Director Tenure and Contribution to Board Task Performance: A Time and Contingency Perspective

Abstract

Director tenure is a topic of great interest in the corporate governance debate. Researchers try to assess the effects of tenure on director contribution, board effectiveness and firm performance. Regulators, corporations, and institutional investors advocate for term limits for outside directors to reduce the risks of impaired governance. Despite the burgeoning interest, there is lack of consensus on the mechanisms shaping directors' contributions over time. We argue that next to the 'loss of independence' and 'knowledge acquisition' hypotheses, respectively predicting a negative and positive effect of tenure on task performance, socio-cognitive and behavioral approaches elucidate the way in directors' contributions rise and decline with time. Using a multiple case study approach, we document wide variability in directors' contributions at similar levels of tenure. We find this is due to a series of contingencies including whether directors are novice or experienced, the frequency and nature of board interactions, and the relative power of a director. This variability is particularly clear in longer serving directors for whom we find polarizing results: while some grow stale in the saddle, others sustain high levels of contribution despite extreme tenures. The latter finding is at odds with agency-based assumptions and general predictions from the literature. Overall, our study offers a tentative explanation as to why setting an 'ideal' tenure for outside directors has proven so difficult and encourages boards and policy makers to consider the influence of director-level features as well as board dynamics in shaping directors' contributions.

Keywords: Director tenure, director task performance, corporate governance, qualitative research, board processes

Paper type – Research paper

Introduction

A large body of corporate governance research strives to identify which attributes and characteristics of outside directors enable or hinder board task performance (Johnson et al., 2013). Recent developments in the field acknowledge that directors' contributions to task performance changes both with levels of human and social capital (Hillman and Dalziel, 2003) as well as over time; and as such, tenure (e.g., the amount of time serving on a board) is likely to impact contributions to board effectiveness (Mooney et al., 2021). One stream of such research emphasizes the relational aspects of increased tenure, arguing that the social bonding unfolding over time between outside directors and top management can jeopardise director independence and impair monitoring efforts (Hwang and Kim, 2009; Minichilli et al., 2009). This perception has influenced a regulatory debate on whether a tenure-limit should apply to outside directors (Huang and Hilary, 2018). Investors and shareholders lobby groups have raised similar concerns with increasing director tenures (Brown et al., 2017; Hillman et al., 2011). The International Shareholder Services (ISS) considers board tenures of more than 9 years to be excessive (ISS, 2015), while the Australian Shareholder Association argues that "*after 12 years [on a board], you've been drinking the same Kool-Aid as the executives for a long period of time*" (Mitchell, 2015). Fuelled by this debate, many corporations have voluntarily introduced tenure limits along with mandatory retirement ages for outside directors (Hoang et al., 2016). Interestingly, and despite growing research along with heightened attention from practice, there is limited consensus on the effects of long-tenured directors on governance quality.

An alternative view to the former highlights the benefits associated with tenure; time enables directors to acquire valuable firm and industry knowledge enhancing directors' capacity to contribute to task performance (Bonini et al., 2021; Brown et al., 2017; Kor and Sundaramurthy, 2009). However, whether these 'knowledge gains' offset any costs induced through reduced independence remains a contentious issue in the governance debate. Conflicting empirical findings mirrors these two opposing views: it takes time for outside directors to develop the knowledge required to contribute meaningfully, yet *too much time* on a board may harm director independence. When combined, these dual perspectives suggest a non-linear relationship and a trade-off point whereby the value of outside directors' contributions begin to decline (Huang and Hilary, 2018; Veltrop et al., 2015). Although numerous attempts have been made to pinpoint an 'optimal' tenure that can balance these two countervailing forces, no consensus has emerged (Johnson et al., 2013).

At a general level, one issue surfacing in assigning an optimal tenure point is that it is designed to suit a large, heterogenous, pool of boards and directors. This limitation is enhanced in empirical studies where tenure is treated as an ‘average’ effect, rather than as an individual-level attribute affecting board task performance (Bonini et al., 2021). As such, comparable tenures for otherwise dissimilar directors are unlikely to have the same meaning (Finkelstein and Mooney, 2003). Similarly, differences in board structure and dynamics may impact directors’ contributions to task performance as well as their evolution over time (Bezemer et al., 2014; Pettigrew and McNulty, 1995; Tuggle et al., 2010).

In this study we argue that outside directors’ contributions to board task performance not only change across time, but that such change is contingent on factors other than time alone. As such our focus shifts from identifying an ‘optimal’ tenure length, to investigating how individual and board-level factors affect director contributions to board task performance over time. We posit that next to the opposing ‘loss of independence’ and ‘knowledge acquisition’ hypotheses, individual level and inner board-level factors will also shape how directors’ contributions to board task performance vary with tenure. Accordingly, we establish two research questions: *(1) How do outside directors’ contributions to board tasks change over time?* And (2) *What factors affect director contributions over time?*

Our research questions entail an examination of individual directors’ characteristics and contributions, boardroom dynamics, and their interplay. We achieve this through a comparative case study approach, involving the boards of five firms operating in the Australian financial services industry. The strength of this approach lies in its ability to draw from multiple perspectives and sources of data, providing richness in unveiling hard-to-access processes and first-hand accounts characterizing directors’ contributions to board task performance in relation to features beyond tenure. By doing so, we address calls for greater research relying on settings and data sources that provide a direct account on what occurs inside the boardroom (McNulty et al., 2013; Hambrick et al., 2008), and generating deeper insights on how directors contribute to board task performance.

Our first finding indicates that outside directors’ contributions to board tasks do change with time; nevertheless, they also reveal significant variation at similar levels of tenure due to individual and board level contingencies. First, we find that when a director joins a board, a period of necessary settling-in is required before offering any meaningful contribution. The duration of this period varies widely, with salient differences between novice and experienced directors (Haynes and Hillman, 2010). Moreover, we find that the frequency and nature of board member interactions affect directors' acquisition of firm-related knowledge, and ultimately, the speed and extent to which a director can contribute to board task performance. Second, we highlight novel and interesting findings in relation to the contributions of longer serving directors that both complements and extends prior research. In line with the generalised perception that long-tenured directors become 'stale in the saddle' (Brown et al., 2017), our analysis identified a subgroup of long-tenured directors who had outstayed their contribution. However, in a departure from traditional agency perspectives, we did not find evidence that social bonds had impaired their ability to remain impartial, rather the data pointed to a decline in the relevancy of these directors' contributions due to a preference for the status quo and attachment to past decisions. A relevant factor in this distinction was the lack of significant shared tenure between management and the longer serving directors in our study, a necessary attribute for social bonding (Bonini et al., 2021). On the other hand, we found a separate subgroup of long-tenured director offering sustained and highly valuable contributions to the boardroom debate both in the form of monitoring and advice giving. These findings tentatively show that longer serving directors are not necessarily hindered in their ability to contribute, rather, as long as they remain motivated and empowered, long-tenured directors can continue to contribute at a high level to board task performance.

Overall, our study highlights the complexity in anticipating a clear relationship between outside director tenure and board task performance. We offer a tentative explanation and rationale for the lack of empirical consensus, especially in relation to the more controversial group of long-tenured directors. Finally, we identify three contingencies that can shape the speed and extent of directors' contributions to board task performance over time: director experience, board member interactions, and directors' relative power.

These insights have implications for practice and policy, and we caution against a strict 'one-size-fits-all' policy regarding director tenure that may over, or under, estimate the value of directors' contributions. Instead, we suggest offering boards some freedom in adapting tenure policies depending on individual circumstances.

Literature Review and Theoretical Development

Corporate governance researchers and regulators show a growing interest in the effects of outside director tenure on board effectiveness and firm value (Huang and Hilary, 2018). Their focus has revolved around qualifying how and why tenure affects directors' ability to contribute, and whether 'optimal term limits' minimize any risk of impaired governance associated with longer tenures. However, what the effects of director tenure are on board task performance remain controversial (Johnson et al., 2013; Mooney et al., 2020); evidenced by the different regulatory approaches adopted in terms of whether term limits should be imposed, and at what level (e.g., Huang and Hilary, 2018).

The two predominant theories leading the debate surrounding director tenure offer opposite predictions in terms of its impact on board task performance. On the one hand, lengthy tenure is expected to reduce director independence and thereby compromise monitoring efforts. Such logic is consistent with agency theory and assumes that over time outside directors develop social bonds with management (Dalton et al., 2007). As a result, longer serving directors will be less willing to control, challenge or criticise management proposals (Daily and Dalton, 1994). On the other hand, longer tenure on a board can bring benefits as it provides directors an inside knowledge of the firm, its strategy, and managerial performance (Kor and Sundaramurthy, 2009). Notwithstanding these opposing theoretical rationales, there is a growing call from investors for outside directors to join boards with an expiry date; the point at which the benefits gained from increased knowledge are outweighed by a reduction in objectivity (Brown et al., 2017; Hillman et al., 2011). Yet, where this tipping point lies remains unresolved (Dou et al., 2015).

One explanation for this uncertainty stems from a narrow approach in corporate governance research, whereby board task performance – in stand-alone studies - is often examined from the perspective of a single theory (Barroso et al., 2011), even though it is perceived that directors contribute to a board through both the dual roles of monitoring and advising management (Johnson et al., 1996). The literature on monitoring emphasizes a need for director independence from management (Fama and Jensen, 1983). Since director-manager relationships are likely to strengthen with time, agency logic depicts longer serving directors as less effective as monitors than their lower tenured counterparts (Dalton et al., 2007). Meanwhile the advisory role of the board draws from resource dependency where a deep knowledge of the firm's operations is advantageous for directors in their capacity to provide relevant advice and resources to management (Hillman and Dalziel, 2003). Outside directors join boards with a knowledge deficit (Roberts et al., 2005). Over time this lack of in-depth knowledge of the firm and industry is reduced as access to information provides insights surrounding firm activities and management performance (Hambrick et al., 2015). In this regard, director tenure allows for a greater awareness of the firm's strategic priorities, needs and opportunities (Reguera-Alvarado and Bravo, 2017). Moreover, while the social bonds between inside and outside directors that develop with time are predicted to reduce independence, these relationships are considered advantageous for advice-giving through increased board interactions (Adams and Ferreira, 2007; Westphal, 1999).

Given these opposing perspectives, the lack of agreement regarding an optimal tenure length for directors is unsurprising. Relatedly, empirical studies have also produced conflicting results. For example, CEO remuneration has been found to be better managed both by boards with lower tenured directors, independent from management (Byrd et al., 2010; Vafeas, 2003), as well as boards composed of longer serving directors better placed to unpack management performance (Dou et al., 2015). Similarly, the presence of longer serving directors has been linked to an increase in financial misstatements (Sharma and Iselin, 2012) as well as a decrease in such occurrences (Beasley, 1996).

Recent studies advance the literature by applying an integrated approach to examine the effect of tenure on director contributions to board tasks (Brown et al., 2017; Veltrop et al., 2015); they argue that boards carry out multiple tasks at the one time, and their contribution to both is often indistinguishable from one another (Brown et al., 2019; Roberts et al., 2005), thus assessing tenure on one particular task is extremely difficult. Our study follows this trend, encompassing both theoretical lenses to consider how director tenure impacts contributions to board tasks.

We build on prior research relying on cognitive approaches to document the deleterious effects of executives' tenure on decision-making (Hambrick and Fukutomi, 1991; Hambrick et al., 1993), and incorporate a socio-cognitive perspective to explore the relationship between director tenure and board task performance (Hambrick et al., 2015). These studies argue that over time, people in leadership positions are less likely to break from established cognitive frames and more likely to accept the status quo (Barroso-Castro, 2020; Veltrop et al., 2015). While these cognitive side-effects of longer tenure are well established in the CEO and executive literature (Hambrick et al., 1993; Chen 2014; Miller 1993), there has been less attention paid in the context of outside directors. This warrants further consideration as a potential explanation for any decline in director efficacy. A cognition-based perspective on director tenure offers a complementary view to the risks highlighted by the literature on relational aspects (e.g., social bonding) and may help explain outsiders' increasing acceptance of the 'status quo' and lenience with explanations for poor performance (Hambrick et al., 1993). A similar logic would be applicable to advice-giving, because of the cognitive rigidity developed over time and the 'stale in the saddle' effect that may surface (Brown et al., 2017).

A further limitation of prior research on board tenure lies in the limited attention to the individual director characteristics (Johnson et al., 2013). Few studies of director tenure encompass an individual level perspective, despite notable differences in the experience and backgrounds directors bring to boards (Hambrick et al, 2015; Shropshire, 2010). As a result, the idea that directors diverge in their ability to learn and contribute to board tasks is ill-explored. Cognitive approaches suggest that director tenure may not have the same meaning for all directors: directors have differing information-processing abilities (Boivie et al., 2016) and thus a simple count of the same six, nine or twelve years for two different directors may carry a different meaning in terms of actual contribution (or lack thereof) to the focal board. Therefore, we conjecture that advancing the field requires us to not only ascertain that director contribution changes over time but to explore how and why directors' characteristics shape their contributions over tenure. Similarly, boards are not homogeneous, ranging in size, composition, and internal processes. As such, we consider individual and board level contingencies. In doing so we expect to be able to disentangle the multiple perspectives to provide greater clarity on what factors accelerate and/or hampering outside directors' contributions over time.

As it stands, the field is largely informed by research that has treated tenure as an 'average' group effect (Bonini et al., 2021). While these studies provide a generalised understanding of the nature and direction of the relationship between tenure and board performance, this approach does not account for the individual differences, relationship dynamics and board processes that exist in complex decision-making groups such as boards (Dalton and Dalton, 2011). A director's ability to contribute effectively is therefore likely to depend not only on their own experiences but also on the board's structure and relationship dynamics (Pettigrew and McNulty, 1995; Pugliese et al., 2015). Therefore, we contend that these individual and board level contingencies are influential in shaping directors' contributions to board tasks. By adopting a multi-theoretical approach and a research methodology that allows exploiting a direct examination of directors' differences and contributions at an individual level, this study aims to complement extant literature by addressing our research questions: *(1) How do outside directors' contributions to board tasks change over time?* And (2) *What factors affect director contributions over time?*

Research Methods and Analysis

We employ a comparative case study approach and rely on in-depth hard-to-access data and incorporate multiple perspectives drawn from sources across different organizational and board levels (Eisenhardt, 1989; Yin, 2009). This approach is suited for our investigation, as it allows observations of similarities and differences amongst directors and boards to be validated through data triangulation. To remove discrepancies related to the operating context, firms were selected from a single sector: the financial services industry. The five corporations participating in our study permitted access to board meetings as non-participant observers, and in most cases, to video record these meetings. All outside directors agreed to provide verbal performance feedback on each of their fellow board members, while more general and in-depth interviews were arranged with the directors from two of the five boards. Combined, this rich data set provided almost 19 hours of observed board meetings, 12 semi-structured interviews and verbal peer-feedback describing the contributions and performance of 37 outside directors. Secondary data pertaining to each participating board and organisation were used to gain an overview of each board and organisation prior to attending board meetings while details of directors' backgrounds and experiences were used to build director case profiles. These data sources are summarised in Table 1.

Insert Table 1 here

Institutional context and case settings

The Australian financial services industry is a highly informative setting to conduct governance related investigation: the industry is complex by nature and firms face high regulatory scrutiny, thereby requiring directors to contribute broadly to a multitude of board tasks including both monitoring and advising (Nicholson, et al., 2017). In addition, the financial services industry is regulated by the Australian Prudential Regulation Authority (APRA) whose code of governance mimics – in spirit and format – the code applying to Australian listed companies. As such directors share the same fiduciary duties and obligation of care and diligence as those serving on boards of Australian listed firms. The APRA code of governance requires the Chairperson, along with most directors, to be independent of management. While the code does not directly address tenure, it recommends a board renewal policy that considers whether directors have served on the board for a period that may compromise their independence.

During 2014 and 2015 five boards were approached and all consented to participate in a research project in return for an evaluation of their board processes (Bezemer et al., 2014; Elms and Nicholson, 2020; Veltrop et al., 2021). All five organisations are member-based boards with a dispersed membership base varying in size from 5,000 members to over 100,000 members. Most board members were classified as independent and elected by the members for their skills and experience in the relevant sector. Boards B and C required partial representation from invested member groups. All directors were remunerated for their board service. For purposes of anonymity, each board was given an identification code of A to E and each director was identified numerically. During the focal years, all five organisations were financially stable, well established and did not face any major turmoil or crises. Further details of the five boards and their respective organisations are provided in Table 2.

Insert Table 2 here

Boardroom observations

To capture variation between directors and boards, data were obtained from observing directors in the boardroom setting. This source of data provided unique and direct insights into individual contributions as well as board processes (Bezemer et al., 2014; Huse et al., 2011). Board meetings were observed either in real-time or via video-recorded footage. Field notes were maintained to document the mood of the meeting, nuances in boardroom dynamics as well as general observations of directors' contributions to board tasks. Verbal contributions were codified to enable a deeper analysis of the data and the ability to compare director contributions, within and across boards (Currall et al., 1999). This data captured how often directors contributed, to which agenda items they contributed, and the type of contribution. For example, verbal contributions were coded as challenging management, asking questions, confirming information, providing advice, facilitation, and social talk. An example of the coding regime applied is provided in Appendix A.

Observed board meetings ranged from just under 2 hours to over five and a half hours, totalling almost 19 hours. To code all the observed and videoed board meetings seemed prohibitive due to the time involved in making sense of this vast amount of data. Instead, we chose to code short segments of data, which is a common approach for analysing video data (Snell, 2011). The sample frame was 2 minutes for each 5 minutes of board discussion for all boards apart from Board B for which 2 minutes every 10 minutes of board discussion was coded. The reason for the difference was that Board B was not video recorded and had to be coded in real time. However, since Board B's meeting was twice the length of the other boards' meetings the number of coded sample frames per meeting was roughly the same. Reliability of the coding scheme was established by having two researchers separately code a board meeting and the results compared for consistency. This process revealed an inter-rater reliability score of above 80% for matched coded contributions. Hence, we concluded that the coding regime was a reliable measure of director contributions inside the boardroom. Overall, the coded data represented around 30% of the observed meetings, or 338 minutes, and encompassed 86% of all agenda items. The analysis from the coding was compared to the field notes and researchers' observations from each meeting. No significant dissimilarities were found, and the sample was deemed a sufficient representation of director boardroom contributions. A summary of the boardroom observations and coded sample frames is provided in Table 3.

Insert Table 3 here

Peer feedback

To triangulate the data from the observed board meetings, each outside director across the five boards provided verbal feedback about the quality of contributions for each of their peers. The performance feedback was both descriptive and quantitative in nature. Descriptive data was provided through responses to targeted questions asking about the perceived strengths and weaknesses of each director's contribution to the board tasks. For example, we asked: *"what does [insert name of each board colleague] do well?"* and *"where does [insert name of each board colleague] need to improve?".* Additional quantitative data was gathered using a score (out of 10) to indicate an overall performance rating and used to rank each director's perceived level of contribution to the board. Noting the subjective nature of the ranking, it was used mainly to elicit further qualitative information rather than a stand-alone measure. For example, if a director was rated as a '7' by a peer, the interviewer would then ask, what does [*insert name of board colleague*] need to do to be an '8 or 9'?

The peer feedback provided an important source of data for the integrity of the findings as it helped minimising a key limitation in using observational data, which is the lack of access to interactions outside of the boardroom (Samra-Fredericks, 2000). By comparison, the peer feedback allowed for insights on contribution not only to boardroom discussion but also informal board sessions and committee meetings. The value of triangulating data sources is evidenced in the example of one director who within the boardroom setting was observed as relatively quiet, which was surprising given the director's role as deputy chair. However, when overlayed with the peer feedback it became apparent that this director was a highly respected member of the board, and it was typical for them to sit back, listen and encourage others to input before offering their own contributions.

Semi-structured interviews

Semi-structured interviews were conducted with all members of Board A and B. The aim of these interviews was to draw on general themes surrounding director tenure and board contributions. For example, participants were asked: *"how do you think your ability to contribute has changed over your time on the board",* and "*How do you think your time on the board has changed your ability and willingness to question and challenge management"*. Participants were encouraged to provide examples that would support their answers and were also asked to draw on their observations of their colleagues, for example, *"have you noticed changes in the contributions made by your colleagues over their time on the board? Can you provide an example?"*. Interviews ranged in length from 50 minutes to 89 minutes, were audio recorded and later transcribed. Whereas the interviews from Board A generated 19 thematic codes, the coding process for Board B interviews revealed resoundingly similar themes and generated only two new codes. This suggested that saturation had been reached and that further interviews were unlikely to generate new insights (Guest, 2006). Given the variation in terms of tenure and board experience amongst the participants from Boards A and B, we determined that their shared perceptions could be reasonably generalised to the wider population of our case study. Two researchers attended each interview and took notes. These notes were later used to collaborate the codes that emerged from analysing the transcripts limiting researcher bias.

Data analysis

The analysis process involved combining the data gained from each of the three perspectives: the director, directors' peers, and researchers. We started by investigating each case on its own (Eisenhardt, 1989). Case profiles were established for each board and each director following an extensive review of all primary data and additional secondary data sourced from annual reports, board agendas, and internet searches. The second stage of analysis involved searching across cases for patterns and themes (Eisenhardt, 1989; Yin, 2009). Directors with similar lengths of tenure were compared to understand the extent to which their tenure could predict contribution. As variations emerged within boards, directors across boards were compared, revealing similar patterns that suggested these patterns were typical rather than idiosyncratic to a single case (Eisenhardt and Graebner, 2007).

The third stage of analysis involved connecting the insights and relationships emerging from the case analysis to the general themes from the interview data. At this point all data was combined to identify common ideas resulting in a series of first-level concepts which were labelled using descriptive phrases that conveyed the meaning of the data. Codes were grouped using two structural categories that spoke to the main themes around (1) early tenure directors' learning curves, and (2) late tenure contribution inhibitors. An iterative coding process followed using a method of constant comparison (Strauss and Corbin, 1998) to extract the common codes and discard less relevant insights. This resulted in a second level of concepts that began to tell the story of the data. A final iteration between the data and the literature produced a definitive set of aggregated themes that represented the main findings of the study. Because this part of the analysis was integral to our findings, the themes were prepared by the first researcher and checked for consistent interpretation by the second researcher. Any inconsistencies were resolved through discussion and a review of the data and relevant literature. An overview of the data coding process is illustrated in Figure 1. The findings are discussed in the next section.

Insert Figure 1 here

Research Findings

Variability of directors' contributions at similar levels of tenure

Our preliminary analyses showed that directors' contributions to board tasks evolve with their tenure. Interestingly, we found significant variability in terms of outside directors' contributions at similar levels of tenure indicating that director contribution trajectories were non-uniform. While this pattern was evident across all primary data sources, it was further clarified from our analyses of boardroom discussions. For example, Figure 2, derived from the board meetings data, summarises the instances of monitoring and advice-giving contributed by directors during the observed board meetings. The figure groups directors into blocks of three-year tenure bands, since a director's term on a board is typically set at 3 years. While the median level in each band reflects the curvilinear U-shaped relationship reflected in the extant literature (e.g., Huang and Hilary, 2018), the boxes show the extent to which variation in director contributions occur across all levels of tenure. Of note is the significant amount of variation found amongst directors in their first term, that is, between 0 and 3 years on a board, while the lowest range was found amongst directors in their third term, between 6 and 9 years. The range of variation widens again after 9 years, for longer tenured directors. This finding appears especially relevant given the concern that scholars, regulators, and investors' have raised regarding director lengthy tenures. The rightmost item in Figure 2 displays the largest variability in terms of outside directors' contribution, suggesting that while on average we observe a decline as tenure increases, instances of highly valuable contributions offered by longer tenured directors also exist.

Insert Figure 2 here

Variations in contributions in early tenure stages: novice vs experienced directors

Variations in director contributions was particularly evident during the early stages of directors' tenure on a board. This insight emerged during the interviews, whereby participants reflected on their own, and their colleagues' learning journeys. All participants described a necessary phase of settling-in after joining a new board and before being able to offer any meaningful contribution. Yet, when asked how long this period had lasted, recounted experiences were widely different ranging from 6 months to over 2 years. This variation in the time taken to settle- in was further supported through our boardroom observations and was confirmed by the peer feedback, indicating a lack of uniformity in directors' learning trajectories.

A closer examination of the reasons underlying such variation suggested that in addition to firm-level knowledge and industry experience, directors' experience in the role had a significant impact on the speed with which directors could begin to contribute meaningfully. Directors with industry experience had a clear advantage when it came to understanding the complexities and issues facing a specific firm, particularly in large and complex organizations. This is evidenced in the following quote suggesting that having prior industry experience can expedite a new board member's learning curve, and that learning curves will vary by industry.

> *"I think getting your head around the industry is probably the biggest issue, [in this industry] I think it's probably a longer learning curve than most because of the complicated nature of it."* (Director 12, Board B)

Perhaps more importantly, directors explained that time was needed to become acquainted with the expectations of the director role, and especially, the unspoken rules of boardroom participation. For first-time directors, this transpired into an additional layer of learning surrounding the role of the director and how boards work. It is not surprising then that directors' prior experiences serving on other boards impacted the speed with which each director was able to contribute. In fact, the greatest distinction between those who could contribute soon after joining a new board and those that took longer to 'settle-in' appeared to be driven by the depth – or lack of – experience in the role of director. Contrast the following experiences from two board members with similar tenure. Director 5 of Board A, a first-time director, reflected on their own learning journey stating: *"I didn't know what I needed to know",* while Director 4 of Board A, with prior board experience, was described as able to *"just slot in, because [Director 4] is a member on other boards".*

The difference in contribution between first-time 'novice' directors and experienced 'seasoned' directors was also visible during board meetings. For example, Director 9, a first-time director on Board B, introduced themselves to the researchers as *"a new director"* even though they had served on that board for over two years. During meetings the behaviors of Director 9 reflected 'newness': for example, their contribution to the discussion was primarily aimed at clarifying and building knowledge rather than providing advice or challenging management. By comparison, Director 10, also from Board B but with extensive board experience, was observed as confident, contributing frequently and meaningfully to discussions that extended to challenging management, even though they had joined the board just one year ago. A colleague explained this difference by describing how the experience Director 10 had gained from other boardrooms had meant they could *"just hit the ground running".*

Overall, familiarity with the director role was perceived by participants as a critical building block for effective governance, with an emphasis on the need to understand not just the role but also the relationship between the board and CEO, including what questions to ask or not ask during board meetings. As a first-time director from Board A, stated:

> *"I probably didn't ask a lot of questions at first so I sort of thought you know…I had to work out whether I was supposed to know what they were talking about or you know…if I didn't understand something I wouldn't always ask ... you know am I supposed to know what that means".* (Director 5, Board A)

The need to develop an understanding of the director role, and the effort required to gauge the boardroom rules and dynamics was raised frequently by the participants. The below excerpt, by an experienced director, explains how this knowledge had accelerated their own learning curve.

> *"There are some fundamental skills that you need on any board, which I probably would have had a lot of those because I had been on boards and chaired boards so you know the principles of corporate governance, the delineation between what the board is there for and what the management are there for, all those sorts of things come fairly naturally".* (Director 12, Board B)

Overall, the data indicated that settling into a new role as director takes time. While an existing knowledge of the firm and industry can hasten this learning curve, developing an understanding of the rules and expectations that come with the role of director is an enabler to contributing. As such, during the early stages of directors' tenure the contribution of first-time novice directors and their seasoned counterparts varied with the latter benefiting from an accelerated settling-in period.

Board member interactions: an enabler for early tenured directors' contribution

In addition to understanding the role of director, newcomers to boards face a separate learning curve pertaining to how the board of the focal corporation works. Even newcomers with prior board experience could not avoid this hurdle. For example, Director 11, who had recently joined Board B, and despite serving as a board member for two organizations in the same industry explained how they had to sit back and learn how that board operated before they could begin to contribute to board matters:

> *"The first meetings you are feeling your way ... looking for body language, learning the lay of the land ... Now I know how things work I have more time to contribute".* (Director 11, Board B)

Given this need to learn '*the lay of the land'* prior to contributing, it follows that having an opportunity to 'get to know' the other board members and acquiring soft knowledge of the firm and its people assists new directors transition into a position where they can contribute with confidence. This is evidenced in the following comment:

> *"Being a new person on a new board with new people, is daunting… it is easier over time once you get to know individuals and how they tend to operate and what they do".* (Director 9, Board B).

Thus, the frequency and nature of board member interactions emerged as an influencing factor in how long it would take for newcomers to understand the dynamics and processes of the board. For example, a common theme brought to the fore by participants from Board A was how the culture of informal meetings and frequent 'coffee catch ups' in between general meetings had afforded them an arena to ask the types of questions they would not have otherwise asked in the formal setting of the boardroom. The benefit from these meetings is well described in the following excerpt.

"There's something about not being in a formal meeting, you meet at a Coffee Club somewhere or something, you just get more engaged, so you have more confidence to speak out because you know where everybody is coming from". (Director 4, Board A)

Yet the data suggests that not all boards have the same opportunity for informal interactions. Rather, the availability of board members as well as each director's geographic location dictated the ability for boards to meet informally. In the case of Board A, members were located centrally to one another, and the chair retired from professional work. This enabled more frequent catchups as a group and one-on-one with the chair. By contrast, Board B comprised members who were located interstate, and a busy chair with full time professional work. The after-meeting rituals were also different for these two boards as were the formality of the meetings we observed. Whereas the members of Board A lingered to chat informally after the meeting, members of Board B rushed to catch planes, some leaving before the formal close of the meeting.

This contrast between the two boards resulted in a more formal meeting mood for Board B – for example, less than ten percent of the recorded boardroom discussion were coded as 'social talk' – compared to Board A, where informal conversation and off-topic banter were sprinkled throughout the meeting, resulting 25% of all coded discussion categorised as 'social talk'. Based on the experiences shared from participants these additional "informal" learning experiences can increase directors' knowledge and confidence, in turn increasing the quality and quantity of their contributions.

Overall, the data revealed that board member interactions influenced how soon directors could develop a required knowledge of the firm and of the boards' dynamics, both critical enablers for contributing to board tasks. Since boards have different internal processes and meeting constraints the frequency and nature of interactions across boards will vary, impacting directors' learning curves.

Declining contributions in long-tenured directors: cognitive entrenchment and social bonding

We next turn our attention to long-tenured directors and their contributions to task performance. The first point worth noting is that while familiarity with the organization and industry are enablers for directors' contributions, the data indicated that too much familiarity with the firm and industry may also have deleterious side effects. Several examples were provided by participants who had shared a boardroom with colleagues considered to have remained on the board for a period deemed 'too long'. This was well described by one participant recalling the performance of their long-tenured predecessor:

> *"The guy I replaced had been on [the board] for 20 years …well he was bloody hopeless… he was a good guy…but he stayed too long and that was the trouble".* (Director 7, Board B)

Evidence of decline in the value of contributions by longer serving directors emerged from the peer feedbacks; Director 25 on Board D, who had served for 40 years, was described by one colleague as being *"wedded to the past"* and by another as "*caught in how we have always done things".* In a similar example, Director 31, with tenure of 26 years, was acknowledged as having *"enormous experience"* but that it was *"probably time to go".* Another colleague concurring with this remark, explaining that Director 31 *"uses the same logic when looking at different situation and decisions".* Participants also explained that how risk of cognitive rigidity developing over time could result from excessive industry tenures; "*if you're in the industry and you're staying in it, it's the same thought and the same thought patterns*" (Director 8, Board B).

Overall, our data indicated an eroding value in contributions by some long-tenured directors, and this was explained as being due to a preference for the past and bias to the status quo. These instances were evident in extreme cases of extended tenure of over 25 years, far greater than the recommended maximum tenure of 9 years. Interestingly, the mechanism underlying the contribution decline appeared to be a cognitive entrenchment. This differs from the traditional view in the literature which predicts contribution decline to be due to a relational entrenchment from developed social relationships (e.g. Dalton et al., 2007). When we probed this point of difference during interviews, participants acknowledged that social relationships within a boardroom were problematic, yet they questioned any direct link between length of tenure and director (in)dependence. To explain this, participants pointed to the lack of opportunity for many directors to form social bonds with management due to the frequency of changes in management and limited social contact between directors (other than the Chair) and the management team. As one participant noted:

> *"Management is a group but management in most organisations does change. You don't sort of…very rarely do you see that, the same management group"* (Director 7, Board B).

Consequently, it was considered a rare occurrence when a strong social relationship develops between an outside director and a CEO, which another participant clarified as; *"unless they've been mates outside or something or rather, you don't quite get the opportunity for the* *relationship to develop".* The notion that management turns over more frequently that most board members was typical in our sample. Except for Board D, whose CEO had served for a tenure of 17 years, most long -serving directors in our study had experienced multiple changes of CEOs and the overlapping tenure with the current managerial team was limited. This may explain why, amongst our dataset, cognitive entrenchment emerged as a more relevant explanation for diminished contributions in long-tenured directors than any relational entrenchment.

Sustained contributions in long-tenured directors

While our data pointed to declining contributions in some long-tenured directors, thus supporting the generalised curvilinear relationship from the literature, we also found notable instances of long-tenured directors who were able sustain a high level of contribution to board tasks despite their tenure length. This subgroup of directors came across as particularly vigilant in their monitoring and oversight role during our direct observations of board meetings. For example: while across all meetings observed instances of directors actively challenging management were infrequent – we noted only nine instances of a clear challenge to management – five of these challenges came from directors with a tenure of 10 years or more, indicating this longer serving cohort were just as willing to challenge management as their lower tenured counterparts.

Similarly, the peer feedback interviews revealed many instances of long-tenured directors lauded by their colleagues for their knowledge, diligence, and courage in standing up to management. Consider the following comments made by the peers of long-tenured directors.

- *"[X] is extremely conscientious and dedicated ... not worried about telling the CEO what [they] think".* (Director 21, Board C, reflecting on Director 14, 17 years tenure)
- *"[X] is across everything, prepared to do the hard work and speaks out when needed".* (Director 4, Board A, reflecting on Director 1, 22 years tenure)
- *"[X] takes the lead in discussions… is challenging and always asking more from management".* (Director 26, Board D, reflecting on Director 23, 11 years tenure)
- *"[X] is a pretty good champion of 'we're not here to do that, we're here to do this'".* (Director 10, Board B, reflecting on Director 12, 10 years tenure)

Thus, a clear theme emerged suggesting that for some long-tenured directors their deep knowledge and extended time on the board, vis-à-vis management, empowered them to speak out on behalf of the members' best interest. When considering why some long-tenured directors were able to sustain this level of contribution, while others weren't, we noted that this subgroup of longer serving directors all held a leadership position on the board – that is, as board chair, deputy chair, or chair of a significant committee. Given their position, these directors were more likely to have access to greater information (Kolev et al., 2019) and less likely to succumb to social loafing (Dalton et al., 1999), thus explaining a continued engagement and high level of contribution. If, as our data suggested, directors remain active while holding a leadership position, the counter would also be expected. This was supported in our data. For example, Director 37, a long-tenured director who had recently stepped down from a leadership position, was described by colleagues to have since lost relevancy followed by a decline in contribution; "*since [Director 37] stepped down as chair… how he thinks about things now is based in the past",* indicating a link between holding a leadership position and sustained contributions.

Second, we found that active long-tenured directors were more likely to hold multiple directorships than those perceived by their peers as less valuable, or in decline. This supports literature which suggests multiple board positions help directors remain engaged and conscious of their governance duties (Elms and Nicholson, 2020). Holding multiple directorships within the same industry can also provide a director with a greater range of insights and knowledge (Harris and Shimizu, 2004), increasing their credibility and enhancing their capacity to provide relevant advice (Field et al., 2013). This was evident in the feedback provided by a peer of Director 16, with a tenure of 10 years on Board C, but who held current and prior board positions in the focal industry; *"(the board) benefits from [X's] knowledge and experience … good perspectives on content but also very good on governance issues".*

Overall, our observations, interviews, and peer feedback data revealed two sides of lengthy tenure: while some long-tenured directors were susceptible to cognitive rigidity, others remained active and vocal in the boardroom. Further investigation suggested factors differentiating these two groups related to their position on the board, and whether they held other directorships. Finally, the low tenure overlap between this group of active long-serving directors and the respective firms' management teams is likely to have reduced opportunities for close bonds to form, safeguarding their capacity to exercise independent oversight (Bonini et al., 2021; Donoher et al., 2007). Combined, this relative power vis-à-vis other directors and management, is likely to have afforded this subgroup of directors the confidence and reassurance to 'speak up' on behalf of the organization and contribute effectively to board tasks.

Discussion

A growing body of governance literature analyses the implications of director tenure on board task performance. Similarly, regulators, investors, and corporations, debate whether tenure limits should be imposed on outside directors and – if so – what an 'ideal tenure length' is (Huang and Hilary, 2018). Despite the heightened interest, there is a lack of theoretical and empirical consensus on how directors' length of service impacts contributions (Mooney et al., 2021), and whether long-tenured directors are advantageous or deleterious to board performance (Bonini et al., 2021). While agency theory focuses on the detrimental effects of social bonding on director monitoring efforts, alternative theories emphasize the importance of knowledge gains accruing over time, enhancing directors' contributions to strategic and monitoring decisions (Boivie et al., 2021; Dou et al., 2015; Kor and Sundaramurthy, 2009). We argue this uncertainty is in part due to a limited appreciation of the heterogeneous effects of tenure on directors. Extant research acknowledges that director human and social capital (Haynes and Hillman, 2010) differs across board members, and hence their ability to contribute. We build on this literature to clarify how differences in directors' attributes, board structure and processes also determine the extent to which directors' contributions develop, decline or can be sustained over time. We offer evidence that outside directors' contributions to board tasks change with time, yet directors' trajectories are non-uniform and depend on factors related to whether a director is a novice or experienced director, the frequency and nature of board interactions, and the relative power held by a director. This conjecture is illustrated by Figure 3. While this figure shows a generalised curvilinear relationship between tenure and contributions, and as such the potential for contribution decline over time, it also suggests that some long-tenured directors can sustain a high level of contribution if they are in a structurally advantageous position to do so.

Insert Figure 3 here

Implications for research

This study contributes to the literature on director tenure by clarifying how directors' contributions change over time and identifying individual and board level factors can that shape the speed, extent, and longevity of directors' contributions. By incorporating the logic proposed by socio-cognitive theories (Hambrick and Fukutomi, 1991) and a contingent approach to boardroom dynamics (van Ees et al., 2009) we contribute to the field of corporate governance in the following ways. First, we focus on the sources of variation in director contribution for newly appointed directors. We find ‘novice’ directors and ‘seasoned’ directors differ in terms of *when* they can contribute to board tasks; a classification that has largely escaped consideration in prior research (Kroll et al., 2008). Specifically, we find novice directors need to dedicate greater time to understand boardroom participation norms, while those with prior board experiences and ‘know-how’ can confidently begin to contribute at an earlier stage. While this is consistent with claims from the literature that first-time directors are unaware of how to question and challenge the CEO thus delaying their ability to contribute (Demb and Neubauer, 1992; McDonald and Westphal, 2013; Shen, 2003), this difference between novice and experienced directors is often overlooked in studies examining the effect of changes to board composition. We suggest future studies into board composition will benefit from considering a lagged effect when newcomers to a board are first-time ‘novice’ directors. Similarly, we highlight how board-level dynamics play a significant role in accelerating the contribution of newly appointed directors. This is consistent with theorizing related to the knowledge acquisition hypothesis: boardroom interactions act as a lever in terms of generating opportunities for acquisition of knowledge (Hillman et al., 2011). In fact, we find that the frequency and nature of board interactions facilitates the rate of acquisition of critical firm knowledge, and ultimately, the pace at which a director will reach their prime. Thus, our study highlights that while tenure *can* indicate the depth of firm-related knowledge, other factors also play a significant role in shaping this relationship, changing the speed at which directors start contributing. We recommend future research to consider theories and measures that can capture board interactions and dynamics. Even if directors have knowledge of the firm, the extent to which that knowledge will be used during board deliberations is dependent on internal board processes (Forbes and Milliken, 1999; Tuggle et al., 2010).

Next, we turn our attention to the effects of long tenure – which we define as directors exceeding 9 years of membership on the same board (e.g., ISS, 2015) – on director’s contribution to task performance. This is an especially important question given the scrutiny placed on this group by researchers, investors, and regulators. We observed polarized effects within our pool of long-tenured directors. For one subgroup we noticed sustained high levels of contributions to monitoring and advice provision, evidenced both during the boardroom observations and through peer feedback. This result was somewhat unexpected and counters agency perspectives which depicts long-tenured directors as ‘captured’ by management. The data pointed to the extensive firm-related knowledge and relative power, vis-à-vis management and other directors, gained over their time on the board, thus empowering this subgroup of long-tenured directors to ‘speak up’ on behalf of the organization and contribute effectively to board tasks. This finding complements recent work by Bonini and colleagues (2021) who argue that long-tenured directors typically serve with multiple CEO's and have wider board experience than the other directors, affording them greater standing and motivation to maintain their governance duties.

On the contrary, a second subgroup of long-tenured directors illustrated that excessive time spent on a board *can* diminish outside directors' contribution. Insights from boardroom observations and peer assessment found these directors exhibited poor engagement and low contribution. This resonates with mainstream literature identifying cognitive entrenchment as a source of dis-engagement (Hambrick and Fukutomi, 1991) in managerial teams or group works. Specifically, these findings suggest that longer serving directors are at risk of developing a preference for the status quo, leading to an attachment to past decisions or rejection of new ideas, and that their contribution may decline as a result. However, this effect was attenuated in longer serving directors who retained a structural position of responsibility on the board and maintained relevancy and outside networks through other directorships. Overall, our findings resonate with Boivie and colleagues' work (2021) highlighting the role of directors' implicit beliefs, experience, and engagement as relevant predictors of monitoring and contribution beyond traditional indicators such as tenure.

The effect of tenure on cognitive entrenchment is not new to the broader literature (e.g., Barroso et al., 2011; Hambrick et al., 1993; Katz, 1982), yet it is often overlooked in corporate governance research examining tenure related outcomes. Rather, the extant literature has focused on increased closeness between the board and management (a relational entrenchment) to explain the decline in director effectiveness over time (e.g., Huang and Hilary, 2018; Hwang and Hill, 2009). By using a sample of cases with relatively low tenure overlap between management and the board (e.g. the median shared tenure across our study was 4 years) our findings have highlighted how an alternative mechanism – cognitive entrenchment – can also reduce the ability of longer serving directors to contribute meaningfully. While the potential outcome of these two mechanisms is the same – a decline in contribution value – we highlight a subtle difference: whereas relational entrenchment requires relationships and an overlapping tenure with management, cognitive entrenchment can develop outside of any social bonds. In doing so we provide important directions for future researchers examining director tenure consequences, by encouraging scholars to consider the effects of cognitive entrenchment rather than focusing solely on reduced independence from management.

Implications for policy and practice

This study offers a contribution to the ongoing debate in practice on whether regulators and corporations should mandate director term limits. While our findings provide support to the anecdotal view that some long serving directors become 'stale in the saddle' (Brown et al., 2017), we also found numerous instances of long-tenured directors sustaining a high level of contribution. As such, any blanket rule that limits the amount of time directors can remain on a board may have adverse effects to the corporation if a director is forced to retire while still in their prime. Rather than 'dismissing' long-tenured directors based on their tenure alone we suggest that directors' capacities to contribute are best evaluated on a case-by-case basis. Disclosure of the reasons underlying deviation from recommended principles could attenuate potential concerns of external stakeholders.

Second, our findings show that newly appointed directors experience different trajectories in terms of their contribution to the board. To accelerate the necessary settling-in period of newcomers, boards could consider ways for board members to develop familiarity with the firm and boardroom norms sooner, for example by establishing a mentoring program for first-time directors (McDonald and Westphal, 2013). Boards where members are geographically dispersed face greater challenges in gaining an awareness of participation norms and should look for opportunities to interact outside of the boardroom, such as informal board dinners prior to and following meetings.

Limitations and avenues for future research

This study comes with several limitations and caveats which suggest treating our findings and implications carefully. First, due to the availability of case corporations, this study was conducted as a cross-sectional study and all interviews and observations were recorded at a single point in time. This is a limitation in so far as we could not observe the temporal dynamics unfolding in the different boards. Since the subject matter is a time-based phenomenon, added insights may come from also comparing directors' contributions over multiple time frames using longitudinal data. For example, future research could provide added support and insights by observing the evolution of single directors across their entire tenure on a board. This is particularly important in relation to longer serving directors that may remain on the board and access leadership positions; for example, our finding that long-tenured directors in leadership positions continue to contribute may simply be an artefact of their ability to contribute more and hence the promotion. A longitudinal or punctuated observation around instances of directors' changes in roles may help to rule out potential reverse causality issues and ascertain whether the role is the triggering factor for higher contribution or the input to the role change. Second, this study provides valuable insights from the recounted experiences by directors and perceptions of their peers' performance, along with observations of directors during board meetings. On their own, each source has its own limitations due to the subjective nature of the data. While the ability to triangulate the data has hopefully addressed some of these concerns, we acknowledge biases and pressures may have impacted the data.

Third, there may be alternative explanations which we have not been able to rule out. Across the case organisations used in our study there was a low level of shared tenure between management and the board - a condition that is thought to increase the social bonds that can undermine director independence from management - with a median shared tenure of 4 years. While this enabled us to isolate and identify cognitive entrenchment because of lengthy tenure, we were unable to observe how longer periods of shared tenure reduces directors' independence from management. Future research with a wider sample or using longitudinal data would benefit from examining the interactive effects of relational and cognitive entrenchments as potential mechanisms to determine which may have more relevance to the contributions (and decline) of longer serving directors. Moreover, while this study focused on relationships within the boardroom, we acknowledge that social bonds – hence entrenchment - can also develop outside of the boardroom meaning relational entrenchment may arise outside of shared tenure (Hwang and Kim, 2009). Due to the lack of access to data and evidence surrounding these relationships, we view this as a potential limitation of the study – much in the fashion of a potential 'measurement error' – as we may underestimate the extent to which these bonds developed. Nevertheless, we consider examining the extent to which relationships formed prior to joining a board impact entrenchment within the boardroom as a potentially fruitful avenue for further research.

Fourth, while this study focused on the impact of tenure on individual directors' contributions, the tenure distribution among a board's directors – including the CEO – is likely to play an important role in board task performance. For example, the effects of status quo bias found in longer serving directors may be balanced by fresh contributions from newer board members, reducing any group effect (Janis and Mann, 1977). Future research investigating the relation between group tenure and board performance would be a worthwhile pursuit with potentially important learnings for boards' succession planning. Further, our study highlights a difference between novice and seasoned directors in the time taken to begin to contribute meaningfully. While our study indicates that board interactions may help novices settle in faster, future research could explore other factors that can expedite this learning curve, for example, onboarding processes and director training programs. Another finding of this study that warrants further investigation is the impact of multiple directorships on long serving directors' boardroom engagement. Our findings show active long-tenured directors are more likely to hold multiple directorships, than their lower contributing counterparts. While this finding aligns with a stream of prior literature that shows boards benefit from 'busy' directors (e.g., Harris and Shimizu, 2004; Field et al., 2013), findings to the contrary have also been reported (e.g., Core et al., 2009; Falato et al., 2014). However, neither stream of literature has considered the tenure of these 'busy' directors. Future research could add new insights to this debate by focusing on the impact of multiple directorships on longer serving directors.

Finally, to counter the impact of industry differences, the cases for this study were selected from a single industry which may reduce the applicability of the findings beyond this context since the board tasks and opportunities for director contributions may be different in non-financial sector firms. There was also a gender imbalance in directors participating in this study with females comprising only 16% of the sample. Further research relying on a broader sample and quantitative methods could confirm the results. Extending this research to other settings may be useful for advising on tenure policy decisions within different corporate governance environments.

Conclusions

Our study shows that board tenure does not exert a constant nor monotonic effect on directors' contributions. Instead, we show that individual trajectories differ significantly and are contingent on individual experiences, board processes and structures. Moreover, we find that lengthy tenure does not necessarily hinder directors' contributions, rather long tenure can strengthen directors' effectiveness in the boardroom. These findings begin to explain why scholars and practitioners have found it so difficult to agree on the length of time any outside director should serve on a board. The insights provided from this study can offer advances for future research and help to clarify the mechanisms that drive change in director contributions over time.

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Appendix A

Boardroom Observations Coding Example:

Code	Observable Behaviour	Examples
Q	Constructive Criticism of Management Proposal	*Playing devil's advocate* *Opposing management proposal* *Challenging assumptions*
R	Requesting a revision from management on a proposal	*Asking management to provide more detail at a future date*
I	Information seeking	*Probing, asking follow up questions, requesting further information on an agenda item*
F	Requesting further information from management	*Requesting information from management that hasn't been included in meeting papers*
C	Confirming own understanding – asking an obvious question	*Knowledge building* *Type of Statement, "So does that mean …"*
P	Providing Advice (Useful), responding to a question, adding to conversation	*Presenting committee reports* *Answering to a question raised by management or another director*
S	Making a statement or comment (For own purpose really) iterating what someone else has said	*Less useful than P, often speaking for own purpose.*
A	Signaling agreement	*Short phrases such as; "Yep" , "Ok", "Sounds good"*
M	Facilitating meeting, meeting admin or arranging future meeting logistics	*Addressing the agenda* *Arranging future meeting logistics*
J	Social talk / Joking	*Making a joke, discussing non board matters*

Meeting time	**Agenda item**	**Director A**					**Director B**					**Director C**					**Director D**					**Director E**					**Director F**				
5.40	1.0	M										P										M					M	P	I	M	
5.45	1.0	A	S	A			S					S															P	P			
5.50	1.0	P	P														P	P													
5.55	2.1											I	P				I	J									P	P	P	M	
6.00	2.2																A										M	P	M		
6.05	3.0											P	P				I	I													
6.10	3.0						I																				M	I	I	M	
6.15	4.0																					M					M	J	M		
6.20	4.0																I	I													
6.25	5.1																I	I									C				
6.31	5.1																														
6.36	5.1																					Q	I	I	C		P				
6.41	5.2																P					P					I	I			
6.46	5.2																														
6.51	5.2	I										I					I														
6.56	5.2						P																				I	C	M	M	
7.01	5.2																										M	C			
7.06	5.3																					C					I				
7.11	5.3						I	J	P								A					P					C	M	P	J	
7.16	5.3																														
7.21	5.3																										M				
7.26	6.0	P															I														

Tables and Figures:

Table 1: Sources of data

Source	Interviews *(primary source)*	Board meeting observations *(primary source)*	Peer assessments *(primary source)*	Archival data *(secondary source)*
Data collected	12 semi-structured interviews totalling 821 minutes and 73 pages of interview transcriptions.	19 hours of observations, resulting in 338 minutes of coded sample frames, 38 pages of field notes from researcher observations.	Peer feedback describing the contributions of 37 directors across 5 boards, contribution rating out of 10 for each peer.	Annual reports, Firm websites LinkedIn profiles
Data objective	General themes on the relationship between tenure and contribution.	Observe and record director contributions, capture boardroom dynamics.	Capture patterns in the perceived contributions of directors at varying levels of tenure.	Build a profile for each organisation, board and director.
Data triangulation	Triangulate with boardroom observations and peer feedback.	Triangulate with peer feedback data.	Triangulate with boardroom data.	Triangulate with themes emerging from primary data sources.

Table 2: Profile of the five participating boards and their organisations

Board	A	B	C	D	E
Board size	5 non-executives, 1 executive	6 non-executives	10 non-executives	8 non-executives	8 non-executives
Director's background	Banking, finance, audit, marketing	Commerce, finance, politics, legal	Finance, education, legal, marketing	Education, finance, legal, engineering, business, accounting	Banking, finance, real-estate
Independent chair	Yes	Yes	Yes	Yes	Yes
Director remuneration	Yes	Yes	Yes	Yes	Yes
Gender balance	5 males, 1 female	5 males, 1 female	7 male, 3 females	7 males, 1 female	8 males
Average tenure	8 years [1.5 - 22]	4 years [0.5 – 10]	10 years [3 – 18]	13 years [0.1 – 40]	16 years [3 – 41]
Board meetings (2015)	13	10	9	10	12
Sub committees	4 [audit; risk; governance; marketing]	4 [audit & risk; investments; remuneration; nomination]	3 [audit & risk; nomination; business & marketing]	2 [audit & risk; governance]	4 [audit & risk, nomination; membership & marketing; governance]
Organisation					
Membership#	5,000	100,000	20,000	20,000	20,000
Total assets#	$200m	$20bn	$100m	$1bn	$300m
Annual revenues#	$10m	$5bn	$10m	$50m	$20m
CEO tenure	1 year	2 years	9 years	17 years	3 years

figures are approximates

Table 3: Boardroom observations and coded sample frames

Board	Observed meeting date	Meeting duration	Meeting agenda items	Total agenda items	Coded agenda items	Coded sample frames	Duration sample frames	Meeting coded
A	April-2015	135 mins	Previous minutes; CEO report; finance report; committee reports (2); non-routine decisions (2); matters for discussion (3).	10	10	21	42 mins	31%
A	May-2015	116 mins	Previous minutes; CEO report; committee reports (2); matters for discussion (3); other business.	8	7	19	38 mins	33%
B	June-2015	338 mins	Secretarial matters; CEO report, CFO report; management presentation, strategic decisions (1); operational decisions (1); matters for discussion (4); matters for noting; closed item.	11	7	27	54 mins	16%
C	Sept-2014	167 mins	Previous minutes; Chair report; CEO report; finance report; items for approval (2); committee reports (2); items for information; reference items; other business.	13	11	35	70 mins	42%
D	May-2014	259 mins	Previous minutes; matters for decision (2); matters for approval (3); CEO report; background papers; other matters.	9	8	44	88 mins	34%
E	Sept-2014	107 mins	Directors only session; previous minutes; matters for decision (2); matters for discussion (2); CEO report; other business.	8	8	21	42 mins	39%
	Totals	*1122 mins*		*59*	*51*	*169*	*338 mins*	*30%*

Figure 1: Data coding structure

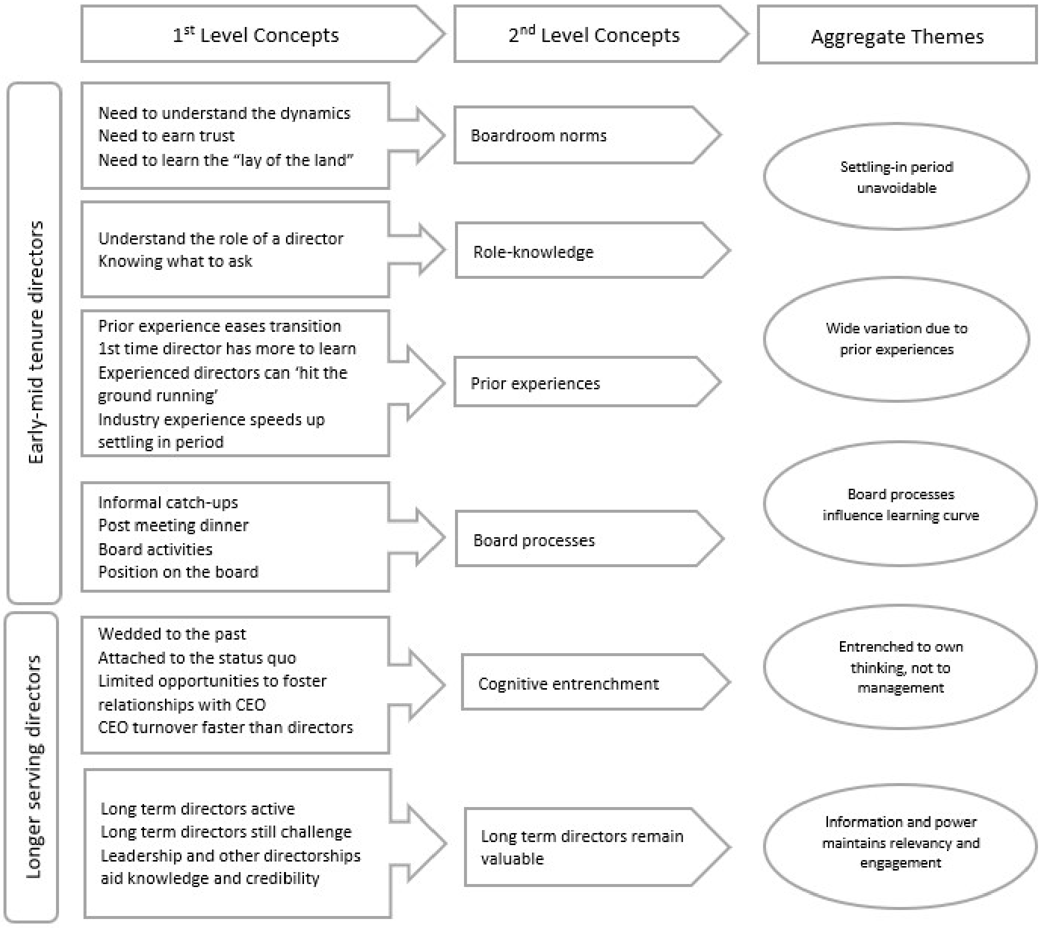
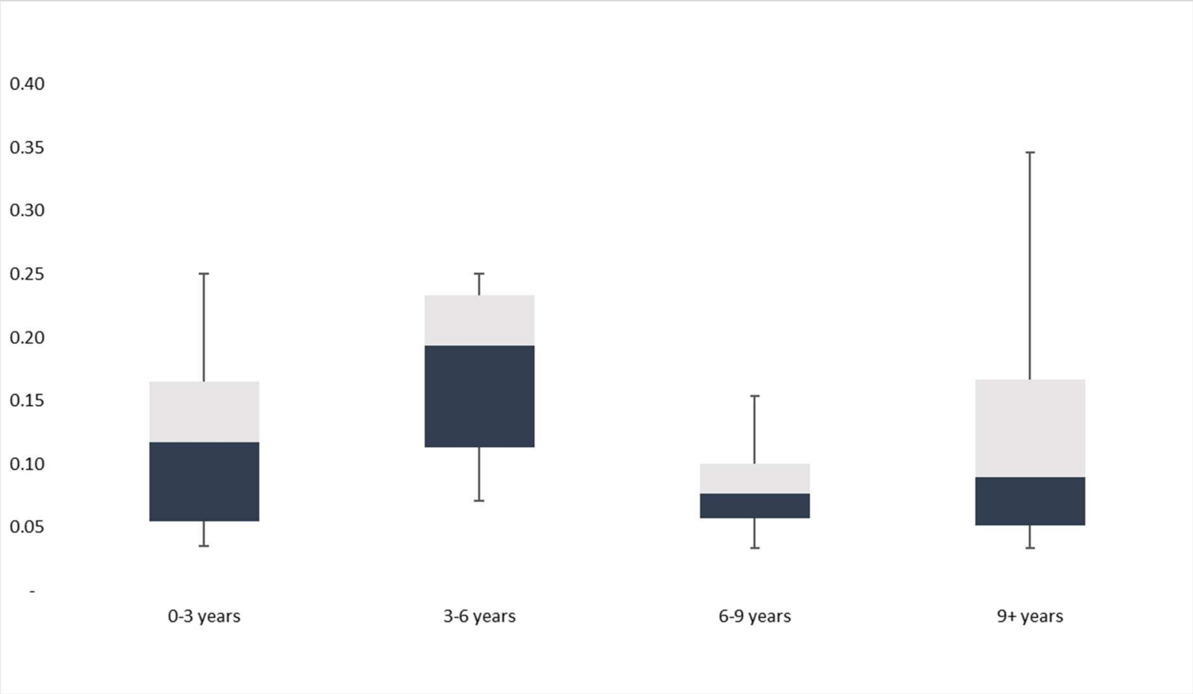


Figure 1: Data structure

Figure 2: Distribution of observed monitoring and advice giving, by tenure band.



Note: Since contributions by the board Chair are likely to be impacted by this position, the Chair of each board has been removed from this analysis to prevent distortions.

Figure 3: Director contribution over time: a contingency perspective