit vastata kyselyyn tämänhetkisen tai viimeisimmän hallitustyöskentelyn pohjalta. Kysely on tarkoitettu kaikille hallitusten jäsenille, toimitusjohtajille ja omistajille.

Kysely on anonymi, mutta vastattuasi voit erikseen jättää yhteystietosi, jos haluat saada kyselyn tulokset tai osallistua arvontaan. Kolmelle yhteistietonsa jättäneelle arvotaan Kauppakamarikustannuksen uutuuskirja Merkitykselliset tavoitteet ja mittarit työyhteisön johtamiseen. Vastausaikaa on 5.4.2024 saakka.

Kiitos paljon vastaajille! Teidän ansiostanne tutkimus on mahdollinen.

Vastaajien taustat:

1. Mikä on roolisi hallitustyöskentelyssä? Voit valita useita vaihtoehtoja.

- | | |
|----------------------|------------------|
| A) Hallituksen jäsen | C) Puheenjohtaja |
| B) Toimitusjohtaja | D) Omistaja |

2. Ikä

- A) Alle 25 D) 46–55
 B) 25–35 E) 56–65
 C) 36–45 F) Yli 65

3. Sukupuoli

- A) Mies C) Muu
 B) Nainen

4. Mikä on korkein saavuttamasi tutkinto?

1. = Perusaste. 2. = Toinen aste. 3. = Alempi korkeakoulututkinto. 4. = Ylempi korkeakoulututkinto.
 5. = Tohtorintutkinto. (Asteikko 1–5).

Mahdollisesti tehokkuuteen vaikuttavat muuttujat:

5. Yrityksen/organisaation koko, jossa olet hallituksessa.

- A) 0–4 hlö. D) 50–99 hlö.
 B) 5–9 hlö. E) 100–250 hlö.
 C) 10–49 hlö. F) Yli 250 hlö.

6. Oletko suorittanut HHJ-kurssin? (Hyväksytty hallituksen jäsen kurssi) (Rajaava kysymys)

- A) Suoritettu
 B) Ei Suoritettu

6.1. Onko HHJ-kurssista ollut hyötyä hallitustyöskentelyssä (ne, jotka kurssin ovat suorittaneet).

1= Ei hyötyä. ... 5. = *Todella paljon hyötyä.*

6.2 Vapaat kommentit

7. Oma vastuusi yrityksestä

7.1 Kuinka suurena koet oman vastuusi yrityksen menestymisessä/epäonnistumisessa?

1 = Ei lainkaan. 5 = Todella suuri vastuu. (Asteikko 1–5).

7.2 Kuinka paljon yrityksen epäonnistumiset aiheuttavat sinulle konkreettista haittaa?
(esim. taloudellinen- tai mainehaitta)

1 = Ei lainkaan. 5. Todella paljon. (Asteikko 1–5)

7.3 Kuinka paljon yrityksen onnistumiset aiheuttaa sinulle konkreettista hyötyä?
(esim. taloudellinen- tai mainehaitta)

1 = Ei lainkaan. 5. Todella paljon. (Asteikko 1–5)

7.4 Vapaat kommentit

Aktiivisuus

8. Kuinka useasti hallituksenne kokoontuu vuodessa?

1.= *Kerran*. 2.= *2–3 kertaa*. 3.=*4–6 kertaa* 4.= *7–11 kertaa*. 5.= *12 tai yli 12 kertaa*. (Asteikko 1–5).

9. Kuinka paljon aikaa käytät tämän yhden yrityksen hallitustyöhön kvartaalissa? (tiedonhaku, valmistelut, yhteydenotot, kokoukset jne.).

1. = *0–4 h*. 2. = *5–10 h*. 3. = *11–20 h*. 4. = *21–30 h*. 5. = *Yli 30 h*. (Asteikko 1–5).

10. Kuinka monta prosenttia hallituksenne jäsenistä yleensä osallistuu kokouksiin?

1. = *Alle 50 %*. 2. = *50–70 %*. 3. = *70–80 %*. 4. = *80–90 %* 5. = *90–100 %*. (Asteikko 1–5).

11. Kuinka aktiivisia hallituksenne jäsenet ovat kokouksissa? (osallistuminen keskusteluun, keskittyminen pysyy kokouksessa).

1. = *Ei aktiivisia*. ... 5. *Todella aktiivisia*. (Asteikko 1–5).

Riippumattomuus A

12. Onko hallituksessanne sama henkilö toimitusjohtajana ja puheenjohtajana?

A) *Ei* B) *Kyllä*

13. Onko sinusta hallitusjäsenten omat intressit linjassa yrityksen/organisaatioin edun kanssa?

1. = *Ei linjassa*. ... 5. = *Täysin linjassa*. Asteikko (1–5).

14. Uskaltaako hallituksenne ottaa riskejä?

1. = *Heikosti*. ... 5. = *Todella hyvin*. Asteikko (1–5).

15. Missä määrin hallituksenne tekee investointipäätöksiä vuosittain?

1. = *Ei ollenkaan* ... 5. = *Todella paljon*. Asteikko (1–5).

16. Kuinka paljon hallituksenne jäsenet arvioivat kriittisesti omia ja muiden ehdotuksia.

1. = *Vähän* ... 5. = *Todella paljon*. (Asteikko 1–5).

Riippumattomuus B (ulkopuoliset hallitusjäsenet)

17. Onko hallituksessanne ulkopuolisia hallitusjäseniä? (rajaava kysymys)

A) Kyllä B) Ei

Seuraavat kysymykset kysytään henkilöiltä, joiden hallituksessa on ulkopuolisia hallitusjäseniä.

18. Hallitusjäsenten määrä, jotka eivät ole mukana yrityksen päivittäisessä toiminnassa.

1. = *Alle 10 %*. 2. = *10–40 %*. 3. = *40–70 %*. 4. = *70–90 %*. 5. = *Yli 90 %*. (Asteikko 1–5).

19. Hallitusjäsenten määrä, joilla ei ole perhesuhteita yrityksen johtoon.

1. = *Alle 10 %*. 2. = *10–40 %*. 3. = *40–70 %*. 4. = *70–90 %*. 5. = *Yli 90 %*. (Asteikko 1–5).

20. Hallitusjäsenten määrä, jotka eivät ole olleet tekemisissä yrityksen kanssa aikaisemmin. (Ei aikaisempaa työsuhdetta).

1. = *Alle 10 %*. 2. = *10–40 %*. 3. = *40–70 %*. 4. = *70–90 %*. 5. = *Yli 90 %*. (Asteikko 1–5).

21. Missä määrin yrityksenne johto (toimitusjohtaja/johtoryhmä) osallistuu uusien hallitusjäsenten valintaan?

1. = *Todella suuri*. ... 5. = *Yrityksen johto ei vaikuta hallitusjäsenten valintaan*. (Asteikko 1–5).

Kompetenssi

22. Kuinka kauan olet ollut tässä hallituksessa mukana?

1. = *Alle vuoden.* 2. = *1–3 vuotta.* 3. = *3–5 vuotta.* 4. = *5–7 vuotta.* 5. = *Yli 7 vuotta.* (Asteikko 1–5).

23. Kuinka monessa hallituksessa olet mukana?

Yhteensä ____

Tällä hetkellä ____

24. Hallituksemme toiminta keskittyy...

1. = *Operatiiviseen toimintaan.* ... 5. = *Strategiseen toimintaan.* (Asteikko 1–5).

25. Hallituksemme kyky haastaa yrityksen toimivaa johtoa strategian luomisessa ja toteuttamisessa on...

1. = *Heikko.* ... 5. = *Todella hyvä.* (Asteikko 1–5).

26. Miten arvioisit hallitusjäsenenne johtamistaitoja?

1. = *Yleisesti heikot taidot.* ... 5. = *Todella hyvät taidot.* (Asteikko 1–5).

27. Missä määrin yksittäisillä hallitusjäsenillä on monipuolista osaamista ja tietotaitoa?

1. = *Yksipuolista osaamista.* ... 5. = *Todella paljon monipuolista osaamista.* (Asteikko 1–5).

28. Hallituksessa on yrityksen nykytilanteeseen sopivaa osaamista.

1. = *Heikosti.* ... 5. = *Todella hyvin.* (Asteikko 1–5).

29. Hallituksessa on toisiaan täydentävää osaamista.

1. = *Heikosti.* ... 5. = *Todella hyvin.* (Asteikko 1–5).

30. Hallituksessa on samaistumispintaa kaikkiin ikäryhmiin.

1. = *Heikosti.* ... 5. = *Todella hyvin.* (Asteikko 1–5).

31. Hallituksessa on samaistumis pintaa kaikkiin sukupuoliin.

1. = *Heikosti*. ... 5. *Todella hyvin*. (Asteikko 1–5).

Käytökselliset ominaisuudet:

32. Kuinka monta jäsentä hallituksessanne on?

Kirjoita luku ____

33. Suhteet

33.1 Suhteet hallitusjäsenten välillä

1. = *Vaikeuttaa toimintaa paljon*. ... 5. *Edesauttaa toimintaa paljon*. (Asteikko 1–5).

33.2 Suhteet omistajien ja hallitusjäsenten välillä

1. = *Vaikeuttaa toimintaa paljon*. ... 5. *Edesauttaa toimintaa paljon*. (Asteikko 1–5).

33.3 Suhteet johdon ja hallituksen välillä

1. = *Vaikeuttaa toimintaa paljon*. ... 5. *Edesauttaa toimintaa paljon*. (Asteikko 1–5).

34. Minkälainen on hallituksenne kyky toimia ryhmässä?

1. *Erittäin heikko*. ... 5. *Todella hyvä*. (Asteikko 1–5)

35. Minkälainen on hallituksenne kyky keskustella konflikteista rakentavasti?

1. *Erittäin heikko*. ... 5. *Todella hyvä*. (Asteikko 1–5)

36. Kuinka laadukkaasti hallituksen puheenjohtaja johtaa hallitusta?

1. *Erittäin heikosti*. ... 5. *Todella laadukkaasti*. (Asteikko 1–5)

37. Vapaat kommentit.

Kiitos osallistumisesta kyselyyn ”Hallitusten tehokkuus”

Tuhannet kiitokset kyselyyn osallistumisesta itseni ja Etelä-Pohjanmaan kauppakamarin puolesta!

Panoksesi mahdollistaa tutkimuksen toteutumisen ja valmistumiseni Vaasan yliopistosta.

Jos sinua kiinnostaa tutkimuksen tulokset, voit jättää tähän tietosi. Lisäksi kolmelle yhteistietonsa jättäneelle arvotaan Kauppakamarikustannuksen uutuuskirja Merkitykselliset tavoitteet ja mittarit työyhteisön johtamiseen. Olemme yhteydessä, kun arvonta ja tutkimus on suoritettu.

Mukavaa kevään jatkoa!