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# Boards strategizing in liminal spaces: Process and practice, formal and informal

Margaret Concannon [a], Donald Nordberg [b, *]

[a] Royal Bank of Canada (Channel Islands) Ltd., PO Box 48, Canada Court, Guernsey, Channel Islands, GY1 3BQ, United Kingdom
[b] Associate Professor of Strategy and Corporate Governance, Bournemouth University Business School, 89 Holdenhurst Road, Bournemouth, BH8 8EB, United Kingdom

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ABSTRACT

Boards operate notionally in a liminal, nonhierarchical space, neither inside the company nor outside, creating ambiguity between service and control functions and fostering tolerance of it. With repeated corporate governance crises, however, new prescriptions institutionalized in law, regulation, and codes of conduct have added significance to the control side, marked by monitoring and compliance tasks. Taking a cue from the strategy process and strategy-as-practice literature, this study revisits the work of directors on the service side: their engagement in strategizing. Formalization of board processes has led to greater structure and reduced the liminality of the board. Using interviews with 20 directors from a range of organization types, this study finds that directors experiment respond to increased institutionalization of board practice by seeking out new liminal spaces and informal practices, with implications for theory of boards, board activities, and public policy.



## 1. Introduction

Directors have multiple identities, both insider and outsider, conflicted between service and control functions (Hillman, Nicholson, & Shropshire, 2008). They are urged to provide control in agency theory (Fama & Jensen, 1983; Jensen & Meckling, 1976) and to provide service in stewardship theory (Davis, Schoorman, & Donaldson, 1997). What was once considered an elite and professional domain, largely without external prescription, has become articulated and then institutionalized through codes, laws and regulation, focusing on the control side. What has happened then to service and, in particular, to the board's contribution to strategy?

The board's role in strategy has been a subject of process-inspired investigation, both before and after the corporate governance crises of the early 2000s. These studies found a limited role in strategy making by boards, authorizing but only rarely formulating strategy (McNulty & Pettigrew, 1999; Pye, 2002; Stiles, 2001), and more recently signs of dissatisfaction over how little room was left for the creative side of being a director (see review by Pugliese et al., 2009).

In the mainstream corporate governance literature and policy documents, nonexecutive directors are outsiders, brought inside primarily to challenge (control) and to impart new ideas and facilitate access to scarce and valuable external resources (service). Executive directors are insiders invited to act as outsiders, providing detailed understanding of operations (service) while also challenging their executive peers (control). The chair, particularly in the model of the nonexecutive, independent chair of the UK board, acts as a bridge between executives and nonexecutives.

As this paper argues, together they create and inhabit a liminal space (Turner, 1977), neither inside nor outside. The freedom from internal routines and institutionalized behavior should free up thinking and encourage both challenge and contributions of new insights. However, the institutionalization of formal board practices can create what Cohen (2007) and Pentland and Feldman (2008) term "dead" routines that inhibit creative contributions. They do so by asserting hierarchy and structuring what had been a liminal space. In so doing, it solidifies the line between inside and outside.

This study examines what happens between directors under the pressure of increasing institutionalization of the boardroom. Taking a cue from the literature of strategy process (Pettigrew, 2012) and strategy-as-practice (Rouleau, 2013; Whittington, 1996), and from studies of liminal actors other than board members (Czarniawska & Mazza, 2003; Sturdy, Schwarz, & Spicer, 2006), it explores how boards strategize in the wake of the corporate governance crisis of

* Corresponding author.
*E-mail address:* dnordberg@bournemouth.ac.uk (D. Nordberg).

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the early 2000s and after the long financial crisis later in that decade.

First, the contributions of this paper lie in identifying emerging, informal practices to de-structure the board to recreate liminality and reassert a strategic role for the board. These practices are valorized, creating new rituals and routines away from the boardroom, restructuring a liminal social space to facilitate the service role of boards separate from the boardroom and its control-focused formalities. Second, we find that boards may seek to adopt more informal practices to overcome the rigidities of institutionalized control-oriented pressures and de-institutionalize, at least temporarily, the logic of boards as mechanisms of control. Third, the study outlines research directions to establish how board practices inform strategizing and its outcomes, and importantly into what risks develop from doing such suspension of the control function, and the implications for theory, practice, and public policy.

The paper is structured as follows: We begin with the concept of liminality, a condition arising in the anthropology literature of being on the threshold of a more structured state, which has attracted attention in organization studies in the past decade. Next, we consider institutions and their role in constraining certain actions while easing the path for others, which then points toward a liminal interpretation of board work and how that work has become more structured in response to successive corporate governance failures. We then explore the literature on one aspect of directors' work—the board's role in strategy. After a brief exposition of research on strategy process and practice and a discussion of methods, we present findings of an exploratory study with 20 directors of different types of companies in the British Channel Islands. We conclude by suggesting that directors, and in particular the nonexecutives, see their role not just in bringing outside perspectives and monitoring management but also as unsettling hierarchies to spur creative thinking by boards, both inside the boardroom and in informal, liminal spaces.

## 2. Literature review

This paper integrates concepts in three strands of the literature: organization studies, corporate governance, and strategy. The concept of liminality is set against strategy processes and practice and then reset in the context of the work of boards of directors.

### 2.1. Liminality

The concept of liminality was introduced by the French anthropologist van Gennep (1909/2013) in discussing the transitional phase involved in social rites of passage. As developed by Turner (1977) in work on African tribal practices, liminality is the space and time on the *limen*, Latin for *threshold*, situated between one state and the next. Turner's work concerned rituals of initiation, during which the innocence and freedom of youth gives way to the hierarchy and order of adult society. It is a social space of ambiguity, in which the elders join the initiant as equals in play, largely without rules and structures, and then introduce order and assert authority during the transition to adult society. Liminal processes offer a blend "of lowliness and sacredness, of homogeneity and comradeship" (Turner, 1977, p. 96). Liminality thus fosters a sense of temporary equality among participants, which Turner calls antistructure, and a sense of fellow feeling, which he terms *communitas*. In organizational studies of change (e.g., Pettigrew, 1987), liminality is part of the inner context, facilitating processes between actors.

In recent years, the concept has been used to explain a number of organizational phenomena. As Sturdy et al. (2006) observed, the drive for flexibility in strategic management has led to a focus on what occurs at the threshold of organizations. The dividing lines between organizations have become blurred by the impermanence of jobs (Conroy & O'Leary-Kelly, 2014; Garsten, 1999), by seeing enterprises operating as networks (Tempest & Starkey, 2004) or as nodes within networks (Powell, White, Koput, & Owen-Smith, 2005), or through strategic alliances or in ecosystems of enterprises and entrepreneurs (Rong & Shi, 2014).

Liminality involves an "unstable zone where the established rules are suspended; it is a culturally creative and in a sense dangerous space" (Kennedy & Fiss, 2013, pp. 1146–1147). Liminal spaces are ones where individual actors suspend allegiances to their "home" organization or identify with multiple organizations and the *communitas* of the collective. They involve closeness, not separation, and the absence or suspension of power; they are the lived experience, albeit temporary, of those who inhabit them (cf. Taylor & Spicer, 2007).

Analogies to rites of passage are obvious when new employees join an organization or enter less well-defined associations, where a transition from one state to another involves ambiguity, development of ties, and the temporary suspension of hierarchy. But organizational scholars have also identified liminal spaces of a more permanent type. For example, Sturdy (1997) viewed consultants as actors who both address and reinforce management anxiety. Building on that view, Czarniawska and Mazza (2003) observed that consultants create liminal spaces and then inhabit them for long periods: "there are a growing number of professionals who accept liminality as an ever present condition and thereby end it" (2003, p. 286).

Another study of management consulting (Sturdy et al., 2006) found that liminal spaces, such as working dinners, were used tactically by consultants to build momentum for organizational change. The study concluded that liminal spaces can operate in parallel with more formal organizational spaces and can be used to color them. Moreover, while liminal spaces may set aside the formal hierarchies, they nonetheless may have "precisely and socially defined rituals and routines, beyond those associated with transition from one state to another" and be "highly structured and conservative as well as being creative and unsettling" (Sturdy et al., 2006, p. 931). These studies suggested that liminal spaces might supplant one set of rules with another, with the effect of deinstitutionalizing, at least temporarily, the existing hierarchy to open new avenues of thinking.

### 2.2. Liminality and (de)institutionalization

Early studies drawing upon institutional theory sought to explain the persistence of social structures and practices (DiMaggio & Powell, 1983; Zucker, 1977) even when they had ceased to serve the intended purpose (e.g., Meyer & Rowan, 1977). While explaining continuity, this work left unanswered how change occurs in highly institutionalized settings.

DiMaggio (1988) introduced the concept of institutional entrepreneurship as a mechanism to explain the change in institutionalized settings. Greenwood, Suddaby, and Hinings (2002) saw external jolts precipitating a process of deinstitutionalization, in which new actors or new relationships between actors permit institutional entrepreneurship to surface. Institutional logics (Friedland & Alford, 1991; Thornton, Ocasio, & Lounsbury, 2012) embed meaning to the rules and justify the hierarchies to give legitimacy to incumbent practices. In liminal spaces, logics are suspended along with hierarchies and rules, which can be seen as inducing at least temporary deinstitutionalization. Using liminal spaces can be a mechanism of responding to an external jolt or as a means of provoking change in anticipation of, or absent, such a jolt.

Permanent liminality in management consultancy is of particular interest to this study. Consultants provide knowledge and skills similar to the service function of nonexecutive directors, and consultants have long been seen as an alternative route to such advice (W.F. Forbes & Rosenbloom, 1977). Accounts of liminality in consultancy (Czarniawska & Mazza, 2003; Sturdy et al., 2006) can be read as echoes of induced deinstitutionalization, as the way directors influence institutionalization of logics of corporate governance (e.g., Lok, 2010; Nordberg & McNulty, 2013; Westphal & Zajac, 1998), not least within the Anglo-American tradition of unitary boards, to which we turn next.

### 2.3. Boards, roles, and liminality

The concept of liminality has been used only sparingly to describe the work of boards. One exception is McInerney-Lacombe, Bilimoria, and Salipante (2008), who discussed the liminal position of women directors joining corporate boards. However, the concept of liminality can be applied more widely and, as we argue, to directors in general.

According to securities law, directors are insiders. They possess valuable, nonpublic information about the company. In many countries, directors bear personal, unlimited liability for the company's actions, subject to proviso of the "business judgment rule," initiated in Delaware and copied less or more formally in many other jurisdictions. In addition, directors share collective liability irrespective of whether they are also employees of the company (executive directors) or serve only as directors (nonexecutive directors).

Nonexecutive directors (called "outside" directors in the US usage) are responsible for the business but are not *in* it. They rarely spend more than a few days a month working in these capacities, making them, in effect, outside-insiders. Executive directors (or "inside" directors) are asked upon joining boards to set aside internal allegiances and act in the best interests of the company. In so doing, they make themselves inside-outsiders. In the boardroom, even the chief executive officer is expected to act as a director first.

This discussion suggests that we can consider boardrooms as liminal spaces. Directors include insiders and outsiders who enter the boardroom (a sacred space), set aside hierarchy and become equals (antistructure), and work together toward shared goals (*communitas*). Moreover, their roles are often viewed as deeply ambiguous.

An early study of boards (Zahra & Pearce, 1989) identified three roles performed by directors—service, strategy, and control—though the subsequent literature has tended to subsume strategy under service. The service function views directors as doing their best for the company, with links to stewardship theory (Davis et al., 1997). They provide insights from their business and other experience and, in particular in the case of nonexecutives, act as boundary spanners (Geletkanycz & Hambrick, 1997), providing the company with special access to valuable and scarce resources (cf. Barney, 1991) outside the company's direct control. These directors are meant to see external developments with a different view to those involved in the day-to-day business. In contrast, control involves the board in monitoring management and holding them to account to address the principal-agent problem at the heart of agency theory (Eisenhardt, 1989).

Hillman and Dalziel (2003) viewed the combination of monitoring of management (the control function) and resource provision (the service function) as creating board capital, which then enhances firm performance. The two functions involve potentially conflicting identities and role ambiguity, which if well balanced can help them cope with complex situations (Hillman et al., 2008). These observations support the difficult relationship posited by D. P. Forbes and Milliken (1999) between cognitive conflict in the boardroom and board cohesiveness.

Role ambiguity, the inside–outside dilemma, the (temporary) suspension of hierarchy, the collective effort and responsibility, and the ritualistic nature of board activities in a sacred space point toward a view of board meetings as liminal occasions. However, corporate malfeasance has created strains in the balancing act of board between their service and control functions.

That strain became evident in the early 1990s with the promulgation of the Cadbury Code (1992), a set of standards much emulated around the world (Aguilera & Cuervo-Cazurra, 2009). As Nordberg and McNulty (2013) documented, it imposed structure on the previously largely unstructured work of the UK boards. It was followed in the early 2000s with demands for greater board independence in the wake of the failures of Enron and many other corporations. This pressure—from law, regulation, and institutionalization of "best" practice in codes of conduct—asserts hierarchy, prioritizes boardroom challenge, and emphasizes cognitive conflict over board cohesiveness (D. P. Forbes & Milliken, 1999). In creating accountability, a central purpose of the code, it emphasized the need for board monitoring and control, making manifest in board practice what Power (1997, 2000) has called the "audit society."

What occurs, then, when circumstances—market conditions of corporate excess and institutional response through regulation—push against the liminality of the board and create pressures for greater sub- or super-liminal positioning of the actors? What gives way: service or control, monitoring of management or resource provision? To answer these questions, we need to consider first what is involved and at risk in the service role of boards. Let us look briefly at the roles that boards play in strategy and strategizing.

### 2.4. Strategy in the work of directors

Boards may be formally responsible for all aspects of the corporation, but research into boardroom strategy making suggests a rather limited role. In an early qualitative study of the work of UK nonexecutive directors, McNulty and Pettigrew (1996) found that these directors contributed mainly through persuasion and coalition building, while the chair used assertiveness to influence corporate direction. Contrary to other accounts of boards merely "rubber stamping" the strategy decisions of the executives, their follow-up study (McNulty & Pettigrew, 1999) found that these part-time board members not only formally made strategic decisions but also shaped those decisions and shaped the content, context and conduct of strategy formulation. Similarly, Stiles (2001) found that while boards may occasionally rubber stamp senior managers' plans, such minimalist approaches were rare. Boards provided both a gatekeeping function to maintain the quality of strategic decisions and help instill confidence among the executives. In reflecting on her longitudinal study of UK boards, Pye (2002) also saw strategizing as a process led by the executives, except in times of crisisShe also found, however, that directors saw their roles increasingly as identifying strategic focus in ways that were responsive to shareholder concerns.

These studies pre-date the collapses of Enron, WorldCom, and a host of other companies in the US, Europe, and Asia during the shakeout in the early 2000s, and those following the global banking and financial crisis of 2007–2009 and ensuing corporate governance reforms. More recently, however, in a qualitative study of boards of eight US companies, Bailey and Peck (2013) found that procedural rationality in strategy setting was associated with shared mental models, balanced power between the outside directors, and CEO and board leadership. Their study suggest that

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those boards had found a balance between monitoring and control, while boards that engaged in “political behavior” had not.

In a sweeping review of the literature on boards and strategy, Pugliese et al. (2009, p. 292) observed that “the emphasis on board independence and control may hinder the board contribution to the strategic decision making.” They called for greater attention to institutional and context-specific approach to study how boards contribute to strategy. Against this background, we turn to alternative and, in certain ways, complementary approaches to strategy research—process and strategy-as-practice—before applying it to the context of boards and strategy.

### 2.5. Strategy process and practice

A counterpoint to the strategic planning of the 1960s, the strategy process literature traces its roots to the work of Mintzberg (1973, 1987), Pettigrew (1987), Burgelman (1988), and others who viewed strategy as contextual and dynamic. Processes involve more than sequential stops on the way to a defined outcome. Instead of rationalist waves of formulation, implementation, and control, this view strategy unfolds and develops in its enactment, a process of becoming. Pettigrew (2012) associated the duality of context and action in strategy with structuration in Giddens (1979). It is related to what Chia and Holt (2009) called “strategy without design.” This literature sees strategy emerging from iterated contestation and revision, not as a plan; strategy is an evolving process, occurring over time.

An extension comes in the literature of strategy-as-practice (S-a-P), a microlevel approach that has gained impetus in recent years (Johnson, Langley, Melin, & Whittington, 2007), building on the process approach but drilling down into the work of managers and their strategizing (Whittington, 1996). Some studies focus on the concrete activities such as strategy workshops and projects and how these activities inform and develop practitioner thinking about corporate direction (Whittington, Molloy, Mayer, & Smith, 2006). Rouleau (2013) discussed how the field has developed five distinct perspectives, involving practice as management action, as a set of tools, as knowledge, as organizational resources, and as a global discourse. S-a-P moves away from the premise that strategy is something that an organization *has* to the things people *do*.

The liminal nature of strategy workshops and similar activities has attracted attention in the strategy-as-practice literature. Workshops, away-days, and similar activities are spatially and temporally disconnected from day-to-day work (Hodgkinson, Whittington, Johnson, & Schwarz, 2006; Hydle, 2015).

Such activities also invoke different meaning systems. Whittington et al. (2006) described how participants engage in creation of symbolic artifacts. Heracleous and Jacobs (2008) showed how those involved in strategizing use embodied metaphor, with its implicit repetition and thus ritualistic nature that is nonetheless outside the routine. Such artifacts and symbolic devices contribute to the specialness of the practices, setting the stage for a departure from normal work arrangements. Lombardo and Kvålshaugen (2014) suggested that creativity is enhanced by practices that shatter constraints, often enacted when actors are outside conventional settings.

Drawing directly on the literature of liminality in anthropology, Johnson, Prashantham, Floyd, and Bourque (2010) showed how removal to a different space and the use of liturgy and specialists enhanced the effectiveness of the sessions. These elements helped establish *communitas*, while the endorsement of the lead manager of the legitimacy of the specialists encouraged antistructure (Turner, 1977). While high degrees of each of removal, use of liturgy and specialists, and antistructure did not correspond directly with success of the sessions, all three seemed to contribute to effectiveness.

Many of these studies have illuminated the roles of less senior employees shaping what Mintzberg (1987) termed realized strategy, as the suspension of hierarchy gives them license to break with norms. Our study extends upward by considering board-level strategizing, where the creative work of strategizing is connected to the controlling side of corporate policy, adding a layer of complexity to the purpose of the practices. Moreover, board-level strategizing is a difficult field of study owing to the confidentiality board proceedings and the reluctance of gatekeepers to grant access.

The research was conducted at a time of considerable change in the institutional environment through interviews with 20 directors across a range of different types of organizations in the British Channel Islands. Being known as offshore financial centers and less generously as tax havens, the islands' economies are dominated by banking and asset management services. Boards in the islands, as elsewhere in the world, face a stricter regulatory environment in the aftermath of the financial crisis, particularly for firms engaged in financial services. These organizations also sense growing international political and social pressure for compliance, particularly in view of allegations about tax avoidance and money laundering. As we will discuss, the directors interviewed felt a strong need to improve the performance of their businesses and therefore to reassess strategy during straitened economic times.

## 3. Methods

The study was conducted along these lines: field research was performed by one of the authors, a person involved in the financial services industry and working as a company secretary to boards of subsidiary firms in the sector. The company secretary is traditionally a compliance-oriented role, but the role involves growing attention to strategy in its position as an internal adviser to boards and particularly to the chair (McNulty & Stewart, 2015).

Company secretaries in British firms play a similar role to corporate secretaries in US companies. UK company secretaries are less likely to act as general counsel, however. As British practice emphasizes the need for an independent chair, they are also less likely to be beholden to the CEO than a US corporate secretary might be. A professional acquaintance of this researcher facilitated initial access to directors. In addition, the secretary of an association of nonexecutive directors provided assistance.

The first round of interviews led to snowball sampling to identify further individuals across different organizational forms. Then, the researchers used purposive sampling to identify interview subjects that would round out the range of roles and types of firms.

The sample involved two companies in consumer services, six in fund managers, seven owner-managed firms, two partnerships, and three subsidiaries of major corporations headquartered in other jurisdictions. Of the 20 interviewees, 12 worked in highly regulated industries, mainly in financial services, eight in less regulated ones. The dissimilarity constrains the generalizability of the findings but helps in an interpretive study to ensure validity in identifying the future research agenda.

Semistructured interviews led respondents from the description of their businesses and boards toward how the firms conducted strategy discussions. The interviews were all transcribed and analyzed for themes that emerged from the literature (e.g., from McNulty & Pettigrew, 1999; Stiles, 2001), including strategy processes, the boards' role in shaping strategy and approving strategy, before considering practices in use, particularly the social setting of strategy discussions. Two main sets of categorization developed from the analysis. The first, following the depiction of board roles in

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Zahra and Pearce (1989), looked for control activities, resource provision, and strategizing. This theory-led approach arose from our interest in strategy processes and practices, motivating this return to a tripartite view of the work of directors and separating the input of resources from the activities of strategizing (see Table 1, in the Findings section, below).

The second set of categories arose from the data, assessing the elements of practice and process, based on location, time, structure, and stated purpose. During data analysis, types and settings of activities suggested a second level of categorization involving clusters of formal and informal sessions (see Table 3). The analysis showed strategizing present in both types and in particular valorized in the latter, while monitoring dominated discussion of the former, occasionally demonized. Resource provision appeared in both. This thematic analysis heightened our interest in informal settings, pointing us to pay closer attention to theoretical insights from the liminality literature and institutional theory concerning the structuration of board activities in a climate of stronger regulative scrutiny of boards and leading to a further iteration of the literature review.

## 4. Findings

Drawing on Pettigrew's context-process-content model approach (see Pettigrew & Whipp, 1991), we briefly consider the changing circumstances surrounding boards' strategy work, the scope, process, and substance of the work. We then explore at the practice level how the work was conducted.

### *4.1. Context of board's strategy work*

The directors in our study work in a changing institutional context for regulation, corporate governance standards, and understandings of the roles of boards. After the UK first articulated director duties in a major restatement of company law (UK Parliament, 2006), the Channel Island governments adopted roughly parallel changes just before the onset of the financial crisis. The banking crisis in 2007–2009 led to further changes focused on

**Table 1**
Scope of board's role in strategy.

| | Comments | Strategy formation | Resource provision | Monitoring and control |
|---|---|---|---|---|
| **B** *(Owner-Managed)* | The topco which is the strategy setter, direction, ideas, blue sky<br>Active challenge and debate. Not there to set strategy—there to make us think differently. (Executive Director – ED) *(ED)* | ✓ | | ✓ |
| **T** *(Owner-Managed)* | Freedom within boundaries; providing the resources, provide leadership, guidance—big picture decisions. (Nonexecutive director – *NED) (NED)* | ✓ | | ✓ |
| **N** *(Owner-Managed)* | Acting as advice and counsel and sounding board, give direction, guidance, challenge, and support. Then to know what they need from us in terms of getting that to happen. *(ED) (ED)* | ✓ | ✓ | ✓ |
| **D1** *(Partnership)* | We give the executive board our views on direction and strategy and they go off and they do it. The executive board is heavily involved in strategy but of course direction is given by the partners.<br>Strategy ultimately decided by the board, but partners feed into it. *(ED) (ED)* | ✓ | | ✓ |
| **A** *(Partnership)* | Very consultative; active debate and challenge in regard to strategic matters; very involved and collaborative process. *(ED) (ED)* | ✓ | | |
| **H** *(Partnership)* | Discussed and debated at ManCom and when we got ourselves happy with it was then put to the Partnership. Let's really focus on the future we've invested lots, we've spent a lot of money lets really start investing in the future. *(ED) (ED)* | ✓ | ✓ | |
| **L** *(Consumer services)* | This would be [the shareholder] leading the board if I'm honest because as an active shareholder we have a view and that's the view we want the board and company to follow. What do we want to spend our money on or cease spending on. *(NED) (NED)* | ✓ | ✓ | ✓ |
| **C** *(Owner-Managed)* | These are real boards. It's a live discussion. The beginning to end stuff. Total. So, the board absolutely is the strategic lead for the business. It's owner-managed, so every incentive to lead the strategy, to develop it, et cetera. *(ED) (ED)* | ✓ | | |
| **I** *(Fund)* | The board is prime in terms of running the company. Very active for a nonexecutive board. In a fund you are there to protect the interests of shareholders essentially. *(NED) (NED)* | ✓ | | ✓ |
| **P** *(Fund)* | If strategy is required, the board and full board gets involved. So all the strategy activity and all the ground work is done at that top-level board. Looking after the investors the shareholders. *(NED) (NED)* | ✓ | | ✓ |
| **M** *(Owner-Managed)* | Greater focus on the direction aspect rather than just the control. Challenge strategic formulation. *(NED) (NED)* | ✓ | | |
| **F** *(Fund)* | Business strategy is undoubtedly decided by the board. We decided we needed to get bigger, hence we did the amalgamation.<br>We've decided—this is a board decision—that we will get the authority from the shareholder to raise more capital. *(NED) (NED)* | ✓ | | ✓ |
| **J** *(Subsidiary)* | The senior management and executives will formulate strategy and present it to the board as proposals. So the executive directors are coming to the board with already preplanned ideas about the strategic direction of the company. So the nonexecs, there is not necessarily to rubber stamp it, but it's to consider it, challenge it, test it, and, if necessary, agree it.<br>As a NED it's not my role to roll my sleeves up and get into the nitty-gritty of formulating the strategy. *(NED) (NED)* | | | ✓ |
| **R** *(Subsidiary)* | We don't set strategy but the board must approve strategy. *(ED) (ED)* | | | ✓ |
| **G** *(Consumer services)* | Completely leading, directing—directing the team, bringing the execs to account. *(ED) (ED)* | ✓ | | ✓ |
| **E** *(Fund)* | Represent the shareholders and hold the manager to account, make sure manager is doing what they've said they'll do.<br>Being a good steward by bringing knowledge and experience. *(NED) (NED)* | | ✓ | ✓ |

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financial regulation, with many changes in the UK followed, with some variations, by the islands' regulators. Changes to the legal framework led directors to reflect on both their fiduciary duties and the effects of the financial crisis on their firms and strategies, and to do so in a climate of strong enforcement actions against financial firms in some jurisdictions and heightened scrutiny of presumed tax havens.

The interviews were semistructured seeking to identify processes and practices in use, but participants were allowed and even encouraged to explore other concerns, in particular in relationship to the changing context. In this section, we first focus on ideas about processes and content, then more granular practices, before interpreting these accounts against the strategy literature.

### 4.2. Board strategic processes and content

All the interviewees described how they had been involved in strategic activities performed by either their statutory board or a formalized committee of the board or partnership. Responses related to this strategic role were articulated quite differently. Labels attributed to the role describing the process included “collaborative” or “consultative.”

**Scope of board's role in strategy formation.** Participants described the role of their boards in strategy (1) as acting as catalysts for strategic thinking and activity and participating in the entire process (“strategy formation”), (2) as mainly confirming strategic direction and facilitating implementation (“resource provision”), or (3) to acting in a narrow oversight and monitoring capacity (“control”). A summary of comments showing how they invoke strategic input, resource provision, and control perspectives is given in Table 1. These categories conform broadly to the tripartite view of boards in Zahra and Pearce (1989), where the more active role of “strategy formation” shows a qualitative different relationship from the more limited service function of advice and facilitation we categorize under resource provision.

**Active or passive participation.** Several participants indicated that the strategic role of the board has developed from perhaps what once may have been considered a more passive role to what is now a more active and engaged role. Four participants—all nonexecutives—spontaneously raised the concept of “rubber stamping” but emphasized that boards no longer act in this manner. One participant was particularly emphatic in articulating his view that boards were now alert to strategic issues, when boards may not have been in the past. Table 2 outlines examples of comments concerning the active/passive concept.

**Content of strategy formation.** In our study, strategy formation was not assessed against any preconceived notion but on the constructions of those involved. Participants discussed a variety of board activities, which, in their minds, represented strategic work. These ranged from what might be considered typical processes of strategic activity, such as the annual planning process, to more implicit strategic activities such as structured communication and networking activities or interactions with key stakeholders.

> All about connections all the time all about networking but that is key strategic activity for my business – it is about the dialogue that you have and the relationships that you develop. (ED, Source M, Owner-managed)

Many of the directors identified succession planning as a key strategic activity; however, there were differences in approach as to whether this activity was performed by the board or within some other forum. While most directors considered succession planning at the full board, three indicated that this activity was undertaken by another group such as management or partners, and another three stated succession planning discussions were not held within a formally constituted board meeting.

### 4.3. Board strategic practices

Participants described a variety of activities undertaken and forums used by their respective boards in relation to strategic matters. These practice-level insights led to a second-level categorization, in which practices clustered in two types: “formal” and “informal.” The formal type relates to practices undertaken within the forum of a duly constituted board or board committee meeting, while the informal type represents practices undertaken by boards or directors outside this forum. The various practices and activities articulated by participants as constituting board strategic activity are summarized and categorized, according to these emergent constructs (see Table 3).

A recurrent theme is the use of informal practices by boards in undertaking strategizing as evidenced by the data. All but one of the participants referenced some type of practice they considered to be strategizing and we categorize as informal. Those activities relate not only to the more traditional aspects of strategy development but are also those identified by participants as allowing them to discharge their strategic responsibilities. While informal practices are prominent within the data, these practices do not preclude other, more formalized practices; they are, rather, interlocked and complementary.

> “Strategy is best considered away from the formal board meeting – if you have an agenda to go through you are constrained in time – you take it away from the formal board meeting …. you don't want strategic discussions to be constrained by time – you let people say what they want to say.” (NED, Source P, Fund)

> “You've got to be a participant in something in order to be a successful analyst of it. If you're purely an observer I don't think

**Table 2**
Board's stance towards strategy process.

| Source | Comment |
|---|---|
| **M** *(Owner-managed)* | I think the role of the board is changing quite dramatically—I think it is changing from being one that was administrative, operational to there being a much greater focus on the direction aspect rather than just the control. (*NED*) |
| **I** *(Fund)* | Pretty active I would say … yes very active for a nonexecutive—and I don't really think that we are particularly nonexecutive on this particular fund. *(NED)* |
| **E** *(Fund)* | Getting more active—little less passivity. *(NED)* |
| **J** *(Subsidiary)* | So the nonexecs, there is not necessarily to rubber stamp it, but it's to consider it, challenge it, test it, and, if necessary, agree it. *(NED)* |
| **P** *(Fund)* | There are very few boards where I'm involved that it is rubber stamping exercise—if strategy is required the board and full board gets involved. *(NED)* |

**Table 3**
Formal and informal settings.

| Formal | Informal |
|---|---|
| Quarterly board meetings | "Strategy away day," "planning day," "blue sky day" |
| Ad-hoc board meetings | Brainstorming session |
| Formal executive committee or similar | Conference |
| Time on the agenda | Dinner/lunch/coffee |
| | Business Development Forum |
| | Morning prayers |
| | Monthly meetings with management |
| | Staff monthly/quarterly meetings |
| | Training |
| | Meetings with key stakeholders |
| | Phone calls/emails |
| | Site visits |
| | Networking |

you'll ever get the feel. You could say if you're a non-exec and only operate in the boardroom you should have nothing to do with strategy whatsoever … because you're not involved with the company." (NED, Source S, Fund)

Several respondents expressed concern that the agendas of formal board meetings were concerned with regulatory and risk considerations, crowding strategy off the agenda. That suggests important matters about the future direction of the firm are shunted off, leading directors to focus more on—and value more highly—the informal settings of the board (see Table 4).

**The strategy away day.** The use of time removed from the office to focus on key matters, including strategy, is a prevalent activity. Most participants described strategizing as involving some type of time away from the office, outside the formal process of board meetings. The labels used for these particular strategic episodes include: planning day; blue-sky day; and conference. Of those boards that hold strategy "away days," the frequency was generally once per annum, although some hold several away days per year. When discussing these practices, most participants construed such strategic episodes as positive. However, only a few directors provided a negative response, and they were concerned about the utility of the exercise, not the principle (Table 5).

**Other informal practices.** In some ways, more remarkable was how participants valorized practices in setting even less formal than away-days, for example, social events and interpersonal communications. They considered them as opportunities to discuss and explore strategic issues (see Table 6). Some participants mentioned attendance at conferences, for example, when the directors might convene on the fringe to discuss what they had learned and how it might influence board decisions. Others valued informal discussions over dinner are then supplemented by further discussions, if required, in the boardroom. Discussions held in these informal environments were referenced as providing a less structured, and thereby more conducive, forum for free-flowing and open discussion. In line with the S-a-P approach, a number of microactivities undertaken by boards and directors were construed by participants as constituting strategic practices. These microactivities have been categorized as informal. Similar to the observations of Chia and MacKay (2007, p. 222), these activities are oriented toward "work, talk, activities and competencies" of those that do strategy practice, in this study boards.

All but one participant referred to some form of communication as an element of their strategic practices. This included either communication with staff within the organization or to broader stakeholder groups including clients and shareholders. Ad-hoc discussions between board members were also recognized as representing a communication practice that is adopted by boards when strategic matters may need to be discussed.

"So it's simple, I'll just walk around the corner. It's nice to have everybody in one space."(ED, Source Q, Owner-managed)

**Table 4**
Concerns about formal meetings.

| Source | Comment |
|---|---|
| **J** *(Subsidiary)* | It's something I raised on the board with the chairman—we spend too much time talking about regulatory issues and not about strategy. It's bonkers and I actually asked for a meeting on its own without any GFSC [Guernsey Financial Services Commission] stuff, any regulatory stuff—just to talk about where is the company going?<br>I think that's for me the biggest stumbling block to strategy development is the regulatory stuff. It's being able to put one to one side to be able to develop the other. *(NED)* |
| **K** *(Owner-managed)* | The great problem with meetings is that you spend all your time getting tired doing the boring tedious stuff. *(NED)* |
| **E** *(Fund)* | What we've found happens and happened a couple of times this year where we have had meetings where there have been specific compliance and regulatory issues that had to be dealt with … and then strategy related to it gets pushed off due to time constraints. *(NED)* |
| **O** *(Subsidiary)* | Probably like a lot of other boards these days where it's dominated by compliance and regulatory type stuff … which then leads into procedural compliance type stuff. Absolutely yeah, it's the wrong stuff. *(ED)* |
| **S** *(Fund)* | Well, worse happens at some board meetings, the board meetings are the same length and the corporate governance has taken over the agenda. *(NED)* |
| **R** *(Subsidiary)* | I suppose we do struggle a bit, the board tend to focus on governance, risk, operational things. I know the regulator comes along and says, the GFSC oh you shouldn't—the board shouldn't do that and we don't want board packs stuffed with regulatory stuff. Then they issue—everything must be approved by the board. So it's a kind of a contradiction. *(ED)* |
| **F** *(Fund)* | But what with all the regulation at the moment and corporate governance and then going through the portfolio, they are normally four to five hours probably longer. *(NED)* |

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**Table 5**
Positive and negative views on strategy away-days.

| Positive | Negative (these comments are exhaustive of the negatives in these interviews) |
|---|---|
| There's always an away day and we do our very best to hold it at a different location ***so that the location helps inform the decisions***. So we tend to remember the decisions that were made in a particular location. *(NED, Company T, Owner-managed)* | We have again, like all good textbooks, we have done them. Have we found them particularly useful? No, I don't think so. *(ED, Company C, Owner-managed)* |
| I mean strategy days are like a religious retreat—you've got a chance to put down the management accounts, put down the day to day pressures and think about the life of your business. ***They're brilliant***. I think they're really excellent and I wholly recommend them. The nature of critical, intuitive, creative, perceptive thought is it doesn't come so readily in a structured environment and you've got to let people go. *(Company S, NED, Fund)* | I don't think it was worth the money. There was no reason to go to a golf course in Ireland. It was a pain in the arse getting anywhere from Guernsey, changing plane and all that sort of thing. So I think the trade-off of having a good dinner is probably …. *(NED, Company F, Fund)* |
| We go for an off-site for an afternoon before—and the next day have the board. So that's been quite useful yeah exactly. *(ED, Company R, Subsidiary)* | No, I've been on those before and I would seriously question the value of them. *(ED, Company Q, Owner-managed)* |
| Way we do that—we have blue sky day. We go away next week, at least once a year maybe twice a year. It's great we love it. ***Get things done***, think about direction, look at the numbers—what is being done well, what is being done badly. *(NED, Company B, Owner-managed)* | |
| We also have 2 strategy days a year, specifically to focus on strategy. I love that we can walk around, because our boardroom's got no windows so it's a bit grim. So I try not to use that. Gosh yes, ***they love it so much***, they want to do it every time. Now they're having lots and then they realize actually this is so important. Yes, but they really get into it. *(ED, Company G, Consumer services)* | |
| Last week, had our 86th planning meeting. We do roughly three a year. We had it quarterly when we started and we've now moved to 3 a year. That's almost 30 years of planning meetings. *(NED, Company T, Owner-managed)* | |
| We think it's really important to get together as much as possible, ***it's amazing how much a personal relationship will ensure a decision*** is made and having a robust conversation with somebody you like much better than you can with somebody you don't like *(ED, Company H, Partnership)* | |

> "Okay, so we have an AGM every year and that is when we, warts and all, communicate the – well I say warts and all, we're completely honest with the staff in terms of our strategy and I think that's why it works." (ED, Source A, Partnership)

All participants referenced some type of additional work that is required of them between board meetings as board strategizing. They highlighted emails, telephone calls, site visits, training, or face-to-face meetings with management or other key groups.

These observations show formal board meetings dominated by compliance-related tasks, while strategizing comes more to the fore in semiformal away days and the informal use of dinners, social gatherings, and ad hoc communications. Importantly, however, participants were discussing general board activities, not responses to crises, when compliance with fiduciary duties and strategic concerns fuse. But the sense of frustration evident in some of the comments suggests that the formal board agenda is skewed toward the routine and necessary, rather than the exciting and creative.

The formality of the boardroom suggests, therefore, a structured way of proceeding in the ascendance, with directors seeking out different practices to exercise their imaginations about the business. It also suggests that some directors feel their boards are "attached" to the business, in part through engaging in both formal and informal practices where they strategize and engage in resource provision, while others see their boards as only "semi-attached," concerned mainly with control tasks and only passively involved in the business.

### 4.4. Strategy as liminal work of boards

The picture this study paints of the work of these boards resonates with a conceptualization of the board as a liminal space. Evaluating strategy away days in a general business context, rather than the board's role in strategy, Johnson et al. (2010) concluded such workshops create liminality. The hierarchy of the organization is put to the side and the ambiguity of the situation creates a sense of *communitas* and *antistructure* (Turner, 1977). At the end of strategy workshops for employees, participants re-enter the business and the hierarchy and the old hierarchy apply though not perhaps the old rules concerning practices and direction. Liminal spaces are used to effect change.

Such strategy workshops are often facilitated by outside consultants whose presence helps to dismantle the hierarchy, putting the elders in the position of peers to the experienced "old hands" and new recruits alike. Consultants themselves occupy a liminal space on a semipermanent basis, as Czarniawska and Mazza (2003) observed, creating temporary uncertainty for the benefit of the client and creating more permanent uncertainty for the benefit of their own business relationship with the client (Czarniawska, 2013). They achieve this state by structuring the seemingly unstructured liminal space, making use of informal and formal sessions to create ambiguity and anxiety (Sturdy et al., 2006).

Our study suggests that boards of directors also inhabit liminal spaces, though with a twist. In their roles as boundary spanners and for their roles in strategy formation and resource provision, nonexecutive directors are often seen as semipermanent consultants, while their control functions exert more formal responsibility and hierarchy. What the directors in our study seem to be saying is that a board dominated by control and compliance, what we have called a semiattached board, relies more on formal structure, compliance and agendas, while the attached board also finds way to set structures and formalities aside for more creative conversations. This suggests suspension of an institutional logic focused on compliance and imposed through successive regulatory interventions, in favor of a market-oriented logic of value creation.

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**Table 6**
Informal settings valorized.

| Source | Comment |
|---|---|
| J *(Subsidiary)* | I've got one coming actually for another company where the chairman wants to position something with the investment manager. He says right, I want you to have a one to one because they trust you. (ED) |
| E *(Fund)* | In terms of explicit strategy we tend to have board dinners—that will be the board only—idea we have a forum in which we can speak freely—and definitely strategic discussions happen within that forum.<br>boards meet for coffee chat—in between cycle—we'll meet to discuss things.<br>It needs to have a forum something in the middle—might just be a bitchy coffee but better to have a bitchy coffee and get things out in the open before the meeting—board meeting is not the forum for that. (NED) |
| M *(Owner/M)* | They are important part of the soft aspects of how a board operates and you have to strike a good balance between boards being social in the sense that they can get on with each other. (NED) |
| F *(Fund)* | We normally have a dinner beforehand, which has been very useful to chat through topics so we don't waste time in the meeting.<br>No, normally that's done over dinner. Somebody comes up with an idea, then we thrash it out, then we say let's explore this in a board meeting.<br>We probably do more at the dinner than we do in the board.<br>Well it started with a lunch at Nautique with the chairman of the other company. (NED) |
| S *(Fund)* | Now we get 50% of the equity of that company around a table every year at lunch. (NED) |
| P *(Fund)* | We have a strategic meeting on Sunday evening, so we spent 3–4 h going through strategies over dinner, it was a proper meeting and all the papers were circulated over the weekend, people came in to Guernsey, we met over dinner and had the board meeting the next morning, 8 a.m. on Monday morning.<br>Like a brainstorming session, it was free flowing conversation and what ifs, have you considered this, why not so it was not in a formal environment of a board meeting with a minute taker so one of the people amongst us, one of the board members offered to take some notes. (NED) |
| B (Owner/M) | We have weekly what we call morning prayers of the group board—very informal chat at least once a week. Ad-hoc decision or strategic matter get round a phone and do it. (ED) |
| S (Fund) | I've got companies where I'm a nonexec where we have 2000 emails a year and god knows how many phone conversations. (NED) |
| J (Subsidiary) | But when I got in there I went and met all the people that I felt that I should need to meet, all the heads of the different business lines and get to know them.<br>For this role … you can't do this on the back of a fag packet. You've got to really give your time. (NED) |
| N (Owner/M) | One of the advantages of being in this office is that the whole of board are just located in this corridor. (ED) |
| M (Fund) | I've insisted on monthly investment meetings where we as the board of NEDs are involved so that we have more insight into what they are thinking—we can understand rationale—we can challenge it. (NED) |
| F (Fund) | The other thing I do is I do go two or three times a year to see the investment manager and the broker face to face and discuss things with them. Occasionally I go and see major shareholders. (NED) |
| S (Fund) | It's understanding your peer group. It's understanding your marketplace. It's understanding your customer. It's understanding your economics. It's melding all those into a strategy. But it's actually a series of small decisions that aggregate. (NED) |
| L (Consumer/S) | Everyone on the board will have done lots of site visits and some have done immersive …. training which is quite involved. We often spend a lot of time investing in portfolio tools and dashboards to help us visualize performance and dynamics of all of these sites. (NED) |

However, and surprisingly absent in the data, is the concern that in valorizing less formal settings for their strategy work, these directors may overlook the sorts of dangers that led to the widespread abuses in the major corporate governance scandals. In those cases, value creation became subordinated to managerialism of a strongly self-interested variety. In the semiformal setting of a strategy away day, such discussions may be clear to all and possibly minuted as well. Less formal practice entails a risk to transparency and accountability even as they create the freedom to find novel solutions to business problems. For example, managing succession planning through informal discussions among ad hoc groupings of directors raises the specter of cozy decision-making at odds with what Nordberg and McNulty (2013, p. 365) call the "logic of accountability" in UK corporate governance code and practice.

This study is set in a particular time and place and involves particular actors who despite their diversity provide only a limited view of the range and possibilities of boards. Moreover, the research design depends on recollected past action with its incumbent risk of post hoc reconstructions of events (Golden, 1992), of concern here particularly for the sense drawn about board practices before the financial crisis. But its findings point to a number of tantalizing ideas for further research into what we might call governance-as-practice, with implications for theory and practice, as well as policy.

### 4.5. Theoretical implications

Viewing boards as liminal spaces helps to explain the paradox of the inside-outsider and outside-insiders in unitary boards. It also illuminates why two-tier board structures of the type mandated by law in Germany and common in many other European countries are thought to perform better in control functions, where formality, compliance and hierarchy matter, than in creative, exploratory, and strategic work associated with the service role of boards.

The role ambiguity of directors on unitary boards is often considered one of the strengths of this form and of its weaknesses. The uncomfortable relationship D. P. Forbes and Milliken (1999) saw between cognitive conflict and board cohesion may require flipping between a liminal and what we can think of as a superliminal state, when a hierarchy is asserted with the board on top, in the interests of accountability. Further practice-focused research into both boards and individual directors may help identify how they achieve (or fail to achieve) this balance.

The practice-level activities feed into process steps. Compliance-driven agendas in the new institutional context squeeze out liminality and with it strategizing. The boards we have called attached invented ways around the problem. The new liminal settings for off-agenda discussions contribute to development of strategic responses to the altered market and institutional context.

Our analysis suggests that different practices could lead to similar process outcomes, that is, that away days, dinners, private conversations, and other informal practices could be substitute mechanisms to create the liminality needed to achieve collaborative and creative strategic discussions. Further research can identify whether the detail of process outcomes might differ depending on the type of practices used and whether practitioners draw different meanings from the varieties of practice.

The analysis also raises questions about whether the creativity our directors sought in informal, liminal spaces can be sustained if the practices of strategizing themselves become institutionalized. We see hints of this in the negative comments about away-days, for example, when the ritual is empty of substance. Suspension of hierarchy seems likely to be suppressed the more routinizing the activities become.

This risk is clear in the strategy-as-practice literature, where routine behavior is associated more with strategic planning for predictable environments than reflexivity needed in more dynamic settings (Jarratt & Stiles, 2010). It also resonates with the distinction Turner (1977, p. 132) draws between the "spontaneity and immediacy" of *communitas* and the "jural-political character" of structured social spaces, and with his contention that spontaneity is difficult to sustain because *communitas* soon develops its own norms and structure. In our study at the process level, boards sought a more norm-free space in which to strategize. Formalizing the underlying practices might concentrate power in the hands of those who set the agenda, asserting a hierarchy in a space the directors valued for its antistructure.

### 4.6. Practical implications

How boards organize their activities may also benefit from a better understanding of the liminal nature of board work. Our directors seem to suggest that things were different in the days before the crises in corporate governance and before the resulting changes in law, regulation and codes of conduct skewed the work of boards toward compliance. They also point to experimentation to recreate more liminal settings where the creative side of directing can flourish, freed from the shackles of the agenda, and the structure of committees and procedure.

The "good old days" may not have been so good, of course, but studies to identify what works and does not work could inform the practices of boards. If problems exist in segregating the two types of activities, research might help identify how such tensions can be eased, for example, in the adoption of practices that can in a single meeting or setting flip from the formal to the informal, from structure to the antistructure of liminal spaces.

The people in our sample generally appreciated the freedom that comes in a return to a liminal state for strategy discussions. But as suggested above, there are risks that did not figure greatly in the interviews. Work conducted informally, that is, liminally but in the company's name and under its regulatory regimes, may lead directors to fall short of their fiduciary duties or may open the door to the excessive coziness that decades of corporate governance reform have sought to correct. Practitioners may wish to extend their experimentation to explore unobtrusive ways of capturing the content of such discussions without diluting too much their substance.

Moreover, there is a risk that informality can lead to practices that isolate individuals or exclude them from taking part in group processes. In view of the emphasis in both practice and policy on expanding board diversity, particularly in gender (Adams & Ferreira, 2009; Chen, Eshleman, & Soileau, 2016) and critical mass studies of boards (e.g., Torchia, Calabrò, & Huse, 2011), further research into informal settings for strategizing might consider both how isolated individuals cope with a shift to liminality and how practices in liminal spaces can be shaped to be inclusive.

### 4.7. Policy directions

There is a risk, as Pugliese et al. (2009) observed, that best practices, board independence and control may get in the way of boards making a strategic contribution. The structures imposed by the Cadbury Code and subsequent formulations on British practice, and in other countries that followed its prescriptions, have no doubt heightened awareness of the role boards can play in challenging the hegemony of senior management and the chief executive officer. But Cadbury and all the subsequent authors of the code repeatedly warned that these measures were not enough if a unitary board were to fulfill its promise (Nordberg & McNulty, 2013). The UK Corporate Governance Code now holds that half the directors should be independent nonexecutives, but it still urges boards to have a range of executive directors to offer deeper discussions of direction and purpose.

In this regard, practice in the US has diverged from that in the UK. Many US listed companies have only the CEO and chief financial officer on the board, with all the rest outsiders. Others now have only the CEO as an executive member. This may give the appearance of compliance with the best practice; but it also creates the situation where the CEO can more easily exploit information asymmetries to control the boardroom, dominate the agenda setting, and stifle debate (Joseph, Ocasio, & McDonnell, 2014). Seeing boards in a liminal space may remind policymakers of the benefits of encouraging board discretion rather than managerial discretion (cf. Finkelstein, Hambrick, & Cannella, 2009), but also to be aware that inadvertently encouraging informal practices may open the way to undocumented processes reached by quiet coalitions rather than the board.

## 5. Conclusions

By viewing boards as existing in a state of a permanent rite of passage, this study has, first, illuminated informal practices that draw upon liminality to release creativity into the strategy work of boards. Second, directors valorize such practices because they deinstitutionalize formal processes associated with the control function, which they see as having grown in the wake of waves of crises and corporate governance and governance reform. Third, these indications of changes in practice point to the need for research in theories of corporate governance and the work of boards, with implications and public policy.

Directors, and especially the nonexecutives, see their role not just as bringing outside perspectives into the firm, but also as unsettling the hierarchies inside it, and, at least temporarily opening the rules of the game to question. Such de-institutionalization of the boardroom can be used as a vehicle for change, even absent a precipitating jolt from outside (Greenwood et al., 2002).

Boards can be places similar in their "lowliness and sacredness, of homogeneity and comradeship" to the initiation rites Turner (1977, p. 96) observed. They are the meeting place of inside-outsiders and outside-insiders who share insights and collective responsibility and hold each other to account, creating a sense of fellow-feeling in Turner's word *communitas*. Structure and antistructure coexist in boards that seem to function well or at least in those where directors seem to think they do. Directors and policymakers seem to want boards to be the sort of "dangerous space" where creativity can emerge (Kennedy & Fiss, 2013, p. 1147) and risks are taken, and where creativity is monitored and risks controlled.

Seeing boards as operating in liminal ways may encourage academics, practitioners, and policymakers alike to look beyond the formalities of board structures, procedures, and agendas. It reminds us to consider what happens in less formal settings, where the emphasis may fall less on value protection and more on value creation.

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