

The Behavioral Perspective of Board Governance: Exploring the Strategic Role in Qatar

By

Maryam Ibrahim Al-Mansoori, DBA

Abstract

This study has expanded our insights into board governance in Qatar from the behavioral perspective by exploring the strategic task at times of changing complexity. By studying what happens outside and inside the boardroom, examining board member composition (knowledge diversity), competence (breadth and depth), ability to make, and shape, strategic decisions, as well as shape the context, conduct and content of strategy, we have further opened the “black box” in order to deep dive and analyze board behaviors and other controversial issues relating thereto. Mediation by use of skills and knowledge, criticality, and committees shows that the strategic involvement of the board of directors can be further enhanced. Through this research (Al-Mansoori, 2019) many observations were made that are general and at the same time may be specific to Qatar - fast economic development and global impact of digitalization that are soon going to have influence on the local practices.

The study proposed a new theoretical model for further enhancing board’s effectiveness in Qatar and highlighted opportunities for increasing the readiness of boards for the impact of digitalization.

The research was developed from surveys and interviews with individuals who were chairpersons, board directors and CEOs of organizations in Qatar.

Keywords: Board governance, Behavioral perspective, Board directors, Qatar blockade, Strategic role

Introduction

Today, there is a general agreement on that board governance may have major impact and contribution to the firm’s value creation (Ayari & Regaieg, 2018). Monitoring financial performance used to be considered the main objective for boards (Huse, 2018). However, applying a behavioral perspective for board governance has shifted board responsibility to the creation of value. Moreover, most studies on boards of directors have focused on input (composition of board) and output variables (board performance), without direct linkage to, or relationship with the inner board processes and mechanisms (Forbes & Milliken, 1999; Pettigrew, 1992). It is thus a call for more study on the actual behaviors of a board (what goes between the input and output of board work), which supplements knowledge on board governance (Huse, 2005, 2007; Pettigrew, 1992).

This study is about value creating boards and actual board behavior in Qatar. The State of Qatar

has emerged as one of the world’s most important producers of oil and gas and launched the National Vision with an objective to diversify its economy and become a knowledge-based economy by 2030. As we are moving to a knowledge-based economy in Qatar, investment in human capital and knowledge-based activities have become critical, but they are not fundamental to agency theory (Hoskisson et al., 2011). Agency theory, which dominated the theoretical analysis in management and strategy for the past two decades (Hoskisson et al., 2011) focuses on control activities driven by value protection matrices, with an approach to avoiding problems. Hence, the role of people needs to be integrated with boards and how they work.

The objective of this current study is to evaluate board governance in Qatar from a behavioral perspective, exploring their strategic tasks at times of change by going beyond the surface of board governance and focusing on the people as the main

actors to understand interactions between the independent actor (board member knowledge diversity) and board outcome. Focus is set on the strategic involvement for the creation of value (taking and shaping strategic decisions and shaping the conduct, content and context of strategy), mediated by the board culture (use of skills and knowledge, and criticality).

Boards and Corporate Governance

No one model or definition of corporate governance suits all environments, occasions and circumstances. In general, it is about setting of priorities, delegation of power, and organization of accountability (Levrau & Van Den Berghe, 2007). However despite the different definitions, there are universal standards, fundamentals, and principles of best practices that can be followed in the face of different drivers and requirements (legal, administrative), legal backgrounds, the cultural and political context, business forms linked to different business models and geographical jurisdiction (Leblanc, 2016; Mallin, 2016). Good corporate governance is expected to balance the interests of, and relationships among, the various stakeholders of the company while ensuring the long-term sustainability and success of the enterprise.

Understanding the behaviors of directors of a board leads to better support, and setting the foundation for the interpretation and implementation of strategies (McNulty & Pettigrew, 1999). The culture of a boardroom needs to foster interactive discussions to take the maximum benefit from the members, and fully utilize the use of skills and knowledge of the

board members. A decision-making culture has a number of core concepts. Criticality in the boardroom is more foundational for the interactions and social system. Criticality is the individuality of the directors of the board and their ability to have independent discussions and a questioning attitude as part of a team (Huse, 2007).

Board members are key players in the organization and building the right board requires the possession of certain skills and knowledge by its members to fulfill their tasks as a member of a board of directors' team. The type of experience and skills required by boards is determined based on the context in which the organization belongs (Huse, 2007). Competence and knowledge can be categorized as firm specific knowledge (depth) and general business knowledge (breadth) (Bankewitz, 2016; Forbes & Milliken, 1999; Harrigan, 1983).

In the context of the debate on the involvement of the board of directors in strategy, McNulty and Pettigrew's framework suggest that strategy is a sphere of activity in which part-time board members are capable of controlling the management. Part-time board member's role can no longer be seen as simply approving an executive's ideas or strategies. Their know-how of the industry can challenge any executive at the operating level in the company on industry content (Table 1).

Table 1. *Strategic Involvement of Part-time Board Member*

	Definitions	Board Behaviors	Board Involvement
Taking Strategic Decisions	Influence is only felt internally at the end of decision process	Within the boardroom, the decision is either to approve, reject or review proposals	The whole board contribute in strategic decisions
Shaping Strategic Decision	Part-time board members influence is exerted at the proposal stage when it is developed by executives	Integration and testing of ideas by the management and non-executive board members, at the time of proposal preparation. This process enables board members to test the logic and challenges any assumptions, advise caution, and offer encouragement	Some, but not all, boards shape strategic decisions
Shaping the Context, Conduct and Content of strategy	Influence is continuous and not event driven	The board develops the context for strategic debate, establishes a process for strategy formation, monitors strategy content and adjust the approach of the executive in relation to strategy	A majority of boards shape the context, content and conduct of strategy

The fact that directors of the board have different educational backgrounds, functional and industrial experiences, and knowledge, means they are likely to experience difficulties with interacting on the board with the way ideas are perceived, processed and responded to during discussions in the boardroom (O'Reilly & Williams, 1998). The behaviors and competencies of directors of the board, and the chairperson are critical for unleashing the potential of the board for value creation. Knowledge brought by the board directors is one measure on how effective the board can be, however, this knowledge must be used (Huse, 2018).

The State of Qatar

Qatar has a National Vision for 2030 with the aim that "Qatar becomes an advanced society capable of sustaining its development and providing a high standard of living for its people. Qatar's National Vision defines the long-term goals for the country and provides a framework in which national strategies and implementation plans can be developed" (Government Communication Office, 2019, para. 1). The Vision is to be achieved through four pillars, which are human development, social development, economic development, and environmental development as defined in the Vision 2030 document published by the General Secretariat for Development Planning (2008):

Human development: of all its people to enable them to sustain a prosperous society.

Social development: of a just and caring society based on high moral standards, and capable of playing a significant role in global partnership for development.

Economic development: of a competitive and diversified economy capable of meeting the needs of, and securing a high standard of living for, all its people for the present and for the future.

Environmental development: management of the environment such that there is harmony between economic growth, social development and environmental protection. (p. 11)

In Qatar, corporate governance codes were designed based on international best practices for the guidelines and standards promoting the principles of good

governance. The scope of each outlines the framework of good governance, principles, scope of duties and relationships with different stakeholders/shareholders.

Part-time board members form the majority, if not the whole membership of boards in Qatar, with the average number of board members being 7-8, which is reflected in the research sample. The firm's legal counsel normally plays the board secretary role and responsibilities are limited to board meetings, logistics and basic administrative tasks.

On June 5, 2017, Qatar's neighboring countries (United Arab Emirates, Kingdom of Saudi Arabia, Egypt and the Kingdom of Bahrain) unexpectedly imposed a blockade isolating Qatar from its major air, sea and land links (BMI Research, 2018a; BMI Research, 2018b; Qatar National Bank, 2017; The Project on Middle East Political Science, 2017). The initial impact was severe, and the response from Qatar has been proactive, focusing on the sustainability and long-term economic value. Qatar's projects within the private sector have been designed for long-term economic self-sufficiency (Qatar National Bank, 2017). While the initial consequences of the blockade were critical, with stocks, tourism and imports dropping, the economy has recovered (Al Jazeera Arabic, 2018a; QatarGCO, 2018; Sergie, 2018).

This 'black swan' (The blockade) had enabled Qatar to advance development plans by tapping into the new opportunities this situation provided. The drive to accelerate progress in reaching Qatar's goals and aspirations was aided by the active role played by corporate boards, executives, government entities and partners, as well as non-profit organizations.

Research Model

An ideal empirical context for testing the strategic involvement of boards of directors exists in Qatar, where organizations have faced the national crisis from the blockade by its neighbors. Hence, the conditions of the business environment have changed and traditionally accepted strategies are not likely to be valid. Changes in the business environment in Qatar as a result of the blockade required a non-traditional way of thinking about boards of directors as they are the highest decision-making authority in an organization.

Two sets of hypothesis were tested in the research as illustrated in Figure 1. On the left hand side of the research model, we suggest that a board of directors' composition is represented by knowledge diversity, knowledge, and skills (general business knowledge (breadth) and organization-specific knowledge (depth)). The right hand side of the model represents the strategic tasks of the board as concluded in the McNulty and Pettigrew (1999) framework. The center of the research model represents the mediators represented by use of skills and knowledge, and criticality as recent research has argued widely that the possession of competence (knowledge, skills, and knowledge diversity) does not ensure that the members of the board will make use of them.

The corner stone of dynamics in the boardroom and strategic involvement is centered with the members who would set the rules and norms based on their competence and team composition. Therefore, we hypothesize (refer to Figure 1) that:

□ Hypothesis 1:

The use of skills and knowledge (mediator variable) positively mediates the relationship between board member composition knowledge diversity (independent variable) with the dependent variables:

- (i) Taking strategic decisions
- (ii) Shaping strategic decisions
- (iii) Shaping the context, conduct, and content of strategy

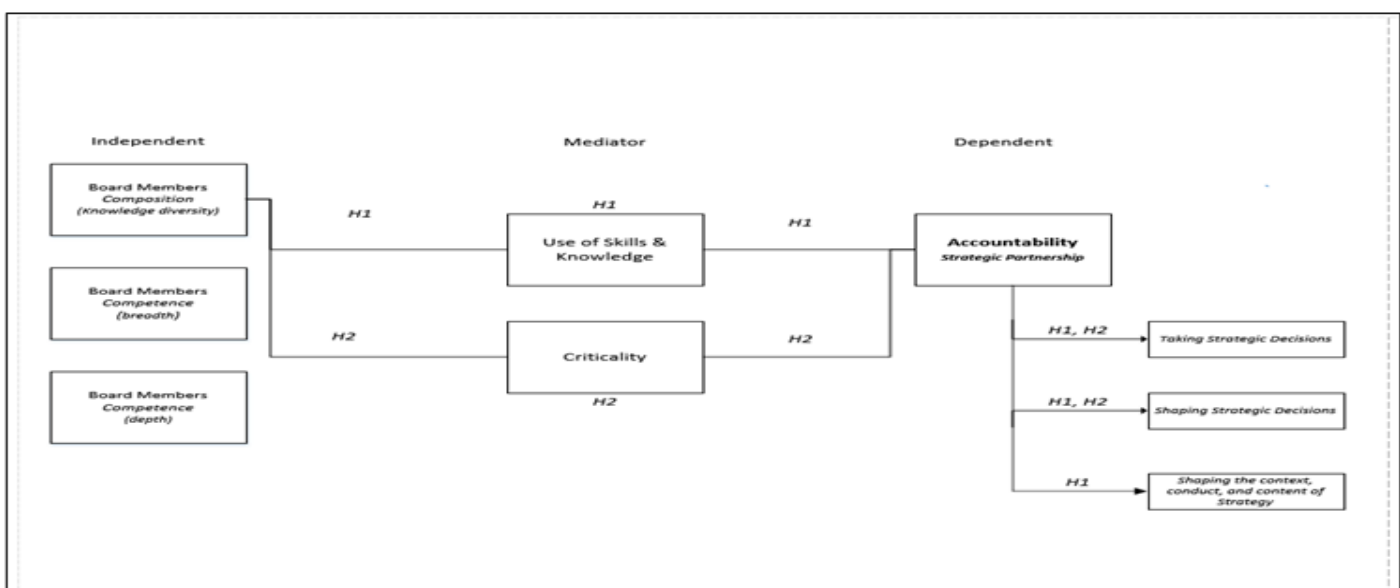
Many elements affect how the board of directors' designs strategy, which are not necessarily based on the competence of the members. One of the key attributes for value-creating boards is the culture of the boardroom, where the ability of fostering interactive discussions gets the maximum benefit of the members. Following this argument, we hypothesize that the decision-making culture in the boardroom represented by criticality, is a key component of board decision making:

□ Hypothesis 2:

Criticality (mediator variable) positively mediates the relationship between board member composition knowledge diversity (independent variable) with the dependent variables:

- (i) Taking strategic decisions
- (ii) Shaping strategic decisions

Figure 1. Research Model



20 *Note:* Adapted from “The Behaviourial Perspective of Board Governance in Qatar Context: Exploring the Strategic Role at Times of Changing Complexity” by M. I. Al-Mansoori, 2019, [Unpublished doctoral dissertation]. SBS Swiss Business School, Kloten, Switzerland.

Research Design

The research model was designed to examine the mediation effect of boardroom culture (criticality) and the use of the skills and knowledge. In order to meet the research question and based on the nature of the research, mixed methods were used to get beyond the surface of the behavioral perspective of board governance.

Empirical Challenges with a Qatari Sample

The population from which the sample was drawn was inevitably influenced by the characteristics of the firms and industry - the number of board members participating in the study was limited due to small market size, multiple memberships on boards, and accessibility to the board members and chairs.

Qatar has a total population of 2.7 million. The total number of companies listed on the Qatar Stock Exchange (the country's only stock exchange) is 46 (Qatar Stock Exchange, 2019).

Another key constraint was due to the socio-economic environment in Qatar. An overwhelming majority of board memberships are held by Qatari's – even within that it is concentrated amongst a few powerful families (Dsouza, 2017, 2018). These individuals are part of the ruling elite and can be classified as a population that is unattainable for research studies. Many of them either are Ministers in the government or hold positions of similar rank.

However, the views and insight extracted can be generalized to understand board practice and factors influencing membership. Self-reporting bias may be a concern, but that is a general problem in research on boards, and one, which is difficult to avoid (Stiles & Taylor, 1996). The limitations of a cross-sectional study must also be highlighted. The study drew a general picture of board behavior, but it was limited to a single point in time. Currently, there is no data tracking changes over time.

Despite the limitations, this study and the collected data shed light on under-researched areas of board behavior and their strategic involvement (taking decisions, making decisions, reconfiguration).

Population and Sample

The 15 sample organizations were classified as Public Private Partnership (PPP), State Owned Enterprise (SOE), Government entities and Publicly Listed in Qatar. Inclusion of participants was that they were associated with the set categories of firm types, the chair of the board of directors, board members, the chief executive officer (CEO) and members from the management team if they participate in board meetings.

Data Collection, Editing, and Project Management

Accountability and creation of accountability model designed by Huse (2005) was the basis for the design of the “Value Creating Board” survey instrument (Huse, 2010), and “the order of the questions was carefully chosen based on earlier experiences, pre-tests and recommendations” as explained by Huse (2010, p. 369). Questions related to the areas of strategic involvement were influenced by the study of McNulty and Pettigrew (1999) on the board involvement in strategy and were broken down into three main areas, which are taking strategic decisions, shaping strategic decisions, shaping the context, conduct and content of strategy.

Quantitative data. Questionnaires completed were 50 with a 48.54% completion rate. The main goal of the questionnaire was to discern the context of the board's behaviors in connection with the dimensions in the empirical model using predictor variables, which are board members' competence (breadth and depth), board members' composition (knowledge diversity), use of skills and knowledge, taking strategic decisions, and shaping strategic decisions, shaping the context, conduct, and content of strategy, and criticality. There were four sets of questionnaires designed, targeting the four different groups (chairperson, board members, CEO, management).

Qualitative data. Semi-structured face-to-face interviews followed the questionnaire to address the research questions of the study. The interviews were done purposive with chairs of the board of directors, board members, and CEOs who were willing and available to participate. A total of 15 individuals participated in the face-to-face interviews. The in-

interviewee held multiple roles at the same time where 12 out of the 15 are CEOs in addition to their roles with boards.

The participants in the research were assured that their responses would be anonymous, and that they did not have to take part in the research if they did not wish.

Quantitative Results

Hypothesis 1:

Pearson's r partial correlations are conducted to examine hypothesis 1. Prior to examination of the correlation results, descriptive statistics ($M=33.39$, $SD=5.86$, Possible Range: 6-42) for Board Members: composition (knowledge diversity) suggests the participants were above the midpoint score (24) for this variable indicating at least moderately high levels, on average.

The difference between the two correlations, the original (O) and mediated (M), is tested to prove if this mediation is significant. Controlling for the mediator (use of skills and knowledge), there were significant partial mediations of the relevant hypothesis 1 related relationships, (i) Taking strategic decisions, (ii) Shaping strategic decisions, and (iii) Shaping the context, conduct and content of strategy.

After inclusion of the use of skills and knowledge mediator the original relationship between (i) Taking strategic decisions and composition knowledge diversity reduced significantly from a moderately strong positive relationship to a non-significant weak negative correlation (Original $r = 0.331$, Mediated $r = -0.132$, $z = 2.286$, $p = 0.022$). After inclusion of the use of skills and knowledge mediator the original relationship between (ii) Shaping strategic decisions and composition knowledge diversity reduced significantly from a moderately strong positive relationship to a weak positive relationship (Original $r = 0.47$, Mediated $r = 0.07$, $z = 2.121$, $p = 0.033$). After inclusion of the use of skills and knowledge mediator the original relationship between (iii) Shaping the context, conduct and content of strategy and composition knowledge diversity reduced significantly from a strong positive relationship to a weak positive relationship (Original $r = 0.505$, Mediated $r = 0.06$, $z = 2.349$, $p = 0.018$).

Hypothesis 2:

Pearson's r partial correlations are conducted to examine hypothesis 2. Prior to examination of the correlation results, descriptive statistics for each variable suggest that, on average, the participants were above the midpoint scores indicating at least moderately high levels for each variable examined.

The difference between the two correlations, the original (O) and mediated (M), is tested to prove if this mediation is significant. Controlling for the mediator (use of criticality), there were significant partial mediations of the relevant hypothesis 2 related relationships, (i) Taking strategic decisions and (ii) Shaping strategic decisions.

More specifically, after inclusion of the criticality mediator the original relationship between (i) Taking strategic decisions and composition knowledge diversity reduced significantly from a moderately strong positive relationship to a non-significant weak negative relationship (Original $r = 0.33$, Mediated $r = -0.103$, $z = 2.14$, $p = 0.03$). After inclusion of the criticality mediator the original relationship between (ii) Shaping strategic decisions and composition knowledge diversity reduced significantly from a moderately strong positive relationship to a non-significant weak negative relationship (Original $r = 0.47$, Mediated $r = -0.003$, $z = 2.49$, $p = 0.012$).

Table 2. Summary of Results in Terms of Supported and Not Supported Hypotheses

Hypothesis 1: The use of skills and knowledge (mediator variable) positively mediates the relationship between board members' composition knowledge diversity (independent variable) with the dependent variables of taking and shaping strategic decisions as well as shaping the context, conduct and content of strategy		
Variables	Role	Supported / Not supported
Use of Skills and Knowledge	Mediator	Supported
Board Members: Composition (knowledge diversity)	Independent	
Taking strategic decisions	Dependent	
Shaping strategic decision	Dependent	
Shaping the context, conduct and content of strategy	Dependent	

Hypothesis 2: Criticality (mediator variable) positively mediates the relationship between board members' composition knowledge diversity (independent variable) with the dependent variables of taking and shaping strategic decisions		
Variables	Role	Supported / Not supported
Criticality	Mediator	Supported
Board Members: Composition (knowledge diversity)	Independent	
Taking strategic decisions	Dependent	
Shaping strategic decision	Dependent	

Note: Adapted from “The Behaviourial Perspective of Board Governance in Qatar Context: Exploring the Strategic Role at Times of Changing Complexity” by M. I. Al-Mansoori, 2019, [Unpublished doctoral dissertation]. SBS Swiss Business School, Kloten, Switzerland.

Qualitative Results

Statistics are insufficient to describe boardroom dynamics, behaviors and the relationships among board members and accountability. By analyzing the data some surprising findings were not among the attributes tested in the research model, for example the role of committees.

Board tasks. The three main board tasks identified (monitoring/control, service, and strategic tasks) were described as the most common tasks handled by boards in Qatar conditional with the frequency of doing certain tasks, organizational position in its life cycle, the market conditions and competence of board members. RSK has had around 12 years of accumulated experience in board membership and currently is an active board member with six memberships within Qatar and two outside. Three of the memberships were as a chairperson. His full-time position is as a CEO. He said, “Board roles have changed drastically in specific industries in Qatar

after the blockade to become more active and strategic. I am in boards that are now participating in designing investment policies and represent business sector demands and requests to the government”. Auditing has been the main task from members of the board, which is both a result of the absence of a clear philosophy of the tasks of boards and an absence of an awareness of board membership tasks and responsibilities. This has led to playing the board task of being auditors to protect company assets rather than building partnerships. KSK is a CEO who has around nine years of accumulated board experience, one as vice chair, four as board director (local) and two internationally. He also said, “Increasing awareness by members of their tasks, legal risks, and duties, which are assumed to be known to members, would help make passive members more active and push them to contribute”. The same idea was reinforced by ABL when saying, “The main challenge is the understanding of the role of the board and the role of being a board member”.

The blockade and board tasks. The blockade on Qatar, which began in June 2017, has also influenced the tasks, behaviors and practices of boards, “There is big change as a result of the blockade and perspectives and framework on how things have been seen changed”, explained YAJ as a CEO. The blockade accelerated the process of economic development and had an influence on regulations. ABN said, “[The] blockade made a positive impact on boards, and the members became more engaged and interested. The blockade not only brought many business opportunities but also empowered local industries. Boards reviewed corporate strategies in light of the blockade, repositioned their business and tapped into new opportunities”. Awareness of local industrial opportunities increased. Board membership gives status and power to members, but it includes liabilities as well. Often members were not clear about these responsibilities, which impacted their commitment and the use of their skills and knowledge.

Committees. Committees were not among the variables selected for this study, but they are identified by the participants in the study as an important tool used by the board to facilitate the decision-making process, provide depth to the organization through the attendance and participation of concerned members of the management team and offer a less structured setting for technical discussions and the exchange of ideas.

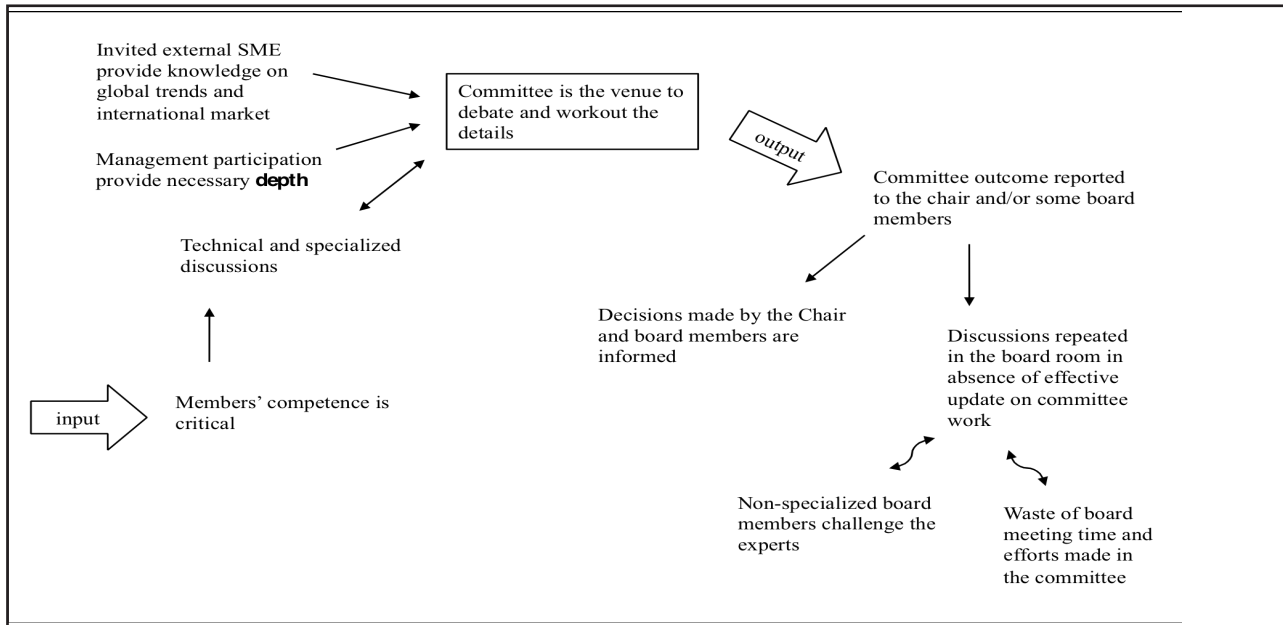
Apart from the discussions happening inside the boardroom, a number of other more focused discussions take place in the forum of board committees, which tend to be more technical and specialized.

Committees fulfill a vital role in supporting the decision-generating process of the board and facilitating its task. As FSA described, “Topics brought to the board for approval go through committees for filtration and discussion. For example, investment related decisions first will be proposed by management, then discussed in the investment committee, whose recommendations are shared with the executive committee with final recommendations being presented to the board for decision”. He added, “Committees are the vehicle for using the skills and knowledge [of the members] and this depends on the selected members skills, knowledge, competence, etc.”

There is a misconception among the board members about reporting the outcomes of committee discussions causing a gap in the flow of information and communication between the board and the committees.

Miscommunication between committees and the board are illustrated in Figure 2. In the centre committee work regarding specialized technical discussions is depicted. Input is received from those shown on the left-hand side; members selected to serve the committee based on their related experience and competence. These may also be external subject matter experts invited as needed. Participation by the firm’s management team provides organizational depth. Regardless of the level of discussions made in the committee and quality of recommendations to be shared with the board for decision-making, the outcome is diluted mainly because of the method of reporting. This communications gap hinders the efficiency of committee work and causes misalignment among board members.

Figure 2. Miscommunications Between Committees and the Board

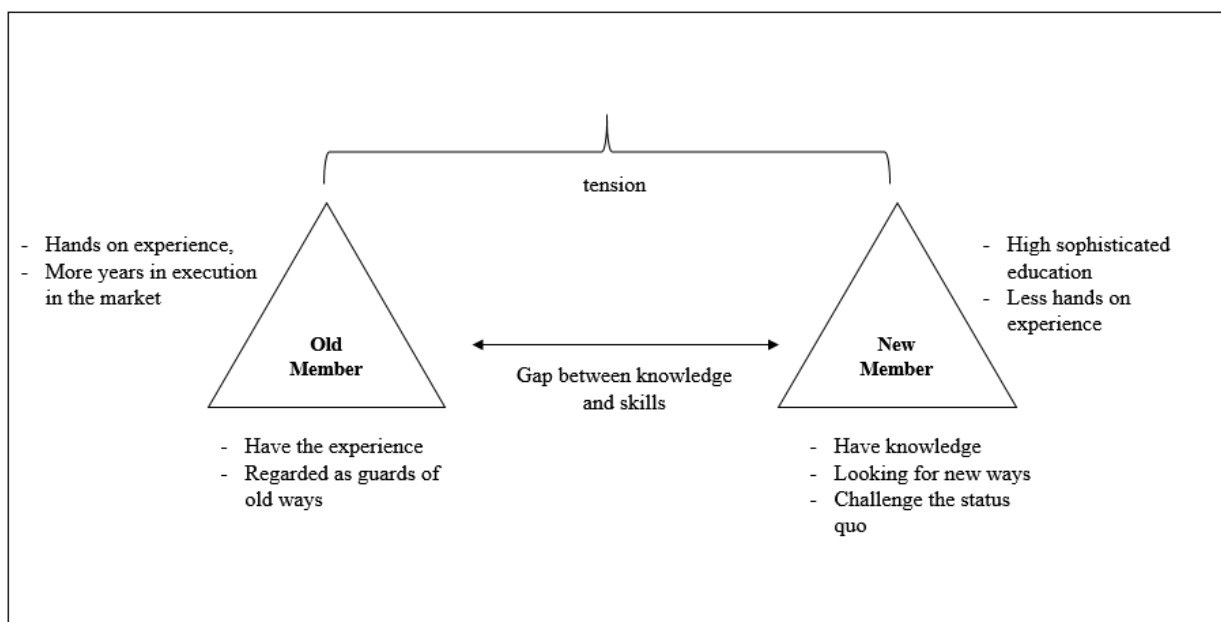


Note: Adapted from “The Behaviourial Perspective of Board Governance in Qatar Context: Exploring the Strategic Role at Times of Changing Complexity” by M. I. Al-Mansoori, 2019, [Unpublished doctoral dissertation]. SBS Swiss Business School, Kloten, Switzerland.

Members diversity. As a result of the economic development in Qatar, the selection of board members has improved over the past ten years, giving more attention to competence and skills, which has contributed to an injection of new, younger members to boards who have had an influence on the culture in boardroom. The challenge of diversification and selection still exists and needs serious attention and ABL observed that, “Diversity is limited, because members are selected to represent organizations for whom they work, so diversity is presented in terms of different organizational representation and not the diversity of skills and backgrounds of the individual representatives”.

Moreover, improvement initiatives have not been free of cost and knowledge and age diversity has brought a new set of challenges to boards. TAK described the situation, “Members have also been grouped as old members and new members. The former typically defend the legacy and act as an old guard using old ways and resist change. On the other hand, the latter group tries to find opportunities. This creates a big issue”. This tension caused as a result of members diversity is illustrated in Figure 3. On the left hand side are the old members who generally have more hands-on experience and been with the firm since its early establishment, and on the right hand side come the new board members who are mostly younger in age with a more sophisticated education and exposure to international board practices. The tension is created because of the different perspectives and experiences within both groups.

Figure 3. *Tension Caused as a Result of Members Diversity*



Note: Adapted from “The Behaviourial Perspective of Board Governance in Qatar Context: Exploring the Strategic Role at Times of Changing Complexity” by M. I. Al-Mansoori, 2019, [Unpublished doctoral dissertation]. SBS Swiss Business School, Kloten, Switzerland.

Even though the changes are coming slowly and undertaking the change process creates a set of challenges, TAK has argued that the intended outcome is crystalizing, “Boards are becoming more strategic, because there are many which are fairly new (newly established or reformed) and includes a membership of younger members”.

Discussion

The reality of board action is that it is not straightforward, which can be seen in the differences between the statistical outcomes and the findings from the interviews. From the statistical analysis, we can see that the hypotheses positively mediate the relationship between the independent variables with the dependent variables. Even though the interviews were designed to discuss the same variables used in the questionnaire, several discoveries and common themes emerged in the discussions. Despite the different perspectives, demographics, and back-

grounds of the interviewed individuals, the role of committees emerged as one of the main mediators supporting the task of the board. Boards in Qatar have been developing rapidly in the past ten years. Yet improvement is still required to raise awareness of the duty of a board, the responsibilities and tasks of board members, and the philosophy of boards, which varies based on where the organization is in its life cycle, challenges, and priorities. Absence of clarity on the board philosophy impacted the task handled by the board, and the knowledge and skills of the members.

Fast economic development led to the injection of new blood onto boards, adding new skill sets, knowledge, and younger members. This contributed to the increase of knowledge diversity and heterogeneous thinking. However, negative side effects have also emerged, especially the stress in the relationship and thinking between the two groups of board members (old members, new members), which has impacted the task of the board and the use of skills and knowledge.

The blockade contributed to the development of board tasks in the strategic perspectives and had boards working closely with management toward one common objective in a limited time period.

Strategic task. Theoretical work done on the strategic involvement of boards has found that boards of directors are willing to participate in the strategic process; however, they usually are constrained as the only opportunity to do this is at the time of crisis. In addition, it was a challenge for the boards to understand what strategy means and what it constitutes (Stiles & Taylor, 2001). The root of the different interpretations was the knowledge diversity of new board members, that is, those exposed to international board experience are more familiar with structured methods of strategy formation and implementation as derived from certain well-established international practices and processes. However, the old members who are with hands-on experience and insight in the local markets had their own definition of the meaning of strategy and how to contribute to it. Strategic involvement was emphasized by all boards during the blockage of Qatar by its neighboring countries, which was the crisis the literature referred to. During the early days of the blockade, the task of boards was reshaped, with closer involvement in the review of corporate definition, market, active assessment and review of strategic proposals. Boards sustained this level of active involvement until the new normal in the market and their organizational scope were set, and business went back to normal within the new conditions and context.

Yet, the ambiguity of the meaning of strategy was also acknowledged in literature when some organizations lacked an articulated corporate strategy; however, it was rare that an organization did not have, at a minimum, a rough strategic outline (Stiles & Taylor, 2001).

Use of skills and knowledge. There was a time when being a board director was viewed as an attribute to one's wealth and connections that served as an entry into the business community. This is not the case in today's changing business environment. The challenge with modern directors is to define their task and to avoid the interference and participation in the daily operations of the organization where they have board membership and, at the same time, know what is going on in the market and in the organization so they can make recommendations and contributions based on their required task (Huse, 2010). Understanding of the task expectations and actual tasks performed were found to be a fundamental element in board effectiveness.

Even though board selection and membership were based on competency and experience, fulfillment of the task and use of the skills and knowledge was not guaranteed. Absence of a clear grasp of the board's responsibilities in Qatar led to having the dominant task played by boards in auditing and control. This had its advantages when it came to the protection of shareholders' interests and organizational assets; however, it limited the scope of the organization and the CEO in adding a real value for the organization. This current study found that boards managed several different tasks (auditing, servicing, strategic) interchangeably, as there was a fine line between different activities. However, there is a challenge with the use of skills and knowledge, and an appetite in the boardroom for new ways of doing things, which negatively influenced the commitment and participation of board members. The organization also was detached from the board and the decision-making process. CEOs argued that boards did not understand the challenges faced by the organization and raised doubts on the role of the board as a partner for success.

Even though boards in Qatar have well-established regular committees and ticked all the right establishment and operational boxes, their performance was not viewed as being as effective as it could have been. It has been proven that a smaller group of board members can be more effective in the evaluation and examination of complex issues (Wommack, 1979), and several studies have found that board members influence strategy primarily through committees (Daily et al., 1996). However, board members are not able to influence strategy in the regular and standard committees, like audit and compliance committees, for example, which are created to meet regulatory compliance to governance requirements and are not focused on the organization's future or examination of its resources (Wommack, 1979). In addition, in the current study, the communication flow between committees and the board was found to be deficient, impacting the effectiveness and task of committees. Ineffective communication from the committees to the full board caused a lack of coordination between the two and potential repetition of work.

Agenda. The board meeting agenda was found to be one of the important tools facilitating the strategic involvement of board members. The board agenda in Qatar followed the standard process

and covered regular and re-occurring items mostly related to operational updates, financial performance and budget (reporting on past performance and activities). This type of agenda constrains the boardroom discussion from taking a future orientated outlook on strategic matters and strips the opportunity to discuss ideas and proposals brought by the management (McNulty & Pettigrew, 1999). On the other hand, board agendas, which are planned to include topics related to strategic tasks performed by board members can ensure the involvement of the board members in strategy making and will carry out clear and direct responsibility.

Board secretary. MWM Consulting (2018) conducted a study on board effectiveness and identified three key “safety valves” for enhancing board effectiveness and the board secretary was on the list. The research highlighted the contribution made by the secretary that went beyond administrative support to the operations of board meetings to being an “invaluable source of counsel and advice to not only their chairperson but also the other directors, and as an important neutral sounding board on issues that are emerging” (p.14). The board secretary was found to take equal responsibility with the CEO for the education of the board members and supporting their strategic involvement. Mallin (2016) stated: “the company secretary has a range of large responsibilities, including facilitating the work of the board ... and that such information flows well between the various constitutes [board meeting, committees] ... and will assist with the professional development needs of directors and induction requirements for new directors” (p.185). Hence, more focus and better utilization of the board secretary is to be considered. In the current study, the board secretary was viewed as being a cornerstone for the onboarding of new board members and the support for the Chairperson in clarifying the task expectations and liabilities of both board members and CEO.

Board as team and knowledge diversity. The board of directors, at its core, is a governance framework representing the unity of its members (Bammens et al., 2011). The capability of the board to carry out its duties in the creation of value is rooted in the collective and individual behaviors of its members, and as stated by MWM Consulting (2018): “the board needs to be designed and managed as a high performing team ... engineering

diversity- especially of thought patterns; investing in team building; and addressing weak links” (p.3). Knowledge diversity and the selection of members was not a major concern for boards in Qatar. The commitment and participation of the busy members of the board, level of readiness for board meetings, and utilization of skills and knowledge were among the areas that had an impact on boards’ effectiveness.

Even though diversity improves the quality of discussions and decisions, it also had a down side because it lowers the level of satisfaction of members in the group (Martins & Milliken, 1996). Knowledge diversity was found to be a double-edged sword, creating a dialogue and understanding gap between old members and new members board members.

Times of changing complexity. The overwhelming business environment of the 21st century has been characterized by rapid and disruptive change, transitory and incomplete information and an overall sense of ambiguity and uncertainty require greater information processing demands. This is determined by parts of the strategy as well as the management and technologies structure of the organization (Keller et al., 2007). The overall impact of digitalization on boards was seen in the use of technology and boardroom management systems. The current study questionnaire was designed to gather information on four main areas impacted by digital technology, which had influence on board behaviors such as the changing strategic context, data-driven decision-making, the disappearance of organizational boundaries, and short-term strategizing. Board members’ preparation and readiness for board meetings, taking initiative to find his/her own information, the knowledge of the market/industry and sharing information across organizational boundaries, decision-making processes, and sensing opportunities, were all related to the four defined areas. Boards in Qatar need to start taking more serious steps to widen the scope of the impact of digitalization on boards as it is fast developing. In 2014, an artificial intelligence robot was appointed as a board director that had equal voting rights for investment decisions at a Hong Kong venture capital fund (Brown, 2014). This confirmed the growing impact of technology, where board members will be hired based on the value of the brainpower they bring and the model influences

rather than their functional expertise and market knowledge, which can be replaced by technology. Available tools to increase board readiness for the impact of digitalization are summarized in Table 3. The blockade had accelerated many activities and repositioned board tasks by creating a new *modus operandi*. The strategic task played by boards during the early time of the blockade demonstrated how boards as a team could be agile and restructure themselves to be more open for ideas and sense and take on opportunities out of the crisis. Organizations boundaries in the local market at that time were diminished and the skills and knowledge of board members were stretched. This gave an enough evidence that boards in Qatar can increase their readiness to the global impact of digitalization and take benefits from the technological advancement if it is given the necessary attention with a more focused and structured approached.

Table 3. Available Tools to Increase Board Readiness for the Impact of Digitization

Impact of Digitalization on Boards	Changing Strategic Context	Short-Term Strategizing	Disappearance of Organizational Boundaries	Data Driven Decision Making
Description	<ul style="list-style-type: none"> - more reliance by board on data than intuition for decision-making. - board more involved in shaping strategic decisions. - frequent shaping of content of the strategy by board and external environment. 	<ul style="list-style-type: none"> - real-time responses influences strategy formation. - strategy conduct becomes uncertain, unstructured and abstract. - encouragement of experimentation, failure, feedback, learning and constant adjustment are encouraged by board. 	<ul style="list-style-type: none"> - board actively interacts with wider ecosystem when shaping strategy. 	<ul style="list-style-type: none"> - board members are less valued for their expert answers and more valued for their ability to ask the right questions. - boards have access to real-time data.
Recommendations on How to be Addressed	Utilization of Committees to: <ol style="list-style-type: none"> 1- brainstorming between board members and management. 2- create dynamic relationship between board members and management. 3- Inviting Subject Matter Experts to exchange ideas, updates on market trends and forecast (locally an internationally). 4- function as active focus group working out ideas, change business model, evaluation of opportunities prior to taking to board. 			
	Better utilization of dynamic and real time dashboards.	update the practice on what strategy means, tools, activities and time period for both "old school" and "new school" board members, and equip with required training.		Board role to be more focused on giving ideas and options.
	Frequent update from CEO on risks and market dynamics.			Utilization of data science (big data) and Artificial Intelligence (AI) for data analysis and forecasting, with deployment of appropriate IT solutions/tools.

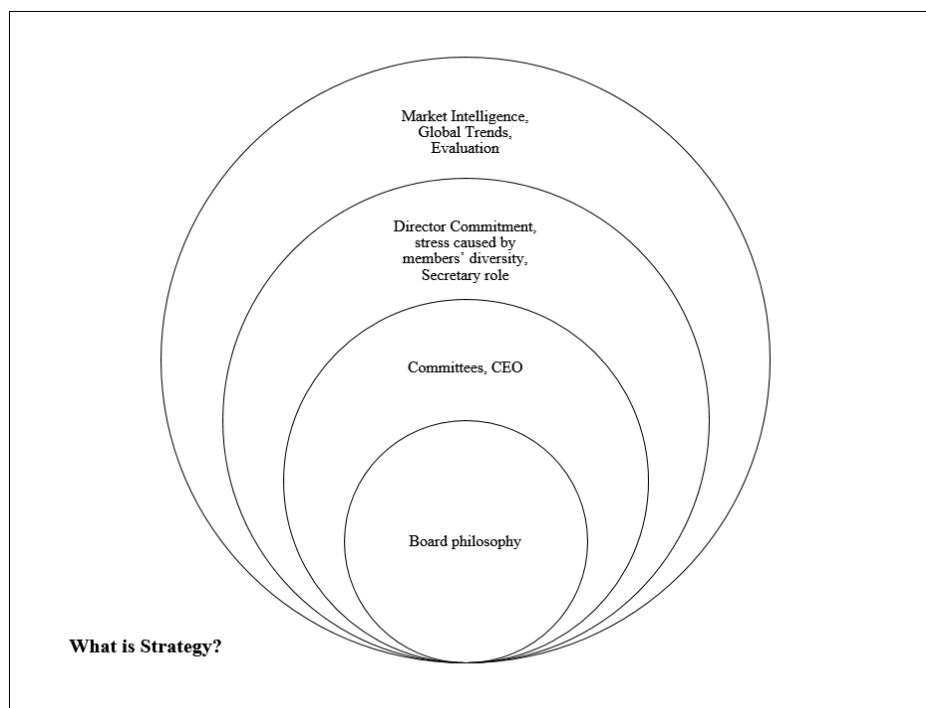
Increasing boards' effectiveness. Whatever boards do, there are many people who believe that they should enhance what they are doing. Based on the findings of the current study, the model presented in Figure 4 is suggested to support the strategic involvement of the board and increase effectiveness. Enhancing the effectiveness and supporting the strategic involvement of board can be accomplished through having a clear board philosophy setting the tone, defining clear task responsibilities and expectations for board membership, followed by the role of board committees with an enhanced communication mechanism ensuring an open flow of information and sharing of committee discussions and recommendations. The CEO's task expectations when it comes to the relationship with the board, information sharing and accountability for acting on directives/ ideas and bringing solutions is of equal importance as the role of committees. The initial two layers in the model influences the directors' commitment, releasing the stress and communication challenge between members from old/new members.

Note: Adapted from "The Behaviourial Perspective of Board Governance in Qatar Context: Exploring the Strategic Role at Times of Changing Complexity" by M. I. Al-Mansoori, 2019, [Unpublished doctoral dissertation]. SBS Swiss Business School, Kloten, Switzerland.

This is in addition to the empowerment and efficient use of the board secretary’s position as enabler and facilitator for structured board meetings and productive discussions among the directors. The foundation and starting point of the model is defining what strategy means, which influences the board task expectation, and when it comes to activities related to the taking and shaping of strategic decisions, in addition to shaping the context, conduct, and content of strategy. This model will assist in increasing board effectiveness as well as support boards with aligning their strategies and plans with the QNV 2030 pillars of human development, social development, economic development and environmental development, which ensures the sustainability of national resources and care for the environment.

Even though Qatar seems very different, in fact, there are many similarities in board functioning. The behavioral dynamics of board governance can make the difference in board performance and differentiation between good, bad and great boards (MWM Consulting, 2018).

Figure 4. *Suggested Model to Support the Strategic Involvement of the Board*



Note: Adapted from “The Behaviourial Perspective of Board Governance in Qatar Context: Exploring the Strategic Role at Times of Changing Complexity” by M. I. Al-Mansoori, 2019, [Unpublished doctoral dissertation]. SBS Swiss Business School, Kloten, Switzerland.

References

- [Al Jazeera Arabic]. (2018a, May 25). *Special coverage: The siege of Qatar economically*. [Video File]. <https://www.youtube.com/watch?v=WhsAGv3-y2w&t=175s>
- Al-Mansoori, M. I. (2019). *The behavioural perspective of board governance in Qatar context: Exploring the strategic role at times of changing complexity* [Unpublished doctoral dissertation]. SBS Swiss Business School, Kloten, Switzerland.
- Ayari, R., & Regaieg, B. (2018). Impact of corporate governance on value creation and corporate productivity: Evidence from Tunisian context. *International Journal of Economics and Finance*, 10(3), 215-226)
- Bankewitz, M. (2016). *Cognitive perspectives on board behavior*. Oslo: Allkopi.
- Bammens, Y., Lambrechts, F., Vandewaerde, M., & Voordeckers, W. (2011). Board team leadership revisited: A conceptual model of shared leadership in the boardroom. *Journal of Business Ethics*, 104(3), 403-420.
- BMI Research. (2018a). *Qatar Consumer & Retail Report Q2 2018*. London: Business Monitor International. Ltd.
- BMI Research. (2018b). *Qatar Real Estate Report Q1 2018*. (BMI Industry and Forecast Series). London: Business Monitor International Ltd.
- Brown, S. (2014, October 1). *Could computers take over the boardroom?* <https://edition.cnn.com/2014/09/30/business/computers-ceo-boardroom-robot-boss/index.html>
- Daily, C. M., Ellstrand, A. E., & Johnson, J. L. (1996). Board of directors: A review and research agenda. *Journal of Management*, 22(3), 409-438.
- Dsouza, P. (2017, February). *A guide to the most powerful families in Qatar*. <http://priyadsouza.com/powerful-families-qatar-al-thani/>
- Dsouza, P. (2018, November). *The incredible interconnectedness of Qatar's top businessmen*. <http://priyadsouza.com/qatar-top-businessmen/>
- Forbes, D. P., & Milliken, F. J. (1999, July). Cognition and corporate governance: Understanding boards of directors as strategic decision-making groups. *The Academy of Management*, 24(3), 489-505.
- Government Communication Office. (2019, August). *Qatar National Vision 2030*. <https://www.gco.gov.qa/en/about-qatar/national-vision2030/>
- Harrigan, K. R. (1983, July). Research methodologies for contingency approaches to business strategy. *The Academy of Management Review*, 8(3), 398-405.
- Hoskisson, R., Huse, M., Vigano, R., & Zattoni, A. (2011). New perspectives on board research: Changing the research agenda. *Journal of Management and Governance*, 15, 1-4.
- Huse, M. (2005). Accountability and creating accountability: A framework for exploring behavioural perspectives of corporate governance. *British Journal of Management*, 16, 5-79.
- Huse, M. (2007). *Boards, governance and value creation: The human side of corporate governance*. UK: Cambridge University Press.
- Huse, M. (2018). *Value-creating board*. Cambridge University Press.
- Huse, M. (Ed.). (2010). *The value creating board: Corporate governance and organizational behaviour*. (2nd ed.). (Routledge series in corporate governance). Routledge.

- Keller, H., Ruigrok, W., & Peck, S. I. (2007). Board characteristics and involvement in strategic decision making: Evidence from Swiss companies. *Journal of Management Studies*, 43(5), 1201-1226.
- Leblanc, R. (2016). *The handbook of board governance: A comprehensive guide for public, private, and not-for-profit board members*. John Wiley & Sons, Inc.
- Levrau, A., & Van Den Berghe, L. A. A. (2007). Corporate governance and board effectiveness: Beyond formalism. *ICFAI Journal of Corporate Governance*, 6(4), 58-85.
- Mallin, C. A. (2016). *Corporate governance*. Oxford University Press.
- Martins, L. L., & Milliken, F. J. (1996, April). Searching for common threads: Understanding the multiple effects of diversity in organizational group. *The Academy of Management Review*, 21(2), 402-433.
- McNulty, T., & Pettigrew, A. (1999). Strategists on the board. *Organization Studies*, 20(1), 47-74.
- MWM Consulting. (2018, January). *The behavioral drivers of board effectiveness: A practitioners' perspective*. www.mwmconsulting.com
- O'Reilly, C. A., & Williams, K. Y. (1998). Demography and diversity in organizations: A review of 40 years of research. *Research in Organizational Behavior*, 20, 77-140.
- Pettigrew, A. M. (1992). The character and significance of strategy process research. *Strategic Management Journal*, 13, 5-16.
- [Qatar GCO]. (2018, June 5). *Year of progress and development*. [Video File]. https://www.youtube.com/watch?v=m8e_RKIWE4k
- Qatar National Bank. (2017, December). *Qatar Economic Insight*. Qatar National Bank
- Qatar Stock Exchange. (2019, August). *Listed Companies*. <https://www.qe.com.qa/listed-securities>
- Sergie, M. (2018, June 12). *Qatari royal urges speedy reforms as Doha vies for investors*. <https://www.bloomberg.com/news/articles/2018-06-12/qatari-royal-urges-quicker-reforms-as-doha-vies-for-investors>
- Stiles, P., & Taylor, B. (1996, January). The strategic role of the board. *Corporate Governance: An International Review*, 4(1), 3-10.
- Stiles, P., & Taylor, B. (2001). *Board at work*. Oxford University Press.
- The Project on Middle East Political Science (POMEPS). (2017, October). *The Qatar Crisis: POMEPS Brief – 31*. Washington, D.C.: Elliott School of International Affairs. <https://pomeps.org/2017/10/12/the-qatar-crisis-pomeps-brief-31/>
- Wommack, W. W. (1979, September). The board's most important function. *Harvard Business Review*: <https://hbr.org/1979/09/the-boards-most-important-function>.

The Author

Maryam Ibrahim Al-Mansoori, DBA

Chief Support Officer

Barzon Holdings

maryamQat@gmail.com