



# **Non-Executive Directors and Corporate Strategy**

Theory and Exploratory Empirical Insights from FTSE 350 Companies

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*“Research is to see what everybody else has seen, and  
to think what nobody else has thought.”*

(Szent-Gyorgi 1937 Nobel Prize Winner)

## Declaration

I certify this thesis, for the PhD degree, is my own work, except where quotations are attributed to other authors. Quotation from this thesis is permitted, so long as full acknowledgement is made in advance. The wordcount within the body of this thesis is circa 80,000 excluding citations and in-thesis key reference listings.

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## Personal statement

I, Muriel Lisson, MA, MBA, SFHEA, FCMA, CGMA, MIoD have 39 years global work experience, some 12 years of which was in senior positions in Credit Suisse and J P Morgan. In 2003, I entered the world of academia, lecturing and tutoring the next generation of financial, management and governance professionals. I appreciate my formal professional education, training, and exposure in the workplace may lead to potential bias within my research. This is disclosed as appropriate within the thesis. A detailed personal profile of the researcher is provided on page 303.

# Preface

This thesis is completed during a period of unforeseen and exceptional business flux, having commenced prior to sustained challenges of the introduction of the Data Protection Act 2018, BREXIT and COVID-19 in March 2020 and currently ongoing. Uniquely, in 2019-2020, BREXIT and COVID-19 have impacted almost all UK companies and their Non-Executive Directors (NEDs), to some extent.

The Data Protection Act 2018 is the UK enactment of the EU General Data Protection Regulation (GDPR) requirements, which requires minimisation of the processing of personal data and the maintenance of such data being kept up-to-date. A noticeable impact of this legislation is the removal of much published personal data linked specifically to named NEDs, to comply with applicable legislation. The knock-on consequence to this research enquiry is the limited availability of specific NED published profile information.

BREXIT heavily impacts many UK companies' ability to trade, requiring companies to recalibrate their corporate strategy rapidly. Board members have the unenviable task of overseeing this unprecedented disruptive phase. Strategic clarity and business model agility is a must to ensure a long-term value proposition for all stakeholders.

COVID-19 pandemic has memorably impacted world economies and shattered business models from the largest companies to the smallest throughout 2020. This provided an exceptional opportunity to stress test companies' strategic resilience. The extended period of COVID-19 has resulted in the erosion of working communities, with both board members and staff working remotely, rather than face-to-face meetings. Significantly, COVID-19 demonstrates how vital it is for all businesses to be nimble and agile to react fast to a shift in the marketplace. It is difficult to distinguish the impact of BREXIT from COVID-19. Both elements have the potential to impact the long-term sustainability of UK companies but cannot be directly attributable to NEDs' strategic oversight responsibilities. The delivery of this thesis is required to overcome the sudden stay-at-home orders and subsequent lockdowns imposed starting 23 March 2020 (Gov.UK), which in turn influenced the research approach i.e., conduct a face-to-face enquiry, and was reiterated in September 2020, to be switched to archival material and secondary data.

# **Non-Executive Directors and Corporate Strategy**

## **Theory and Exploratory Empirical Insights from FTSE 350 Companies**

### **Abstract**

The objective of this thesis is to provide exploratory, theoretical, and new empirical insights into Non-Executive Directors' (NEDs) contribution to corporate strategy within London Stock Exchange's largest 350 companies (FTSE 350), all of which have the same legal and regulatory duties. This research deploys an interpretivist philosophy, responding to four fundamental research questions, with appropriate ontological, epistemological, and axiological considerations surrounding NEDs' corporate strategy oversight.

This research uniquely applies the constructs of Institutional Theory in conjunction with Instrumental Stakeholder Theory, whilst the empirical examination of NEDs' oversight contributions into corporate strategy capabilities is considered in terms of their constituents: 'Shaping', 'Conducting' and 'Deciding' appropriate strategies. The research itself employed a mixed-method, parallel-layered, theoretically informed, content and descriptive analysis, including cross-sectional financial data analysis performed during 2019-2020, targeting data covering FTSE 350 NEDs' strategic oversight role.

The theoretical and empirical research provides original and valuable insights into NED's involvement in corporate strategy. Specifically, it produced no observable evidence of the existence of any Corporate Strategy Committees involving FTSE 350 NEDs. The explicit and implicit contributions to knowledge and policies arising from the research outcomes is the identification of a need for NEDs to show greater strategic leadership and become directly involved in a proposed Corporate Strategy Committee. This would afford the board greater strategic oversight to deliver more meaningful, measurable statements on the long-term sustainability of their company, i.e., over 5 to 10 years, within their Strategic Report. This research identifies the need for further research into theoretical and methodological issues relating to FTSE 350 NEDs' strategic oversight role.

**Key words:** Corporate governance, corporate strategy, long-term, Non-Executive Director, NEDs, sustainable.

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# 1 Research Introduction and Orientation

*“The proper governance of companies will become as crucial to the world economy as proper governing of countries.”*

(Wolfensohn 1999, President of the World Bank)

## 1.1 Research Introduction

This chapter commences with understanding and locating the research enquiry of corporate governance within FTSE 350 companies, whilst providing an understanding of the history and development of FTSE 350 NEDs and corporate strategy. Strategy oversight is one element of a NED’s role. Overall, this is a discovery-orientated research enquiry and is intended to foster and advance NEDs’ oversight provision of corporate strategy. Specific FTSE 350 companies or their individual NEDs are not the emphasis of this research, rather they illustrate arguments presented. Moreover, it is important to recognise that NED part-time positions are short-term, typically between four and up to six years in tenure.

The noted economist Adam Smith (1776), and many others since held a continuing interest in *“The Wealth of Nations”*. Equally, it is recognised the wealth of a nation is intrinsically tied in with its ability to generate and create wealth. In turn, this is itself a function of the nation’s wealth creating systems, mechanisms, and resources. Within capitalist systems, it would be fair to state much wealth is significantly generated through the aegis of the joint stock limited liability entity – today’s corporation (USA) or company (UK). Rightly, therefore, significant attention has been devoted to this form of organisational enterprise. A key feature of this form of enterprise (the institution) rests on the expectation placed by capital providers (shareholders) and other interested persons (stakeholders) in their capital managers and administrators (directors). Thus, in such limited liability companies, directors and their boards of directors assume significant importance particularly in issues of corporate governance. This thesis is fundamentally about NEDs and it is focused within the domain of good corporate governance specifically of corporate strategy, here on in known as CS.

### 1.1.1 Research orientation

This 2019-2020 critical examination seeks to deliver fresh perspectives on existing thoughts to establish FTSE 350 NEDs' strategic oversight involvement deploying theoretical and empirical arguments. The goal is to recognise NEDs' leadership and oversight in CS leading to long-term sustainable business. Being a FTSE 350 NED can vary significantly between different companies given the unique challenges the diverse range of industries and companies present, however they must "*participate to the full in all the board's deliberations*" IoD (1998 p6). The chapter unfolds the structure and organisation of the thesis. This leads on to the provision of a brief overview, problem statement and justification of the research enquiry leading through to the research questions, objectives, and outcomes.

### 1.1.2 Researcher's motivation and background

The researcher's motivation, background and perspective for this thesis originated when this researcher was approached in 2013 to become a NED. Before accepting such a position, the researcher undertook an investigation into NEDs' role and responsibilities and uncovered they are diverse and ambiguous. This background check indicated an emphasis on corporate governance activities, such as Audit, Nomination, and Remuneration and a consequential burden arising on NEDs, but a lack of emphasis on CS. Notable is the absence of a Corporate Strategy Committee or any such Committee specifically at FTSE 350 board level. The epistemological conviction of this researcher, through lived experience is, it is vital for FTSE 350 companies that their NEDs' oversight be involved in providing oversight into long-term sustainable corporate strategy. This researcher's curiosity led to this specific line of enquiry which explores good corporate governance and specifically NEDs' contribution to CS.

### 1.1.3 Selected research field

To better appreciate the role of FTSE 350 NEDs, it is appropriate to consider first the nature of companies. Companies are "*organised units of cooperation that internally coordinate the activities of the participants in a centralised fashion on the basis of authority relations that define who is entitled to give orders on what to whom, and who is to follow such orders*" (Vanberg 2011, p137). They are confronted with an ever-increasing number of concurrent challenges, and global pressures (political, macroeconomic, technical, and regulatory, to name a few). According to Salvioni *et al* (2016 p1), large companies play a major role in

providing long-term sustainable business in our society and with this comes responsibilities and a duty of care. NEDs as Board members of companies are entrusted (CA 2006 s171 and s172), thus have the responsibility of fulfilling CS as part of that role. Ultimately, for this research enquiry, the definition of corporate strategy adopted is *“the ideas and plans a company has for its future business activities, or the processes of deciding these ideas and plans within a company.”* (Cambridge Dictionary 2021).

FTSE 350 companies are the top 350 companies by capital employed listed on the London Stock Exchange and are usually mature companies. NEDs are one category of board member. Board members usually comprise of a Chairperson, Chief Executive Officer(s), Company Secretary, Senior Independent Director and NEDs. Other board positions such as Chief Financial Officer, Chief Operating Officer, Legal Counsel, etc may exist. Presently, much executive-level attention is concentrated on company performance, i.e., economic, environmental, and social performance and corporate governance (World Economic Forum 2020). FTSE 350 NEDs should assist their company holistically. The oversight role of NEDs could be further expanded to include ‘efficiency’ and ‘ethicality’ in determining their company’s CS.

According to The Governance Institute (2021), the critical differences between executive directors and NEDs are: *“**Executive directors** are responsible for the day-to-day management of the company working alongside the other board members. In smaller companies, the directors and shareholders may be the same people, but the roles are very distinct. Most executive directors are employees of the company. **Non-executive directors** are not involved in the day-to-day running of the business. They are not employees of the company. Their role is to challenge and develop strategy, scrutinise the board’s performance, manage financial controls and risk, determine remuneration, and appoint or remove executive directors if and when there is a need to do so.”* Which are the definitions observed within this thesis.

#### 1.1.4 Research significance

Corporate governance (CG) is not an end in itself, rather *“Governance should facilitate excellent organisational performance”* (Good Governance Institute, 2020, p1). CS is the keystone of a company’s overall direction. FTSE 350 NEDs are part-time members of the

board and have significant, well developed, and documented corporate governance roles that include CS within their overall remit. The culture set by NEDs is integral to the provision of sound governance including strategic leadership, corporate values, and ethics (Northouse 2019 p319) and (Ciulla 1999 p171).

This research enquiry concentrates on uncovering FTSE 350 NEDs' contributions to and dynamic relationship with their company's CS, simply one element of NEDs' overall CG oversight responsibilities. To advance the central argument, this research deploys a balanced and centred use of Institutional Theory (IT) with Instrumental Stakeholder Theory (IST) which permeates throughout the research design, analysis, and arguments. The research methods sub-divides CS into the following three strands: 1) strategic leadership: planning and development; 2) conducting: strategic participation and involvement; 3) strategic deciding, implementation, and review. Making appropriate use of the selected theories, along with methodological frameworks, this research aims to corroborate emergent findings, leading to a meaningful contribution to knowledge. It is feasible the recommendations may be utilised by NEDs and many other stakeholders to improve future outcomes.

NEDs have a duty to deliver proper governance in accordance with CA (2006 s171 and s172). This research reveals the extent of FTSE 350 NEDs' oversight involvement in CS. Reflecting on same, the research makes creative recommendations based upon the theoretical, exploratory, and empirical research findings (Wintersberger and Saunders 2020 p2). In so doing, this thesis delivers original insights and offers on a purposeful sample basis, useful appropriately evidenced information for academics, FTSE board members, government advisors, MPs and legal personnel, in the UK and conceivably overseas.

#### 1.1.5 Corporate governance, boards: Executive Directors, NEDs and corporate strategy

FTSE 350 companies' primary function is a combination of wealth creation and risk taking. The need for sound CG is critical. Boards are entrusted by shareholders primarily, but by all stakeholders generally, to ensure and assure their legitimate and equitable interests. On reflection, one quickly realises the area of this research enquiry is fundamentally an attempt to contribute to sound CG and so some grounding words on CG are appropriate.

Governance offers a set of formal procedures and structures (Smith and Stacey 1997, p79) to provide an organisation with components that contribute to the smooth running of the organisation as a whole (p91). Parker (1976, p4) suggests the need for “*radical reform of company boards in Britain*”. CG “*is the process by which corporations are made responsive to the rights and wishes of stakeholders*” (Demb and Neubauer 1992, p9). Furthermore, Goold and Campbell (1990 p118), pondered “*what contribution can, and should, NEDs make to the strategies*”. Effective governance (including the generation of profits) helps mitigate risks and oversee CS, regulatory compliance, shareholder rights, internal controls and audits and external audits (Farrar 2020 p1). The debate continues in 2021 recognising the importance of good corporate governance (O’Neil *et al* 2020).

#### 1.1.5.1 Research background

The exact origins of CG and the role of NEDs are unclear. Historically, concerns regarding the role and responsibilities of NEDs were raised as early as the 1960s and 1970s (Tricker 1978, p27). Lorsch (1991 p141) observed “*outside directors ... are unsure of the extent to which they should focus on the ongoing prosperity of the company*”. Mumford *et al* (1987 p1) questions “*the effectiveness of the processes used in developing people who have reached the very top*”. They continue and acknowledge “*at least some directors already in post are prepared to consider and act on their own current development needs*”, which resonates with this research.

The Cadbury Report (1992) established itself as the foundation stone of fundamental corporate governance. Taylor and Stiles (1993 p61) consider this report is a “*watershed in the development of corporate governance*” resulting in a resurgence of interest in good CG and responsibility over the past 30 years. The report encompasses the role of the board incorporating management principles for board members including NEDs (IoD 2019, p1). The Cadbury Report (1992) is recognised as having a significant impact on CG globally, however, it was never fully developed for all organisations. Cadbury and subsequent CG guidance are adopted with a view to ensuring board members, including NEDs are ‘held to account’ for the overall performance of their company. According to Stiles and Taylor (1993 p70) “*Non-executive directors should bring an independent judgement to bear on issues of strategy,..*”. Today, one may question the need for further research into NEDs and CS. Surely this must be covered in previous research and analysis? Alas, this enquiry uncovers otherwise.

Conflicts between profitability linked with social responsibility within society, are recognised by Taylor (1995, p20) and he acknowledges “*the difficulty of matching the values and attitudes*”. Elliott (1997 p132) observes in his review of 21<sup>st</sup> Century Corporate Board, “*investors seem to be gaining influence*”. Weinstein (2012) and Keasey *et al* (2005, p97) recognise changes since 1992 underpin the current UK corporate governance code (2018) hereafter referred to as UK CGC (2018). Manwaring (2009, p\_iv) notes “*...governance would be met with at best polite interest.*” He defines governance to include “*the procedures and practice associated with decision-making, performance and control,*”. Keasey *et al* (2005, p97) acknowledge regulators and CG practitioners have raised concerns regarding the need to improve the overall effectiveness of the board. CG developments over the last two to three decades have been both significant and abundant and empirically underpin this research enquiry. Important developments in the CG, specifically within strategic issuances, are accumulated within the extensive data repository and categorised under professional bodies, government, and FTSE 350 Company NEDs. By examining the plethora of archival and secondary documentation affords deep insights into the nature of NEDs’ strategic oversight role. Moreover, these documents emphasise obligatory governance responsibilities potentially at the expense of their CS supervision. Professional bodies, legal, regulatory and, FTSE 350 companies’ data is publicly available; a set of conveniently accessed examples i.e., data subsets, are utilised where appropriate and are fully disclosed.

#### 1.1.5.2 Boards: Executive Directors and NEDs

This research enquiry concentrates upon NEDs’ strategic oversight role and the diverse guidance reviewed predates the current array of legal and CG codes. Executives and NEDs share equal responsibility in terms of CA (2006 s171 and s172). According to Clark (2020), FTSE 100 NEDs’ oversight tenures are typically four to five years. There is potential for discord between NEDs’ tenure and accountability in their ESG provision of long-term sustainable strategic oversight. According to Ericson (2018 p23), “*doing strategy*” means “*macro level structures are linked to participating in micro-strategizing activities*”. This is a fundamental element in understanding a FTSE 350 NEDs’ strategic oversight practices.

Higgs (2003), specifically referring to NEDs, indicates “*corporate governance provides the architecture of accountability*” and states, “*the architecture, in itself, does not deliver good outcomes.*” This has been evidenced over the past decades in various UK parliamentary reviews, in which many UK PLC Board members, including NEDs were invited to explain

themselves and their leadership. CA (2006, s172), supported by UK CGC (2018), states boards of directors, of which at least 50% are NEDs, must show clear unambiguous leadership. Presently, the emphasis on corporate strategy is just one element of a FTSE 350 Chair's responsibilities and potentially overwhelmed by their ever-increasing CG requirements.

UK CGC (2018) envisages strategic oversight consciousness by NEDs so as to execute CS. NEDs must seek out "*positive opportunities to improve the successful outcomes of the organisation*" (ICAEW 2020). NEDs are expected to keep up to date with current legislation and prevailing CG codes and ensure they are adopted by the board (CA 2006 s171.1&2, s4, UK CGC 2018). Being mindful that FTSE 350 corporate scandals and accounting failures are not new (Barker 2020, p1, Lloyd 1994, p5 and The Economist 1993, p87,) and continue to prevail throughout the 30-year period to 2021, this thesis seeks to establish whether good governance and compliance requirements are stifling FTSE 350 NEDs' involvement in CS and developing long-term sustainable business. Corporate failings are a rich source of public information regarding the activities of boards of directors, specifically regarding CS and the potential need to transform the company's business model, see Appendix A.2 Further UK corporate governance failings and failure.

#### 1.1.5.3 NEDs and professional development

This research acknowledges the reliance placed on the objectivity and neutrality of NEDs alongside sound CG structures. This embraces NEDs' oversight in, and sensitivity to CS. The Non-Executive Director Association (NEDA) founded in 2007, delivers training and development for NEDs, heavily emphasising good CG. Such training is imperative to individuals to help build a knowledge bank to execute the oversight duties of a NED. Regrettably, whilst business strategy, not necessarily CS, is recognised in the current 1-Day course offerings, it is overwhelmed by governance issues (NEDA 2020). Whitehead (2013, p1) recognises "*FT Non-Executive Diploma programme workshop*" is coming from "*a low base of training and development for NEDs*". Whitehead (2013, p3) acknowledges boards have grown significantly more professional, and FTSE 350 NEDs' involvement is significant, however he indicates there is much more to achieve.

Tusa (2020, Introduction) recognises “*going on a board... is seen as a mark of a person’s public achievement*”. Reflecting upon his position as a chair he reports that he “*found it harder than it looks*”. Whitehead (2013, p1) observes “*for some strange reason becoming a non-executive is an area where people believe they do not need training.*” This is potentially one of the reasons why strategic oversight awareness is overlooked. GC100 (2018, p8) “*considers the relationship of corporate vision and goals*” with the context of the “*strategy to achieve the vision and goals*”. Clearly NEDs have a significant role and responsibility as ‘keepers of corporate conscience’ (Graham 1963). Understandably, the ever increasing and expanding governance and regulatory compliance environment leaves NEDs with less time and attention for focus on CS. There is potential to seek integration of FTSE 350 NEDs’ values within their decision making.

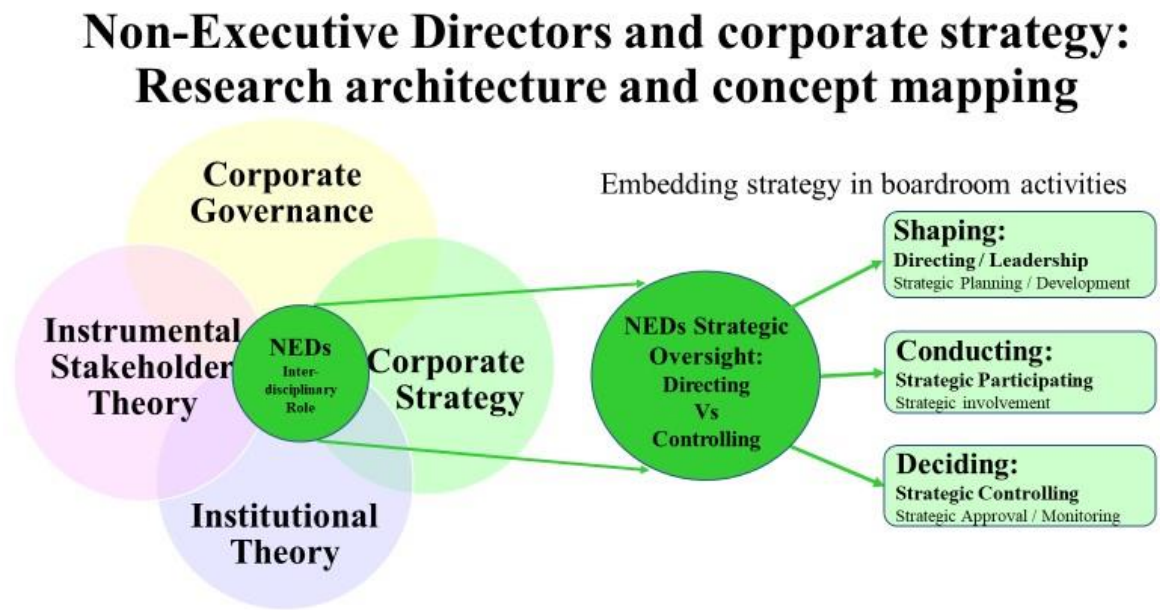
#### 1.1.5.4 Corporate strategy and its characteristics

The selected research enquiry positioned in the field of CG is fundamentally concerned with Financial Times Stock Exchange top 350 companies (FTSE 350) NEDs’ strategic oversight responsibilities. A discussion into FTSE 350 NEDs’ involvement in strategic oversight requires some representation of relevant history and evolution of UK CG. NEDs may represent major stakeholders, but independent NEDs have no links with the company thus minimising conflict of interest. Tricker (1979) is acknowledged as furthering the role of independent NEDs and of CS. Emanating from 1987 corporate scandals such as the Mirror Group and Robert Maxwell, is the Cadbury Report (1992) on Corporate Governance (IoD 2019, p1). The Cadbury Report recognised the NEDs’ strategic oversight role is ever-changing. After Cadbury, there are further CG publications up to the most recent UK CGC (2018) and in particular, the Hempel Review (1998) offers further guidance to NEDs. Valentinov and Hajdu (2019, p4) recognise the “*ongoing corporate social responsibilities institutionalization process*” and “*the proliferation of the environmental complexity is likely to pose continual challenges to any legitimacy achievements that corporations may get through their corporate social responsibility programs.*” According to Mankiw (2020 p1) “*a firm’s objective is to maximize profit*” and taken to its limits is “*sometimes described as maximising shareholder value.*” This leads to the pressure on FTSE 350 companies to maintain and improve profitability to meet the expectations of internal and external stakeholders.



Today's ever-changing external environment is constantly challenging board's internal motivation and provision of ESG for future business. The CA (2006) s171, s172, and s4, specifies the board's obligation, (which includes NEDs) regarding strategy. The current UK CGC (2018) focuses primarily on ensuring that companies have a prerequisite set of Sub-Committees, Audit, Nomination and Remuneration, as a minimum, and various regulations are met. Overall, the implementation of UK CGC (2018) is predominantly backward looking, ensuring stipulated procedures are followed and reporting is formulaic in manner (O'Neill *et al* 2020). Within a specific dimension, this research enquiry aims to establish the current state of play for CS oversight amongst NEDs, i.e., strategic leadership versus strategic approval and monitoring. The provision of good CG has the potential to enhance efficiency and strategic oversight.

**FIGURE 1 OVERVIEW OF NON-EXECUTIVE DIRECTORS AND CORPORATE STRATEGY**



Large companies play a major role in serving society today and with this come responsibilities and a duty of care.

Image source: Lisson 2022. Terminology influenced by Cadbury Report (1992) along with McNulty and Pettigrew (1999).

To aid understanding and explain the choice of research enquiry, a diagrammatical overview is provided in Figure 1, depicting the theoretical and contextual relationships. The NEDs and CS Venn diagram depicts the focus of this research enquiry, which is concerned with uncovering NEDs' oversight role in long-term sustainable CS linked to ESG. The small circle (green) in the centre is expanded to show distinct oversight areas of strategic leadership, strategic participation versus strategic approval and monitoring. Drawing on the

work and terminology of Cadbury (1992) and subsequently McNulty and Pettigrew (1999), this research enquiry extends current knowledge by concentrating on NEDs' CG responsibilities and CS through the lens as depicted in Figure 1 page 9.

Roberts *et al* (2005, p11) argue there is a tension between the controlling and the collaborative roles of NEDs. However, Cadbury (1992) and later Hempel (1998) quoted within Roberts *et al* (2005), warns "*against the dangers of over-emphasising the control role of non-executive directors at the expense of the strategic role*". This research enquiry may uncover a lack of strategic oversight is occurring. Overall, to varying degrees, these publications place much emphasis and reliance on the role and responsibilities of directors. In several instances there is even greater reliance placed on NEDs in particular. Some of this extra reliance on NEDs is predicated on the belief they are likely to be more objective, unbiased, and impartial than their executive counterparts. Thus, so the argument goes, their actions also result in outcomes which are equally unbiased and impartial, giving better returns and rewards to all stakeholders – and to shareholders in particular. NEDs and their actions become critical and more than worthy of examination.

The research enquiry considers the purpose and importance of examining and advancing the issue of NEDs' strategic oversight, just one element of their CG role. Enhancing knowledge and heightening the awareness of the need for NEDs to have a specific strategic oversight role is likely to lead to more informed decision-makers on FTSE 350 boards. The research outcomes of McNulty and Pettigrew (1999 p71) into "*Strategist on the Board*" their outcomes support further investigation into "*contextual and processual influences on strategy*". This research enquiry utilises the output constructs and findings from McNulty and Pettigrew's (1999) research have not yet been addressed and provides a timely theoretical and empirical evaluation of FTSE 350 NEDs' strategic oversight involvement in their company's CS covering the period 2019-2020 and its unique circumstances.

Acknowledging the term 'strategy' covers a significant, albeit somewhat ill-defined and wide-ranging area, this thesis concentrates on high-level vision, mission, and values, leading to and encompassed in the company's overall CS. Armistead *et al* (1999 p97) differentiates between "*strategic content ... the 'what'*" and "*strategic process ... the 'how' of management*". Cossin and Metayer (2008 p45) concede "*Many corporate boards lack clarity about their role in strategy.*" This research enquiry emphasises FTSE 350 NEDs'

strategic oversight provision i.e., the criteria required to foster a long-term successful company, and where such interactions take place.

According to Monks and Minow (2004 p42) “*we cannot tell what the future impact of corporate strategy will be on shareholder value.*” This research enquiry discusses the dynamic relationship between strategy formulation, implementation and formal review and ratification processes as fulfilled by FTSE 350 NEDs. Sadler (1993 p112) emphasises “*getting corporate strategy right is probably the most critically important task*”. FTSE 350 NEDs’ provision of strategic oversight in terms of leadership and contribution to their company’s initiatives, is critical to fostering resilience.

#### 1.1.5.5 Corporate strategy and the composition of board members

According to Taylor (1988 p1), “*strategic planning is one of the two key tasks of top management – the other is making sure that the business is running smoothly.*” FTSE 350 companies and their boards are typically composed of: a) Chief Executive(s), and Executive Directors, b) Senior Independent Director(s) and various NEDs and c) Chairperson. Chairpersons and Senior Independent Directors are part-time board members and their strategic directorship duties are within the scope of this research. The typical role of NEDs is not to engage in the day-to-day management of the company but rather be involved in policymaking and planning (Investopedia.com 2019). A NED’s obligation is to display expertise in a range of subjects, including CS and overseeing resilience within business practices. McNulty and Pettigrew’s (1999) paper is a key piece of research into boards and strategy and this research takes their findings and embarks upon an up-to-date research enquiry specifically concentrating on NEDs’ oversight in CS.

According to Heskett (2020 p1) “*Boards of directors play an important role in championing the cause of stakeholders.*” Thus, it is important to learn what involvement FTSE 350 NEDs’ strategic oversight has in: i.e., leadership, setting CS, and strategic implementation and control. Wong (2011, p6) remarks “*As a principle, boards should ensure that the stature of non-executive members is roughly comparable, and equal to or greater than the CEOs.*” This reinforces the need for NEDs to be concerned with their company’s CS. This critical examination is intended to be helpful to NEDs of FTSE 350 companies, as the research is intended to support CS and resilient ESG businesses in 2020 onwards.

## 1.2 Theory and empirical research: Aim, Problem, Questions, Objectives and Outcomes

The purpose of this research enquiry is to gain deep insights into NEDs' strategic oversight provision within FTSE 350 companies performed during 2019-2020. This investigation is discovery-orientated research, positioning within complex CG laden FTSE 350 company experiences. According to Wintersberger and Saunders (2020 pp4-5), the order in which exploratory research unfolds is, "*the overarching research question*" which for this research is the aim, problem, followed by the "*research questions*" which in turn generate the "*research objectives*" thus affording confidence that the research "*outcome is likely to provide a new contribution to knowledge*". The supporting literature review reveals this specific group of companies has not previously been researched and published regarding NEDs and CS.

### 1.2.1 Research Aim – Theoretical and Empirical

The aim of this thesis is: to provide fresh theoretical, exploratory, and empirical insights within the context of FTSE 350 NEDs' attention to CS; implementing extant theoretical perspectives of IT in conjunction with IST to copiously explore and appropriately address this research enquiry; to increase knowledge, an explanatory approach is employing 'Shaping, Conducting and Deciding' methodological themes, is justified with empirical evidence gained throughout the period of research. Having regard to the overriding aim of the research, four distinct research questions are formulated.

### 1.2.2 Research Problem – Theoretical and Empirical

Exploring the ever-increasing attention afforded to good CG and its reporting, this researcher's interest has grown within both academic and professional arenas. This research acknowledges the absence of clear boundaries in FTSE 350 NEDs' explicit and implicit provision of strategic oversight. Mandatory governance Committees exist at board level for Audit, Nomination and Remuneration, and such other Committees as individual FTSE 350 companies see fit, e.g., Risk, Technology etc. but not for CS. NEDs' appointments to specific board-level Committees have heightened areas of CG but potentially at the expense of strategic oversight. The selected domain is specific i.e., FTSE 350 companies and their

NEDs are specifically chosen as the research population, as they are a cohesive group with the uniform obligations regarding legislation, CG codes, and London Stock Exchange Listing requirements (2018). Applying theoretical and empirical concepts, the purpose of this research is to ensure FTSE 350 NEDs' strategic oversight provision is fulfilled as a business enabler whilst increasing the strategic knowledge base of NEDs.

The research questions, objectives and actual research outcomes are formulated fostering good CG. This enquiry attempts to deliver a clear understanding of NEDs' legal strategic oversight responsibilities whilst supporting long-term sustainability within their companies.

### 1.2.3 Research Questions – Theoretical and Empirical

This research enquiry seeks to establish whether FTSE 350 NEDs' oversight currently supports the development of CS or merely passively reviews and approves strategies presented to them at board meetings as required by UK CGC (2018). To discover this, the research needs to establish when FTSE 350 NEDs are currently engaged in strategic oversight. Thus, the research questions (RQs) are formulated to tease out the current NED strategic oversight provisions. RQ1 establishes the selected theories to deliver the research findings and insights. RQ 2 - 4 seek to understand what is formally expected of NEDs' strategic oversight. Furthermore, whether NEDs' contractual proforma Letter of Appointment, Terms of Engagement, Terms of Reference, and FTSE 350 NED biographies, hereafter known as data repositories, concentrate upon CG compliance at the expense of CS. For this research, answers to appropriately established questions enable the fulfilment of the aims of the research enquiry. The four RQs are:

**RQ: 1 Do the two identified theories i.e., Institutional Theory with Instrumental Stakeholder Theory, contain potential explanatory power regarding possible explications for potential contextual empirical evidence and phenomena?**

Having first had regard for a meaningful selection of academic, professional and empirical literature and provided an appropriately comprehensive consideration and presentation of them, are the selected theories able to assist the explanation of observable evidence. This research enquiry aims to deliver a unique theoretical contribution from IT in conjunction with IST.

**RQ: 2 Are NEDs expected to contribute to corporate strategy and if so, in what form and to what extent?**

What expectations and evidence (if any) is at hand to suggest the expectation that NEDs should have a concern for CS? A deep empirical examination of NEDs' trending issues within legal and regulatory strategic oversight obligations is performed on the up-to-date data within this data repository. Additionally, an empirical examination of FTSE 350 Index and constituent companies reported profitability and liquidity during the research period 2019-2020 is undertaken, while taking appropriate consideration of IT in conjunction with IST frameworks to understand any potential gaps and possible divergences from what is required by CA (2006, s171.2).

**RQ: 3 Does the publicly available evidence regarding the involvement/engagement of NEDs suggest a greater emphasis on Corporate Governance compliance, with a somewhat lesser focus on corporate strategy?**

The purpose is to explore when and where CS is reviewed and discussed at board-level. An empirical assessment of NEDs' strategic oversight capability requirements linked to the data repository documents is evaluated deploying IT in conjunction with IST along with the multiple research design methods. Specific NEDs' 'leadership' and 'strategy' elements are assessed to investigate the need for a specialised Corporate Strategy Committee to fulfil their responsibility in delivering their company's long-term sustainable strategy.

**RQ: 4 How, and to what extent are NEDs expected to contribute to corporate strategic oversight and so help deliver long-term successful and sustainable companies?**

In addition to the rich data collected and analysed in RQ 1 - RQ 3 what could further theoretical and empirical analysis of the data reveal that promote NEDs' oversight and decision-making responsibilities within strategic leadership, in participation, as well as approval and monitoring of CS? In IT with IST framework terms, what evaluations emerge from a consideration of the above responses? Moreover, an intelligent approach considers both explicit and implicit NEDs' obligations.

#### 1.2.4 Research Objectives – Theoretical and Empirical

Accompanying the RQs are four broad research objectives (RO) which theoretically and empirically support the individual RQs in revealing the expected strategic oversight role of FTSE 350 NEDs in developing, implementing, and monitoring CS within the real-world environment. The objective of this research enquiry is to analyse NEDs' contribution to their company's CS.

- RO: 1            To provide possible theoretical explications for the domain related empirical evidence and phenomena.**
- RO: 2            To reveal NEDs' potential contributions to corporate strategy within FTSE 350 companies.**
- RO: 3            To determine whether the current NEDs' role has the potential to contribute to corporate strategy.**
- RO: 4            To determine, in an explorative manner, whether the role expectations of NEDs have the potential to contribute to corporate strategy – particularly long-term sustainable corporate strategy.**

Supporting the delivery of the ROs are IT in conjunction with IST lenses which assist to identify the oversight role that FTSE 350 NEDs are expected to play regarding CS. This empirical examination aims to understand the expectations, if any, for NEDs to contribute to CS as stated within the data repository (Farquhar 2012, p39). Moreover, the selected research design complements the examination and delivery of the research enquiry employing a predominantly interpretivist approach. Data collection and analysis layers qualitative Content Analysis and cross-sectional Descriptive Analysis leading through to potential further Thematic Analysis to obtain rich insights into the ROs and outcomes.

### 1.2.5 Research Propositions – Theoretical and Empirical

This research enquiry develops the following ex-ante propositions in a first attempt to make a theoretical contribution about NEDs and CS. Perceptions of FTSE 350 NED strategic oversight provision linked to the RQs are illuminated within the following **four research propositions(RP)**:

**RP: 1** ...theory helps define and understand NEDs' involvement in corporate strategy.

**RP: 2** ...NEDs offer strategic contributions within various board-level interactions.

**RP: 3** ...professional body proforma NED Letter of Appointment, Terms of Engagement and Reference have very limited mention of 'Strategy'.

**RP: 4** ...NEDs' role in corporate strategy is under resourced, and heavy compliance contributions lessens their corporate strategy input.

Research proposition 1 is theoretically underpinned, whilst research propositions 2-4 are subsequently underpinned by observable exploratory empirical evidence based on disclosures within the collection of up-to-date data sets saved in the data repository.

### 1.2.6 Research Outcomes – Theoretical and Empirical

This research considers the theoretical, methodological and policy contributions emanating from the research outcomes and any significant leadership implications stemming from this thesis. The emphasis is upon how NEDs implement their strategic oversight role and is not merely a passive worksheet of items undertaken. The actual research outcomes (ARO) are:

**ARO: 1**        **A presentation and expose of a meaningful selection of, and appropriate consideration of key academic, professional, and empirical literature, an aptly comprehensive exposition of Institutional Theory with Instrumental Stakeholder Theory.**



- ARO: 2**      **A revelation of prevailing insights regarding the expected involvements of NEDs in corporate strategy is considered, particularly as interpreted from Institutional Theory with Instrumental Stakeholder Theory perspectives.**
- ARO: 3**      **A presentation of insights into NEDs’ expected contribution to relevant corporate strategy.**
- ARO: 4**      **A presentation of insights made possible from the findings of a systematic consideration and exploration as to whether the current NEDs’ role has the potential to contribute to corporate strategy.**

The crucial scope of this research enquiry is to investigate the nature of FTSE 350 NEDs’ strategic oversight provision, as these companies conform to the same legal, CG and stock market guidelines. Underpinning the impetus for this theoretical and empirical research, is a greater understanding of NEDs’ strategic oversight involvement in leadership processes. According to Stokel-Walker (2021 p15), “*creative thinking should be at the heart of any sustainability plan*” a must for long-term sustainable CS. The research scrutiny includes a discussion on the explicit and potential implicit themes, outcomes, and findings which in turn influence the recommendations. Other NEDs and organisations can find benefit from this thesis; however, caution must be exercised as differences may occur between prevailing legal and governance requirements. This enquiry attempts to present extensive and innovative research of the resources to explore, review and control CS. For reference - Table 41 List of Acronyms.

### 1.3 Research Considerations and Thesis Structure

The backdrops for this thesis and its underlying foundations sits in the sphere of good CG. According to CA (2006, s171), directors are required to “*promote the success*” of the company whilst having regard to “*the likely consequences of any decision in the long-term*”. Consequently, the focal point of this research enquiry is FTSE 350 NEDs’ strategic oversight responsibilities. FTSE 350 NEDs’ oversight appointments are short-term, typically four to

a maximum of eight years, however they are responsible for ensuring delivery of their company's long-term viable corporate strategy vision (Statista 2019). The research enquiry utilises IT in conjunction with IST frameworks and is subsequently linked with research design ideas of Shaping, Conducting, and Deciding to form the ground rules and vocabulary applied within this research enquiry. The significance of this research is within the integration of theory, methodological perspectives, concepts as well as tool and techniques and promoted at policy level (Lyll 2011). This research enquiry upholds previous theoretical and methodological outcomes whereby a clear case for replication is acknowledged, (McNulty and Pettigrew 1999) and this research enquiry provides an up-to-date context.

### 1.3.1 Research enquiry delimitations and exclusions

This research enquiry concentrates specifically on FTSE 350 NEDs' contributions to the CS of the companies in which they are NEDs in 2019-2020. It is important to maintain the conceptual distinction between high level CS versus business, operating and product strategies which are outside the scope of this research enquiry. This research does not evaluate the effectiveness of NEDs' contribution to CS or whether the chosen CS is optimum. Additionally, this research does not verify specific outcomes between CS adopted and overall financial performance of the company. Moreover, the actual process of forming CS is also outside the scope of this enquiry. These are likely to be the attention of future research. Subject to parameters and limitations, this research reveals when, where and whether NEDs contribute to CS. It is acknowledged FTSE 350 NEDs' oversight role is exceptionally wide and ill-defined, with many dimensions that cannot be captured and justified in a single thesis. Moreover, this research is ever mindful of trying to answer questions beyond the scope which the data sources can support.

This research enquiry concentrates on archival material and secondary data and is undertaken by a part-time PhD student during the period 2015 – 2021. Specifically excluded from this research enquiry are NEDs in UK unlisted companies and Alternative Investment Market (AIM) as such NEDs often play a larger and more significant role i.e., that of business angel (finance) or business advisor (strategy) as is confirmed in Long *et al* (2005). Consistent with Long *et al* (2005), factors such as ownership structure along with power between internal and external stakeholders as impacting the composition and function of the board. CS is clearly within scope. Specifically excluded are business, divisional, and

operational strategy which occur in the normal business operating processes. The strategic information system (i.e., Technology, Applications, Integrated Reporting) is outside the scope of this research, although this research acknowledges the need for these to be aligned and integrated in the overall CS process. Long *et al* (2005) explore factors such as ownership structure along with power between internal and external stakeholders as impacting the composition and function of the board.

When considering NEDs' oversight role and responsibilities it is easy to become bewildered by the enormity of scope. This thesis remains exclusively concerned with FTSE 350 NEDs' board-level contributions to CS of the companies by which they are engaged which excludes the strategic management and execution elements which happen at various sub-board levels throughout the company. NED's 'independence' status is outside the scope of this research enquiry. In retrospect, this researcher acknowledges she would have liked to incorporate some of the areas categorised as outside of scope. Further research which came to light during the writing up phase is discussed in more detail in the conclusion. The areas identified as outside the scope and excluded from this research enquiry are itemised in Appendix A.3 Research enquiry delimitations and exclusions.

### 1.3.2 Thesis structure

An overview of the organisation and structure of the thesis including a synopsis of each chapter is as follows: **Chapter 1:** of this thesis **Research Introduction and Orientation** introduces the need for FTSE 350 companies to build long-term sustainable businesses. A review of the research background including evolution of NEDs' role is provided. To enable the contribution to knowledge the **Research Aim, Problem, Questions, Objectives, Propositions and Outcomes** are specified and mapped. Likewise, delimitations to this research enquiry are clearly stated.

**Chapter 2: Theoretical, Conceptual and Contextual Literature** guides a systematic literature review and aims to progress the consideration of five inter-related areas of concern: contextual, regulatory and governance, guiding the theoretical choice, strategic oversight enquiry, and lastly exploratory and empirical literature leading to the selection of data and examination supporting this thesis. **Theoretical literature** is a documentary review into potential theories prior to selecting two complementary theories, IT and IST, to support this

research enquiry. Applying both theories concurrent with NEDs' strategic oversight duties delivers an explanatory framework and is specifically linked to NED oversight activities. Through the implementation of these theoretical lenses, the research enquiry advances and attempts to provide clarification of prevailing practices relating to FTSE 350 NEDs' involvement in CS. **Regulatory, professional, and governance literature** probes a significant quantity of professional, legal, regulatory and governance literature covering the activities of board members and the operation of their company. The Companies Act (2006) is the bedrock and s171 and s172 clearly state the duties of the board include promoting the success of the company. 'Comply or Explain' UK CGC (2018) is compulsory for all FTSE 350 companies without exception. Various industry and professional bodies supporting board activities provide good governance guidance. No meaningful evaluation of NEDs and CS can be undertaken without full comprehension of these areas.

**Chapter 3: Empirical Literature Review: NED and Corporate Strategy** concentrates upon the research aim, which is delivered via an interpretive research method. Relevant literature contributions underpin both the areas of CS whilst postulating NEDs' oversight provision. A comparatively small number of outdated research papers exist concentrating specifically on UK board-level CS activities. These papers, commencing with McNulty and Pettigrew (1999), have clearly demonstrated the need for further research in this area. This research extends the current boundaries and closes a gap in the current literature in the area of the FTSE 350 NEDs' strategic oversight responsibilities. This research enquiry is unique in its focus upon NEDs' corporate strategic oversight within FTSE 350 companies during 2019-20. **Methodological issues raised** in the literature influence the selected research design and methods whilst acknowledging the methodological selection uncovers the impending outcomes. A rich variety of quantitative and qualitative data is collected and stored within the purpose-built data repository. **Literature Summary** exposes significant gaps in the literature which this specific research enquiry fulfils. Some writers merely say further research needs to be done, whilst others provide ideas and point the way forward. Relying upon key authors research has informed this research enquiry. These sources are catalogued at the end of the chapter, with dates, frameworks applied.

**Chapter 4: Research Design and Methodology** provides insights into the selected research philosophy, approach, strategy, choices, and time horizon. Additionally, the ethical concerns are clearly stated and adhered to along with relevance, reliability, and validity. This affords the research the ability to explore and empirically establish the reality of FTSE 350 NEDs'

strategic oversight involvement based upon research findings. **Data Collection and Analysis:** the integrity of this research enquiry is paramount, this is provided by clearly documented, precise data methods and reflexivity. To aid credibility, a mixed-method parallel-layered archival and secondary data collection and analysis process is selected (Johnston 2014 p613). Various diagrammatically depicted conceptual frameworks deliver an overview of the meticulous compilation and development of data scrutiny supporting the exploratory and empirical research. A purpose-built colour coded framework is developed, mapped, and utilised to aid readability. Triangulation of data methods are deployed. The confirming conversations / pilot data is excluded from the explicit research enquiry outcomes.

**Chapter 5: Empirical Findings: Analysis and Related Theoretical Insights** commences with a presentation of mixed-method, parallel-layered data sourcing, acquisition, and method of analysis. All data is collected in the UK between April 2019 and December 2020. Each RQ is evaluated in turn, RQ 1: fulfils the theoretical contribution, whilst RQ 2 – 4: answers the empirical discussion and the research outcome(s) declared. Additionally, possible obstacles to FTSE 350 NEDs' involvement in the company's CS are noted.

**Chapter 6: Conclusions, Implications, and Recommendations:** The research evidence and findings attempt to provide a critical analysis and practical confirmation of FTSE 350 NEDs' requirement and opportunity to contribute to the company's CS as well as close the gap in theory as well as knowledge. The findings are discussed with academics and appropriate professionals to ascertain their views and avoid misinterpretations. Moreover, the potential policy implications of this research enquiry are revealed, and the beneficial outcomes disseminated. An extensive inventory of recommendations arising from this research enquiry is delivered.

**Contribution to theory, knowledge, policy, and suggestions for future research** outcomes deliver important insights which collectively illuminate the key issues surrounding NEDs' strategic oversight thus providing a rich contribution to knowledge. Employing the theoretical frameworks, IT in conjunction with IST deliver a new timely contribution to theory, knowledge, and scholarship. This research enquiry reveals NEDs have clear responsibilities towards their company's long-term CS. Merely having legislation and CG

guidelines is insufficient if the FTSE 350 NED time and effort allocated to the strategic oversight tasks is inadequate.

Drawing upon the outcomes of each RQ, potential policy implications and recommendations emerge. The research findings support the shift in emphasis towards ESG embracing resilience within companies. There is a need for significant further rigorous research within the area of NEDs' oversight and CS. Moreover, adopting and deploying other theoretical lenses is likely to further enhance understanding. This research enquiry has implications related to current legislation, CG codes and time available for FTSE 350 NEDs' oversight undertakings. The potential need for policy changes is identified and there is a clear statement of expected outcomes. Finally, a comprehensive inventory of future research emanating from the research outcomes is presented.

Future research arising from this thesis attempts to provide insights that warrant further investigation such as: comparison between UK private companies, NHS hospitals, UK vs USA strategic oversight and leadership, the value of having PhD level NEDs on boards, etc. Additionally, further areas for research include NED characteristics, diversity, gender, ethnicity, number of concurrent NED positions held and length of service. The research area could be widened to review business unit and operational strategy along with the regulatory reporting element of the Strategic Report.

**The appendices** comprise of wider elements of NEDs' oversight responsibilities including a corporate environmental strategy review. Supporting the selection of research philosophy is a comprehensive overview of methods deployed and methods set-up of a pilot investigation. A clear statement of the actual data repository sources is compiled and presented in Appendix D.3 Data Repository. Intricate observable evidence along with a greater depth and breadth of understanding is cross-referenced within the various chapters of this thesis.

## 1.4 Chapter Summary and Concluding Thoughts

This chapter commences with a historical overview of FTSE 350 NEDs' oversight role and responsibilities concentrating on CS. A FTSE 350 NEDs' obligation is to display expertise in a range of CG subjects including that of CS thus ensuring long-term sustainable business, the nature of which is revealed later in this thesis. As such, within CG research, the focus on NED oversight provision specifically of CS is recognised as being under researched.

Understandably, this research enquiry is important to ascertain what FTSE 350 NEDs' strategic oversight involvement is in: strategic leadership, setting CS and strategic implementation and control. The prevailing and ever-expanding governance and regulatory compliance environment may leave FTSE 350 NEDs less time for attention to their company's CS. Against this context, this thesis attempts to provide theoretical, exploratory, and empirical insights from FTSE 350 companies performed during 2019-2020. No recent research into FTSE 350 NEDs' strategic oversight role and responsibilities drawing upon actual observable evidence is evident or revealed within the extensive literature review thus reinforcing the need for this research enquiry. After exploring the real-life problems this research reveals FTSE 350 NEDs have a significant role to play in their company's CS.

The research aim, problem, questions, objectives, and actual research outcomes are stated and promote the recognition of good CG. This enquiry attempts to deliver a clear understanding of NEDs' oversight responsibilities within CS supporting ESG and embracing resilience within companies by scrutinising copious sources of archival and secondary data resources (Johnston 2014 p619). This research enquiry from hereafter uses the word 'strategy' which includes its derivations such as 'strategies, strategist, 'strategically' etc. etc... Finally, the chapter concludes with a summarised overview of the various chapters included in this thesis. The RQs, ROs and outcomes mapping are depicted in Table 1, page 24. Ultimately, a NED's governance role includes strategic oversight. The nature of NEDs' strategic oversight involvement is the central issue of this research enquiry.

**TABLE 1 SUMMARY OF RESEARCH QUESTIONS, OBJECTIVES, PROPOSITIONS AND OUTCOMES MAPPING**

Research Mapping					
No.	Questions	Objectives	Propositions	Outcomes	Methods / Data
1	Do the two identified theories i.e., Institutional Theory with Instrumental Stakeholder Theory, contain potential explanatory power regarding possible explications for potential contextual empirical evidence and phenomena?	To provide possible theoretical explications for the domain related empirical evidence and phenomena.	...theory helps define and understand NEDs' involvement in corporate strategy.	A presentation and expose of a meaningful selection of, and appropriate consideration of key academic, professional, and empirical literature, an aptly comprehensive exposition of Institutional Theory and Instrumental Stakeholder Theory.	Literature review and adoption and application of IT in conjunction with IST within this research enquiry.
2	Are NEDs expected to contribute to corporate strategy and if so, in what form and to what extent?	To reveal NEDs' potential contributions to corporate strategy within FTSE 350 companies.	...NEDs offer strategic contributions within various board-level interactions.	A revelation of prevailing insights regarding the expected involvements of NEDs in corporate strategy is considered, particularly as interpreted from Institutional Theory and Instrumental Stakeholder Theory perspectives.	<b>Data Repository</b> Up-to date professional bodies proforma document investigated: <ul style="list-style-type: none"> <li>• NED LoA,</li> <li>• NED ToE,</li> <li>• NED ToR,</li> <li>• FTSE 350 Published NED Biography,</li> <li>• CA (2006)</li> <li>• UK CGC (2018), And other CG Reports</li> <li>• LSE listing regulations</li> <li>• FTSE 350 Company Strategic Reports</li> </ul> FAME Database.
3	Does the publicly available evidence regarding the involvement/engagement of NEDs suggest a greater emphasis on Corporate Governance compliance, with a somewhat lesser focus on corporate strategy?	To determine whether the current NEDs' role has the potential to contribute to corporate strategy.	...professional body proforma NED Letter of Appointment, Terms of Engagement and Reference have very limited mention of 'Strategy'.	A presentation of insights into NEDs' expected contribution to relevant corporate strategy.	
4	How, and to what extent are NEDs expected to contribute to corporate strategic oversight and so help deliver long-term successful and sustainable companies?	To determine, in an explorative manner, whether the role expectations of NEDs have the potential to contribute to corporate strategy – particularly long-term sustainable corporate strategy.	...NEDs' role in corporate strategy is under resourced, and heavy compliance contributions lessens their corporate strategy input.	A presentation of insights made possible from the findings of a systematic consideration and exploration as to whether the current NEDs' role has the potential to contribute to corporate strategy.	

Source: Lisson (2022).



#### 1.4.1 Chapter concluding thoughts

To raise awareness there is the potential to uncover the need for each company to have a board-level CS Committee which requires significant involvement from NEDs. The purpose of this CS Committee is to engage all board members (including NEDs) in fulfilling their core strategic oversight responsibilities. This includes promoting and tabling of CS issues, policy, and resolutions in a timely manner. Further outcomes of this research enquiry have the capacity to inform general CG policies and the ability to underpin specific CG guidelines. Moreover, additional research may discover the potential for a new theory and further longitudinal research.

This chapter commenced with an introduction to this research enquiry. It then went on to identify the research aim, problem, questions, objectives, and outcomes. The next chapter provides a review of conceptual, contextual and theoretical literature (NED and corporate strategy) guiding the research enquiry in theoretical, legal, professional, and regulatory underpinnings. This research uniquely amalgamates IT in conjunction with IST to provide current insights into FTSE 350 NEDs' strategic oversight.

## 2 Theory, Conceptual and Contextual Literature: NED and Strategy

### 2.1 Chapter Introduction

The previous chapter establishes the need for this research enquiry and defines the framework to deliver an up-to-date theoretical, exploratory, and empirical research on FTSE 350 NEDs' strategic oversight. The fundamental purpose of the conceptual, contextual, and theoretical literature: NED and strategy, is to inform both this research as well as the reader and aid the scope of this enquiry. The theoretical significance of this research enquiry ensures it is at the forefront of cognizance and adds significantly to the understanding of this research environment.

The structure of this extensive literature review forms several distinct perspectives within this thesis plus supporting appendix and is sequenced as follows: the **theoretical, professional, regulatory and governance literature** section. A review of the theoretical literature identifies the research and philosophical perspectives; the selected theoretical lenses define and support the overall scope of the research enquiry, which are, Institutional Theory (IT) with Instrumental Stakeholder Theory (IST). In view of the fundamental need for further research into FTSE 350 NEDs' provision of oversight and specifically their responsibilities in CS, this chapter aims to provide a framework for a systematic literature review from multiple perspectives including a review of Companies Act 2006 and amendments, 2018 London Stock Exchange listing regulations along with CG codes. A balance of depth and breath, accuracy, and reliability, alongside lucidity and succinctness, is presented in the overall literature review.

#### 2.1.1 Overview of NEDs and corporate strategy

At the beginning of this literature review, a purposeful systematic review of key journals is planned, commencing with the publication of McNulty and Pettigrew (1999) in *Organisational Studies* and further identification of other significant journals such as *British Journal of Management*, *CG*, *Academy of Management*, etc. A set of cross-reference

summary tables is presented at the end of theoretical, strategy and methodological literature review chapter 3 with summaries of key points raised. Historically, there is an indication authors aligned with specific journals. Conversely, on this occasion the researcher observed key authors and related articles are published in a variety of journals, rendering a strict systematic literature review inappropriate (Kasperuniene and Zydziunaite 2019 p1). This observation may have emerged as a direct result of academic Research Excellence Framework (REF) requirements and the need for UK academics to remain research active with strict publication targets. This research seeks to generate new frameworks and perspectives to support this thesis. Snowballing, being a chain referral technique, is a recognised literature review technique and is in popular use by various researchers such as Bertoni and Larsson (2017 p306). This research widened the literature review frame and selected elements of snowballing as the preferred method of literature selection. A wide range of theoretical subject areas is reviewed as this enquiry is not bounded by a single area. This research identifies relevant research and consists of search, selection, scrutiny, and synthesis processes (Eulerich and Eulerich 2020). See page 126, Table 7 Prominent Methodological-based issues within Empirical Literature review, presenting a systematic and transparent process in chronological order.

Having established the need for conceptual and contextual background to this research enquiry in the previous section, it is appropriate to offer a review of the prevailing theoretical, regulatory, professional and governance frameworks. The UK's legislation and CG codes hold boards collectively responsible for the success of their company (Amaral-Baptista *et al* 2010). This segment unfolds with a review of CA (2006) s171 and s172, UK guidance on Strategic Reporting 2018, the UK CG environment commencing 1992 to 2018, board effectiveness, and lastly various overseas regulatory and compliance guidance. The concept and procedures of NEDs' oversight cannot be investigated and understood without examining the ever-evolving CG environment.

NEDs' oversight role and responsibilities are extensive. Laws and corporate governance codes are crucial to support long-term economic development of FTSE 350 companies. The UK regulatory environment has transformed since the initial Cadbury Report published in 1992. Charkham (2006, p300) recognises the CG deficiencies with the CA (2006) and stresses the need for transparency and increased obligations of the board, specifically the NEDs. Garratt (2003, preface) underlines "*Good corporate governance is not just complying with the rules in a formulaic way but is about the board's performance*

*contributing to the direction, health and wealth of the organisation.*” Moreover, none of his ten duties of the board (p83) recognises strategic oversight or the promotion of long-term sustainable business as a duty of NEDs.

BIS Select Committee and Tomorrow’s Company report (2009, p51) concede *“the regulatory environment should encourage innovation, it can have the opposite effect and contribute to a compliance mentality...”*. With over 30 CG guidance and codes specifically relating to UK business practices issued, with ever greater emphasis on audit and compliance, perhaps the above statement has potentially come true. Moreover, the report identified *“board membership did not guarantee a comfortable lifestyle”* and *“the repercussions were felt in the prospective pool of NEDs and shrinking levels of diversity”*.

CA (2006 s172) enshrines the principle of enlightened shareholder value, i.e., the director’s duty to promote the success of the company whilst discharging their duties. Gibbon *et al* (2019) present an informative and practical CG review, which whilst comprehensive in coverage in areas of governance, internal controls, and some directors duties, fails to address board involvement in CS. Clifford Chance (2020, p5) provides boards with suggested key disclosures for *“decision making and strategy”*, such as principle decisions taken, specific examples, links to CA (2006 s172), etc., but does not go as far as promoting CS and a long-term decision making forum within the companies. This research identifies since the 1992 Cadbury report, FTSE 350 NEDs’ role focuses upon governance issues probably to the detriment of CS (Subramanian 2015 p97).

Businesses need to take a holistic and evolving view of how to embrace ESG within long-term sustainable values, which can be heavily influenced by external factors. *“Government policies have a tremendous influence on companies and the issues affecting them.”* (NBS 2017, p3). Thus, the board plays a major part in driving ESG business practices. NBS (2013, pp6-7) recognises business leaders must be *“forward-thinking”* and capture *“Motivation, Ability and Opportunity”* as well as being present to facilitate change. BIS and Tomorrow’s Company (2009, p15) recognise the need for further research into the richness of experience of the individual board members. BIS and Tomorrow’s Company (p38) report that *“Non-executive appointments in the UK are driven by the need to fulfil regulation on independence criteria”*.

## 2.2 The Theoretical Literature

The purpose of this segment is to appraise multiple theoretical lenses available and select the most appropriate frameworks to support this research enquiry. Commencing with a review of potential philosophies available to underpin this research prior to explaining the reasons for the selection of the chosen theories. The conscious selection of theoretical and philosophical perspectives attempts to provide guidance and validity to the framework of the research enquiry (Gabriel *et al* 2015, p60). Donaldson and Preston (1995, p72), quoting Freeman (1984, p25), noted “*explore the logic of this concept in practical terms, i.e., in terms of how organisations can succeed in the current and future business environment*”. Theory aids understanding in predicting how individuals are likely to act and react. Moreover, theory promotes deeper insights by weaving into the conceptual framework delivering this thesis, which afford increased clarity and transparency of the strategic oversight role of FTSE 350 NEDs and understanding of their contributions.

Grant and Osanloo (2014, p13) describe the theoretical framework as the “*blueprint*” for structuring the research inquiry’s “*philosophical, epistemological, methodological and analytical approaches*”. On commencing this thesis, many theoretical frameworks were available for this research. The literature review revealed the choice of theoretical lens defines and decides what is in scope and what is outside scope. Scholarly research recognises a crucial step in the advancement of knowledge requires the structuring of research with the aid of theory (Salmons 2019). This aids the research to systematically uncover and arrange items for review. According to Nakano and Muniz (2018, p1), many articles (possibly theses) “*are rejected because of a lack of conceptual (or theoretical) contribution*”. They assert (p3) “*theories are systems of concepts that explain facts and provide stories as to how phenomena work the way that they do*”.

Pye and Pettigrew (2005, pS28) state “*a lack of theoretical framework often undermines the impact of process studies*”. Moreover, Huse (2005, pS68) emphasises the need for researchers to observe “*the dynamism linked to concepts at three levels, as resources, context and design parameters*”. Moreover, Claessens (2003, p28) highlights the long-lasting relationships between CG and institutional features. The selection of research theory to support the investigation is one of the most important decisions a researcher must make.

### 2.2.1 Contribution to theoretical understanding and justifying rejected theories

Theories support potential explanations of past events thus enabling research to uncover future policy recommendations and behaviours. Fernando and Lawrence (2014, p150) wrote *“theory is, at its simplest, a conception of the relationship between things.”* Grant and Osanloo (2014) and Creswell (2007) assert qualitative research utilises a theoretical lens to present an overall orientating lens for focusing their research enquiry. D’Silva (2019 presentation) indicates *“research culminates in a discovery that in some way contributes towards theory”*. This research aims to aid clarification of NEDs’ oversight involvement in CS, i.e., what they actually do as distinct from what they should be doing.

Accordingly, Baum and Lampel (2010, p\_xviii), concede that researchers legitimise knowledge through application of theory either *“a priori or consequential”* legitimisation. For a priori, *“the dynamics of a scientific field is shaped by practices and institutions that consecrate certain kinds of contributions”*. For consequential, *“here the researcher establishes legitimacy of his or her theory with references to the flow from that theory”*. This thesis is likely to adopt priori legitimisation.

Huse (2005, pS70) recognises *“boards should create value for shareholders through value creation in the firm”*. This research enquiry is specifically centred upon understanding where NEDs create and add value to their company’s CS. This research evaluates and rejects many CG and management discipline theories such as those highlighted by Yusoff and Alhahi (2012), Deegan (2004) and others; including theories of, Agency, Legitimacy, Political, Resource Dependency, Social Contract, Stakeholder and Stewardship prior to selecting IT in conjunction with IST to shape and support this specific research enquiry, see Appendix B.2 Reviewed and rejected theoretical lenses. Agency, Stakeholder and Stewardship theories have potential but, for this research, have been rejected, including the specific circumstances as to why they do not sufficiently aid this research in explaining FTSE 350 NEDs’ strategic oversight role. This research recognises there are a large and evolving body of theories to support research, rejecting theories and selecting the right theory to support this research enquiry is therefore an important task. Accepting different frameworks assumptions help explain the differing treatments of context and subjectivity.

This research is conscious of the likely opacities between board collective inputs to CS and disentangling specific individual NED strategic oversight contribution. Roberts *et al* (2005, p S8) argue “*key issue is not whether one theory is more valid than another*” rather which theory supports “*the capture of the complexity of the phenomena*”. Grant and Osanloo (2014, p19) concede “*there is no one theory that fits best with any inquiry*”. By combining IT in conjunction with IST, this research aims to overcome many of the limitations of merely selecting and applying a single theory approach thus providing deeper understanding of FTSE 350 NEDs’ strategic oversight role. Thus, the data gathering, and scrutiny needs to offer a clear and rational justification for the theoretical and empirical findings and conclusion.

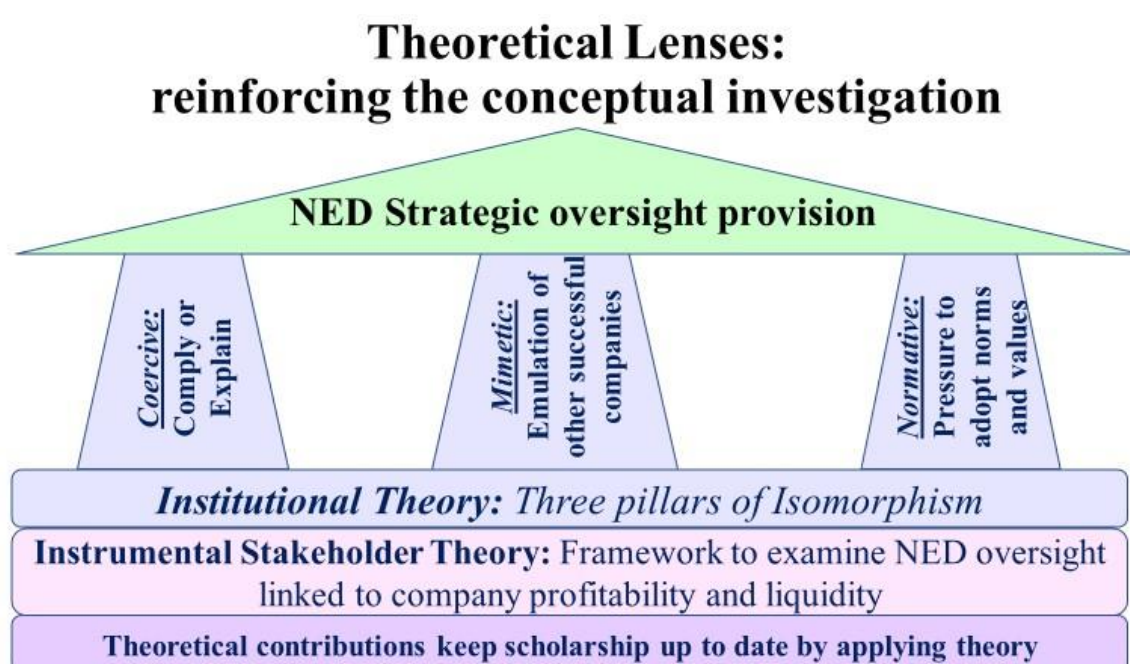
### 2.2.2 IT in conjunction with IST: a taxonomy of theoretical constructs

Baker *et al* (2010 p6), contend that “*Institutionalization is a process whereby social practices in organizational settings are created and learned*.” Smets *et al* (2015 p283) acknowledge the recent re-engagement with “*new phenomena and start looking at familiar phenomena in new ways*”. In integrating the theoretical foundations of IT in conjunction with IST to examine FTSE 350 NEDs and CS, this research reflects upon the conceptualisations of NEDs’ formal strategic oversight role, specifically elucidating its key components (Isaeva 2020, p3). This element of the research enquiry emphasises the contractual obligations of NEDs to understand and potentially boost the corporate strategic oversight of FTSE 350 companies. Filatotchev *et al* (2013) highlight the possibility for unintended consequences of governance interventions. The ever increasing and expanding governance and regulatory compliance environment absorbs NEDs’ time and effort, potentially leaving insufficient attention for CS matters. Moreover, Filatotchev *et al* (2013, p981) recognise there is a large gap in knowledge and theoretically informed understanding of institutions and identifies the situation of “*institutional voids*”. Moreover Mallin (2010 p18) suggests “*Stakeholder Theory advocates enlightened value maximisation... of long run value of the firm*”. This research enquiry is theoretically supported by the adoption and unique deployment of IT in conjunction with IST frameworks, utilising multiple strategies to analyse and extract both formal and informal insights from the data.

Pioneering IT in conjunction with IST in considerably different environments to previous research, drives and yields new insights being delivered in this research, FTSE 350 NEDs and CS in 2019-20. The theoretical frameworks guide and aid the scrutiny of FTSE 350

NEDs’ customs and practice alongside the prevailing legislation, CG codes as does the need for FTSE 350 companies to maintain liquidity positions and make profit to deliver the resilient ESG objective. Previous studies by Herold (2018, p7) have indicated IT and Stakeholder Theory are deployed in sustainability reporting. Moreover, Farquhar (2012 p44) supports the adoption “*of more than one theoretical perspective in the interpretation of a single data set*” in order that triangulation can be instigated to illustrate and extend theory. Below is a specifically formed research conceptual and theoretical framework diagram.

**FIGURE 2 THEORETICAL LENSES – LEADING TO A THEORETICAL CONTRIBUTION**



Source: Lisson (2022).

Recognising Stakeholder Theory is widely researched in academic publications, Plender (1997, cover) states “*The stakeholder provides an opportunity to tame the harsher aspects of capitalism without any loss of competitiveness*”. IST (a sub-set of Stakeholder Theory) has received much less consideration, and “*whose mutual relationship remains unclear*” and “*contested*” (Valentinov and Hajdu 2019, p1). IST is not discrete, rather this research is best served by this element of the Stakeholder Theory as it emphasises the need for “*commercial success*” (Kaler 2003, pp72-73). Grant and Osanloo (2014, p13) emphasise the selected theoretical framework “*has implications for every decision made in the research process*”. Cognisant of this important factor, theory is selected and employed with care.



### 2.2.2.1 Overarching conceptual frameworks supporting this research enquiry

Isaeva *et al* (2020, p19) stressed the importance of “*careful diagnoses for developing theories that represent and are applicable to the complex social world*” which is important to this exploratory research. Situating the research within a particular lens is likely to hinder a comprehensive understanding. This research enquiry cannot be achieved by adhering strictly to a single research philosophy and methodology as the prevailing reality in NEDs and CS requires a aggregation of theories to advance knowledge on the situation. Integrating and deploying IT in conjunction with IST facilitates the aim of this research enquiry to provide a fuller appreciation of NEDs’ strategic oversight role. Herold (2018, p13) diagnoses “*stakeholder mechanisms only examine a fragment of the multidimensionality*” of the stakeholders and underestimates the institutional factor. Valentinov and Hajdu (2019, p2) acknowledge “*Instrumental Stakeholder Theory advances “developing stakeholder relationships governed by norms of traditional ethics will lead to improved financial performance”*”. Ready access to cash is an important resource because it delivers flexibility of reaction to events as they arise. FTSE 350 companies must balance the risk between holding too much liquidity versus placing the company at a serious competitive disadvantage.

IT aids our comprehension of the prevalence of isomorphic impact of strategic oversight environment on companies, which leads to conformity of institutional characteristics (Aksom and Tymchenko 2020 p1223). Scott (2005), focusing on macro perspectives of IT, examines the structure of wider environments and their effects on organizational forms and processes. Heavily impacting this enquiry are government legislation and guidelines and industry norms. According to Oliver (1997), IT posits those institutional activities occur due to influences on three levels: individual, organisational, and inter-organisational. These IT constructs are employed inside this thesis.

Chiu (2018, p1) focusing on the “*UK’s corporate regulation*” highlights the lacunae in institutional governance and regulatory effectiveness in changing corporate behaviours. Collins and Stockton (2018, pp4-5) recommend that researchers “*examine their own disciplinary orientation to identify a theoretical framework.*” They illuminate theory is “*pervasive and influential*” in qualitative research. Bonnafous-Boucher and Porcher (2010, pp 213-214) recognise “*firms conform to rules ... because they are laid down by public and semi-public authorities*”. This can manifest in the forms of institutional and coercive

constraints, or merely they imitate competitors, i.e., mimetic constraints. By deploying IT, it helps explain the external pressures FTSE 350 NEDs are under when discharging their duties. This critical examination investigates the above criteria in the context of NEDs' responsibilities and CS.

DiMaggio and Powell (1983) imply, on an organisational level, shared political, social, cultural and belief systems all support following traditions of institutionalized activities. Aliyu (2015) accepts the IT proposition is the standardisation and harmonisation of predominant societal norms. Berger and Luckmann (1967) suggest on the individual level, managers follow norms, habits, customs, and traditions. At inter-organisational level, pressure from government, industry alliances and expectations from society define what is socially acceptable and expected organisational behaviour, which results in companies being pressurised to act in the same way.

This thesis investigates the FTSE 350 companies subsequent to Cadbury Report (1992) and McNulty and Pettigrew (1999) *"Boards and Strategy"* and the subsequent plethora of CG codes up until UK CGC (2018), to establish if CS is now embedded in boardroom practices. Research conducted by McNulty and Pettigrew (1999) and more recently The Public Management Review (2005, pp 70-72) examine NEDs' strategic oversight responsibilities by deploying an IT framework, i.e., one of the theoretical frameworks selected and implemented by this research. This thesis attempts to provide a theoretical contribution by assessing whether key legal and governance requirements have proved effective in NEDs' contribution to CS, and like its predecessors, deploys IT as the dominant theory.

Adopting theoretical lenses aids this research in uncovering and specifying relationships between constructs at macro, meso and micro levels (Salomons 2019). By uncovering the lacunae in the current knowledge, the theoretical literature review which Nakano and Muniz (2018, p3) refer to *"incompleteness – the current literature has not still properly discussed the problem or phenomenon."* Hay and Cordery (2018, p2) reveal Neo-Institutional Theory is a widely used approach by researchers explaining developments in auditing. This enquiry addresses the issue raised as early as 1992 in the Cadbury Report. Table 3, page 75 is a schedule unearthing various journal articles by prominent researchers that support the application of IT constructs. The research scrutinises numerous theoretical lenses prior to selecting the chosen lenses to support this thesis.

#### 2.2.2.2 The foundations of socially constructed norms

Aksom and Tymchenko (2020 p1223) contend that *“theory must clearly delineate its boundaries and offer explanations and predictions”* IT fulfils these conditions. Fernando and Lawrence (2014, p168) address the question of how IT has the power to influence company boards *“to conform to procedures and structures of other organisations which are within a particular organisational field that share common values and beliefs of society in which they operate”*. Miles (2012, p151) concedes *“Managers can get caught in this same trap of only doing what everyone else is doing. ...Managers may be forced to go along due to company rules, standard operating procedures and field-tested methods.”* Smets et al (2015 p283) contend that *“strategy-as-practice scholars have begun to look beyond the intra-organisational activities that have traditionally preoccupied them and to work at their stronger contextualization on the broader social orders”*. The element of NEDs’ strategic oversight input within their company is potentially influenced by role conformance which is explored further in this investigation.

The *“predictive and observable and unobservable phenomena implications”* of isomorphic processes within IT, as recognised by Aksom and Tymchenko (2020 p1223), Fernando and Lawrence (2014) and previously DiMaggio and Powell (1983), are that companies adopt similar structures and management practices in their fields, irrespective of their actual usefulness or organisational efficiency. Thus *“institutional theory is based upon the premise that organisations respond to pressures from their institutional environments and adopt structures or procedures that are socially acceptable as being the appropriate organisational choice”* (Carpenter and Feroz 2001, p569).

#### 2.2.3 Institutional Theory (IT)

IT contends that organisations conform to the rules and belief systems, and *“can offer explanations and form predictions as directional statements”* within the prevailing environment (Aksom and Tymchenko 2020 p 1224), (Cooper 2004 p157), (DiMaggio and Powell 1983). IT is not a distinct, cohesive system of assumption and proposition rather it considers isomorphism that occurs within an industry, particularly emphasising 1) Coercive, 2) Mimetic and 3) Normative behaviours. It attempts to bring order to the company and in

so doing enhance organisational effectiveness and legitimacy (Doh and Guay 2006 p48). Kraft's Public Policy (2007) locates IT elements within policy-making that emphasises the formal and legal aspects of government structures. FTSE 350 NEDs' strategic oversight duties and their actions are in the spotlight and under intense scrutiny within this research enquiry. NEDs have a duty under CA (2006 s172) to be at the centre of their company's CS. The key behind IT is much NED engagement follows a precedent of doing things that develop over time. IT attempts to provide a suitable theoretical framework in which to review FTSE NEDs' strategic oversight behaviours.

According to Deegan (2009), and Aliyu (2015) IT considers the norms and values of society and explains why companies adopt similar practices while operating. Aliyu (2015) examines IT in the standardisation and harmonisation of predominant societal norms. Baker *et al* (2010 p6), indicates "*Institutional Theory is primarily concerned with an organization's interactions with its environment... and practices.*" Thus, IT offers an understanding of the forces in society that influence companies to act in a similar manner. Research conducted by McNulty and Pettigrew (1999, p50) emphasise "*the institutional role of boards in helping to link an organisation to its environment to secure critical resources.*" Pye and Pettigrew (2005, pS32) acknowledge "*boards are classic examples of group process*", and so this research is careful to acknowledge individual NEDs' opinions are only one view of their company's CS process. Huse (2005, pS73) emphasises IT describes the response to "*institutional pressure*". Therefore, this research seeks to understand the collective value added by NEDs to their company's CS whilst mindful of probable pressure from external and internal forces. Taking this into account, this research selects IT as the theoretical lens because the literature reveals institutions want and must fit-in irrespective of the individuals involved. IT underpins the observable evidence argued in this thesis.

The Public Management Review (2005, p72) states: "*Institutional Theory is concerned with examining the external pressures from stakeholders in the social and economic environment and their influences on organisations to provide an understanding of the relationship between organisational structures and the wider social environment*". IT attempts to provide the foundations whereby legitimacy is a generalised perception and assumes the actions are desirable, proper or appropriate within some system of socially constructed norms, values, beliefs and definitions (Duff 2012, p31). Duff (2012) and Deegan (2006) contrast the relationship between Legitimacy Theory and IT as: "*Institutional Theory provides an explanation of how organisations may seek to align perceptions of their*

*practices and characteristics with social and cultural values.*” Huse (2005, p571) recognises IT and other theories support and “*promote board roles that are “active in strategy formation and strategy implementation”*”. He argues “*reliance on rules can be understood from strategic choice perspectives and from Institutional Theory*” and concludes “*informal rules are more important than formal rules*”. For this thesis, the informal rules are the CG guidelines, and the formal rules are CA (2006 and its amendments).

Long (2007, p46) utilises IT to illuminate her research into the evolution of FTSE 250 boards. She is influenced by earlier studies by DiMaggio and Powell (1983) of isomorphic pressures. According to Cooper (2004 p169), “*the key institutional pressure is for companies to be economically efficient*” and (p170) he concludes companies acquiesce to the demands of institutional pressures. This research supposes that this continues to be the case and therefore IT establishes the connections and aids structuring of this thesis.

#### 2.2.3.1 Institutional compliance

Hillebrand *et al* (2011 p592) states “*Institutional theory posits that the social context in which firms operate influences the behaviour in and of organisations*”. Moreover, Aksom and Tymchenko (2020 p1223), and Tolbert and Zucker (1996) demonstrate IT is a structure that has become institutionalised and is taken for granted by its members, thereby serving as an important causal source of stable patterns of behaviour. Aksom and Tymchenko go as far as “*a theory that predicts a prevalence of passivity and isomorphism over change and strategic behaviour*”. Johnson *et al* (2003) recognised “*individual actors and groups of actors play a significant part in institutional process*”, leading to “*generalized expectations and interpretations of behaviour*”. Macey (2008, p33) recognise norms are important factors of CG, influencing legislation and CG codes. Johnson *et al* (2003), identified the general concept of “*strategy*” is not something the organisation “*has*” but rather is more about what the members “*do*”. Greenwood *et al* (2017) and Fernando and Lawrence (2014) uncover patterns of compliance by institutions over time, showing professional bodies expectations are geared towards attaining legitimacy by closely following established practices or an “organisational field”. Aliyu (2015, p83) finds “*isomorphic processes force institutional practices, where one unit in a given population resembles other units in the population*”. Raynard, *et al* (2015) recognise companies use strategies, structures and practices that are socially expected of them. They state the social expectation exerted from the institutional environment comes to be taken for granted and may lead companies to be

less efficient. This point is evaluated in this thesis. For this research, IT is likely to assist in illustrating patterns which may show the presence of isomorphic pressures within NEDs' role as it relates to CS. A potential pattern is illustrated by the universal absence of specific CS Committees.

#### 2.2.3.2 IT and environmental influences

According to Scott (2004), he considers the processes by which structures, rules, norms, and routines become established as authoritative guidelines for social behaviour. Scott helps to explain the reason companies possibly limit institutional engagement in some CS activities in favour of CG convergence and conformance. Moreover, Jonnergard and Larsson (2007, p464) recognise "*convergence requires institutional change*". This is a key influence on this researcher's view that FTSE 350 companies are merely imitating other companies rather than optimizing their decisions and practices.

Chiu (2018, p1) observes that despite the deployment of "*new governance*" "*regulatory techniques*", corporate weakness continues, and she identifies the need for "*regulatory effectiveness*". Chiu elucidates the importance of corporate engagement and accountability along with building long-term strategic capabilities at board level. This contrasts with companies implementing a somewhat "*cosmetic compliance*", i.e., mere production of a Strategic Report. Khadaroo (2005) reiterates IT is concerned with examining the external pressures from stakeholders in the social and economic environment and their influences on companies, to offer an understanding of the relationship between organisational structures and the wider social environment. Scott (2005), concentrating on macro perspectives of IT, examines the structure of wider environments and their effects on organizational forms and processes.

Khadaroo (2005), DiMaggio and Powell (1983), and Berger and Luckmann (1967) establish, on an organisational level, shared political, social, cultural and belief systems all support following traditions of institutionalized activities. DiMaggio *et al* (1983 and 2000) state IT exerts three types of isomorphic pressure on companies: coercive, mimetic, and normative. Berger and Luckmann (1967) as reaffirmed by Khadaroo (2005), imply on the individual level, managers follow norms, habits, customs, and traditions. At the inter-organisational level, pressure from government, industry alliances and expectations from society define

what is socially acceptable and expected organisational behaviour. This appears to result in companies being pressurised to act in the same ways. This research examines the above factors in the context of the NEDs' strategic oversight responsibilities. In brief, this enquiry contributes by highlighting the latent neglect of NEDs' strategic oversight obligations, in shaping, conducting and deciding CS.

Aliyu (2015) as well as Jonnergard and Larsson (2007 p464) recognised IT in general deals with analysis that explores organisational behaviour. Long (2007) refers to isomorphic pressures in her research which is a key component of IT. Oliver (1997) observed IT on these three levels: *Individual, Organisational, Inter-organisational*, which notably "*transcend organisational boundaries*" (Kolk and Pinkse 2017, p6). Zucker (1987, p443) highlights the direction of attention "*away from task performance*" to "*externally generated pressures*", which include: "*laws, professional bodies and other regulators*". Tolbert and Zucker (1999) recognised decision makers (in this case NEDs) are characterised by bounded rationality linked to institutionalisation providing information on choices made. Likewise, they indicated more conceptual and empirical explorations must be undertaken to deliver clear answers. Thus, IT covers normative behaviour, i.e., expected practice. Sadler (2010, p190) states institutions have a fiduciary responsibility to various stakeholders and their initiatives, such as "*Principles for Responsible Investment*", are designed to take sustainability into account. He argues (pp197-199) that company reporting (i.e., boards/NEDs) needs a broader set of performance measures which are both transparent and disclosed and linked to the on-going decision-making processes.

Filatotchev *et al* (2013) embeds IT into the regulatory framework and norms of national institutional systems. Additionally, Filatotchev *et al* promote the use of IT over other models as it offers a lens into understanding how effective CG is contingent upon several organisational, social, and political factors. Devine and Shrives (2017) state IT helps to explain why institutions and the people running them behave in the way they do. Embedding IT concepts in this thesis, this research identifies the influences impacting companies that arise from UK CGC (2018), CA (2006) and FTSE 350 stock exchange listing regulations. DiMaggio and Powell (1983) imply "*organisational field*" constitutes a recognised area of institutional life which can be significantly influenced by regulatory agencies or other companies. Miles (2012, p145) establishes IT "*is central to why all organisations in a field tend to look and act the same*". He states "*organizational structures and processes tend to acquire meaning and achieve stability in their own right, rather than on the basis of their*

*effectiveness and efficiency in achieving desired goals*". Fernando and Lawrence (2014) indicate IT helps researchers to understand how institutions become more similar over time.

#### 2.2.3.3 IT and company structures

Zucker (1987, p443) asserts IT is complex to explain as it is grounded in *"taken-for-granted assumptions at the core of social action"*. He defines *"institutional"* as *"rule-like"* and *"embedding in formal structures"*. Zucker identifies the core foundations of IT based upon the following three principles, *"...organisational-level processes, ...organisational structures, ... stability creating routines."* Carpenter and Feroz (2001, p565) state *"institutional theory views organisations as operating within a social framework of norms, values, and taken-for-granted assumptions about what constitutes appropriate or acceptable economic behaviour"*. Huse (2005, pS74) uncovers *"boards adapt rules and structures as a response to demands from external actors, actual practices seem to be tailored to the needs and demands of internal actors"*.

#### 2.2.3.4 IT issues raised in the literature review

The researcher's quest for a theoretical contribution begins with building upon previously developed knowledge which is publicly available. Institutional theorists view the company as a member of a family and community that is constantly evolving (Gleim *et al* 2018). This research selects and uniquely deploys IT in conjunction with IST, thus affording greater insights into NEDs' responsibilities and CS. FTSE 350 NEDs' oversight responsibilities and CS are inseparably linked. Applying IT to NEDs' strategic oversight decision process helps us understand the prevailing environment in which NEDs discharge their obligations. According to Cooper (2004 p165), the institutional perspective is *"non-choice behaviour"*. Nakano and Munzir (2018) advocate the literature review needs to deliver *"a clear and better understanding of the topic through synthesis, by integrating existing and new ideas to create a new formulation for the topic"*. Kasperuniene and Zydziunaite (2019, p6) imply *"professional identity construction is linked to institutional conditions and professional norms"*. Fuenfschilling and Truffer (2014, p772) identifies *"levels of structuration"* which this research is conscious of. Overall, deployment of IT echoes previously published research in a similar environment.



#### 2.2.4 Application, integration, and contribution of IT

According to Aksom and Tymchenko (2020 p1224), institutional isomorphism has the power to reposition itself as a *“theory of institutional change and complexity.”* Adopting and deploying IT and its constructs, i.e., coercive, mimetic, and normative behaviours, aids this research to gain insights into FTSE 350 NEDs’ contribution to CS. Solomons (2019, p61) and Collins and Stockton (2018) suggest the chosen theory specifies the relationship among variables. *“The critical factors for success or failure in the institutional context rest in the skills and competencies”* of those involved according to Tobi and Kampen (2018 p1210). The theoretical contribution is derived by re-examining constructs of NEDs’ strategic oversight role, initially instigated by McNulty and Pettigrew (1999), who also employed IT. Some twenty years later this research builds upon this knowledge and theory and presents the contribution to the field of FTSE 350 NEDs and CS through the lens of IT.

This thesis critically scrutinises the literature from several IT perspectives. According to Aksom and Tymchenko (2020 p1230) *“Isomorphism remains pervasive”*. This implies the subjects, in this case NEDs within FTSE 350 companies, operate similarly over time (Duff 2013, p29). Solomons (2019, p60) points out *“the description or diagram that illustrates the ways you will use one or more theories to frame the research is called the theoretical framework for the study”*. Fernando and Lawrence (2014), acknowledging DiMaggio and Powell (1983), describe this conformist procedure as *“isomorphism”*, Aliyu (2015, p82) recognising DiMaggio and Powell (1983), writes *“isomorphism is the commonly used term in Institutional Theory and it deals with the adoption processes or policies by companies facing identical environmental conditions”*. For this research enquiry, *Isomorphism* refers to the tendency of companies in an organizational field to become similar over time (Duff 2012 and Scott 2001, p43).

##### 2.2.4.1 IT – Isomorphism and its derivatives

Baker *et al* (2010 p6), contend that *“isomorphism relates to the processes through which an organisation adapts to the expectations of its external environment. These processes take place in a series of steps occurring over a period of time.”* Recognising NED behaviours arise from a multitude of sources including cultural, firm and industry traditions along with prevailing management trends, this does not infer those institutional choices are unreasonable, rather NEDs’ provision of strategic oversight gains legitimacy from the

prevailing environment. Utilising IT assists the research in shaping and examining the impacts of governmental laws, regulations, and policies on FTSE 350 companies in 2019-2020 i.e., adherence to rules and norms (Cooper 2004 p165). Acknowledging isomorphism has the potential to shape the choice of data collected and how it is analysed for this research. Each classification within the IT lens concept merits specification for this research enquiry.

#### 2.2.4.2 Coercive pressure

Hay and Cordery (2018, p9) state “*coercive isomorphism stems from political influence and the need for legitimacy.*” Coercive pressure is pressure applied by regulators or other prominent stakeholders on individuals within companies. For this research enquiry, “*coercive*” refers to pressure to comply with CA (2006 s171.2), Director’s responsibilities and s4 Strategic Reporting. Likewise, “*comply or explain*” contained in the UK CGC (2018) framework is observed along with currently meeting London Stock Exchange regulation (2018) rules. Other potentially powerful stakeholders, such as institutional investors may also exert coercive pressure.

#### 2.2.4.3 Mimetic pressure

Mimetic pressure is the pressure to emulate or copy other leaders and companies in the field, thus leading to increased homogenization (Baker *et al* 2010 p7). Hay and Cordery (2018, p9) mention “*mimetic isomorphism results from standard responses to uncertainty.*” Long *et al* (2005), along with Aliyu (2015), concede isomorphic mimetic pressure encourages companies to think and act in similar ways despite their individual needs. Emulation of industry norms, stock exchange, audit company and professional institutions is investigated. In the absence of legal and governance pressure on NEDs to offer specific strategic oversight, the mimetic pressure to merely fit into norms and practices may explain the evident lack of CS Committees.

#### 2.2.4.4 Normative pressure

DiMaggio and Powell (1983) describe normative behaviour as the “*Iron Cage*”, i.e., the force that pushes companies to resemble others within the industry and their financial sector. Scott (1995) asserts to survive, companies must conform to the rules and belief systems of the prevailing environment because this earns organisational legitimacy. Hay and Cordery (2018, p9), explain “*normative isomorphism is associated with professionalization and*

*pressure to become more convergent.*” Aliyu (2015, p86) states “*normative isomorphism* relates to pressures from various norms and values for a company to adopt certain practices”. Sax and Andersen (2018, p721) suggest “*the assessment of risks and opportunities is typically seen as the first phase of a normative strategic management process*”, which may be interpreted as environmental scanning.

According to Aksom and Tymchenko (2020 p1225) IT can “*calibrate new directional predictions*” via empirical tests. A helpful conceptual classification capable of supporting cross-disciplinary perspectives is specifically developed for this research enquiry, see Figure 3. This in turn supports empirical description and discussion of NEDs and CS in action. Each of the IT pillars can influence the provision of CS and are not mutually exclusive whilst exploring and developing a contribution to theory.

**FIGURE 3 APPLICATION OF INSTITUTIONAL THEORY FOR THIS RESEARCH ENQUIRY**

Institutional Theory	Pillar	Theory manifests in	Practically manifests in		
			Shaping	Conducting	Deciding
	Coercive	Comply or explain	Evidence of <b>strategic oversight, leadership requirements</b>  Evidence of directing corporate strategy	Evidence of <b>participating in the creation of corporate strategy</b>	Evidence of <b>deciding, approving, and controlling</b> corporate strategy
	Mimetic	Emulation of successful companies			
	Normative	Pressure to adopt norms and values			

Source: Lisson (2022).

Aksom and Tymchenko (2020 p1231) state “*institutional theory explains and predicts the tendency for organizations to become more similar to each other over time and express less strategic and interest-driven behaviour, conforming to ever-increasing institutional pressures*”. In addition, they (p1243) observe economic rational is neglected. This research enquiry seeks evidence of such behaviour and aggregates IT in conjunction with IST to include the economic rational elements.

## 2.2.5 Instrumental Stakeholder Theory (IST)

Utilising theory within the production of knowledge permeates practically all aspects of this research enquiry. IT is utilised to explain the variety of formal organisational structures,

including policies and practice within companies. IT omits a perspective of financial wisdom thus IST is embraced to cover this element. IST aims to collectively conceptualise and understand relationships between all stakeholders and the company in their natural environment (Valentinov and Hajdu 2019, p6) and specifically *“the practice of stakeholder management and the achievement of various corporate performance goals”* (Susniene and Sargunas 2011, p3) and (Kaler 2003, p81). IST is influential in uncovering how stakeholders’ value can be used for improving sustainable corporate performance (Susniene and Sargunas 2011, p4 and Kaler 2003, p73).

Stakeholder management is the *“systematic identification, analysis and planning of actions to communicate with, negotiate and influence stakeholders”* (Morphy, Stakeholdermap.com 2008). This research recognises IST is part of a broader class of issues designed as *“a framework for examining connections, if any,”* (Egels-Zanden and Sandberg 2009, p39) and on its own is insufficient (Weitzner and Deutsch 2019 p694), however has the potential to *“contribute to the ground rules and vocabulary to facilitate focused discussion”* (Bacharach 1989 p496) when as in this instance, uniquely aggregates with IT. Donaldson and Preston (1995, p67) indicate IST establishes a framework for *“examining the connections, if any, between the practice of stakeholder management and the achievement of various corporate performance goals.... (i.e., profitability, stability and growth)”*. Moreover, Donaldson and Preston (p71) suggest the theory analyses narrow and broad categories *“to identify the connections, or lack of connections, between stakeholder management and the achievement of traditional corporate objectives (e.g., profitability, growth).”* Kaler (2003, p74) indicates IST is *“compatible with commercial success”*. According to Valentinov and Hajdu (2019, p1), they signal *“a fresh way of understanding the institutional economies foundations of the stakeholder theory” ...and that both instrumental and normative stakeholder theories reflect the institutional texture of the modern society in distinct but equally legitimate ways”*. Profitability, stability, and growth relate to the objective of long-term sustainable business and as such this aspect of Stakeholder Theory is particularly valuable within this enquiry.

#### 2.2.5.1 Differentiating responsibilities

The role and responsibilities of NEDs in CS is not clearly defined. Distinctions must be made between *“universal duties and those labelled roles specific or special”* (Kaler 2003, p76). The CA (2006) and UK CGC (2018) does not offer any further clarity. The CA (2006 s172) requires all directors without distinction of their roles (Executive and Non-Executive)

to promote the success of the business. The UK CGC (2018) heavily concentrates upon good CG guidelines, however, stops short regarding CS and building long-term sustainable companies. Fleming and Jones (2013 p53), contend that “*stakeholder analysis involves identifying the relevant stakeholders involved in specific situations*”. They continue and imply stakeholder management on the other hand is involved in the “*decision-making process*”. NEDs are responsible for enhancing sustainability of their company and to achieve this obligation the company’s liquidity and profitability is key to its success.

#### 2.2.5.2 Deploying Instrumental Stakeholder Theory (IST)

IST seeks “*to understand what will happen should the theory be put into practice (namely commercial success)*” (Kaler 2003, p73). Jones *et al* (2018, p372) imply the deployment of IST facilitates a “*sustainable competitive advantage*”. Jones and Harrison (2019, p33) indicate strategy scholars in pursuit of “*sustainable competitive advantage research should also assess the sustainability of the practice in question for the economy as a whole if all firms engaged in similar practices.*” Jones and Harrison (2019, p33) recognised companies that practiced IST principles “*can also enhance their profit performance*”. This resonates with this researcher and this characterisation of IST is adopted and deployed within this research – see Table 4, page 78.

Valentinov and Hajdu (2019, p2) criticises the sole use of IST in research as moral management behaviour may be overlooked in concentrating on short-term financial performance, thus failing to take resilience of their company performance into consideration. Valentinov and Hajdu (2019, p5) imply IST alone is insufficient to support the goal of “*long-run profit maximisation without forging effective relationships with stakeholders.*” They acknowledge practical advice and the conditions prevailing present further issues to be addressed for companies, which is accepted by this researcher. Overall, the above supports the researcher’s desire to assemble two theories aiding this research enquiry as the methodological guidance from both theories improves understanding of FTSE 350 NEDs’ role and responsibilities and CS.

Good governance preserves and enhances value, and this is closely aligned with profitability within companies (Farrar 2020, and Tett 2020). FTSE 350 NEDs must be mindful that investment in their company is impacted by its long-term CS and not merely its short-term

financial performance. To this end, FTSE 350 NEDs must ensure the company develops sustainable goals and link these to the company's value chain. This research enquiry evaluates the short-term liquidity and profitability ratios of FTSE 350 companies before and during a period of flux, thus gaining an understanding and a potential link to their future resilience. FTSE 350 companies must remain liquid to remain a going concern, earning a profit is optional.

#### 2.2.5.3 Ethical management and Instrumental Stakeholder Theory (IST)

Claessens (2003, p32) accepts "*institutional features alter corporate governance over time*", supporting the need to undertake this specific research. IST attempts to provide the bridge between key stakeholder relationships to assist in the identification of how where and when, FTSE 350 NEDs add value to their company's CS, therefore leading to long-term profitable and liquidity sound companies. According to Jones (1995, p430), research can be illuminated "*through application of instrumental stakeholder theory the relationship between corporate social performance and financial performance.*" This research enquiry considers both the liquidity and profitability elements of FTSE 350 companies as published within their year-end financial statements. Susniene and Sargunas (2011) concede IST alone is an inadequate basis and support the use of additional theories to drive contributions to knowledge. This resonates within this enquiry as it aims to accumulate the concepts of IT with IST to examine the nature and interactions of NEDs' oversight relationship with CS.

Claessens (2003, p32) concedes "*little is known about the dynamic aspects of institutional change*" and recognises reform is best undertaken at local capacity i.e., "*people and other resources*". Apparently, Jones (1995, p423) acknowledges "*the firm will gain competitive advantage if it is able to develop relationships with its stakeholders based on mutual trust and cooperation.*" Jones *et al* (2018, p371) observe "*Instrumental Stakeholder Theory considers the performance consequences for firms of highly ethical relationships with stakeholders, characterized by high levels of trust, co-operation, and information sharing.*" According to Simpson and Taylor (2013 p 27), "*if ethically sound policies and following the principles of good Corporate Social Responsibility improves corporate performance, and there is evidence that it does, then this will benefit directors....*". Understanding what FTSE 350 NEDs CS oversight practices contribute to direction and resilience of their company is key to unlocking this research.

Claessens (2003, p14) realises that good *“corporate governance affects growth and development of companies”*. It is crucial to link a company’s access to institutional stakeholders with *“better operational performance”*. IST asserts company performance depends on high levels of mutual expectation between management and stakeholders (Jones *et al* 2018, p371 and Freeman *et al* 2004, p364). Furthermore, they link IST with the potential to develop theory, in addition to the provision of a sustainable competitive advantage, which resonate with this researcher. Jones *et al* (2018, p376) argue *“additional economic value is created in a firm with close relationship capability”*. This concept is central to FTSE 350 NEDs and CS, because the board of directors and the company’s management team collaborate to shape, conduct, and decide on what is the optimum CS. In so far as the researcher is aware, this thesis is the first to meticulously apply IT in conjunction with IST to drive a contribution to knowledge. Egels-Zanden and Sandberg (2009) recognise there is a distinct difference between *“corporate talk and practice”*. Moreover, they distinguish between a narrow and broad understanding of Stakeholder Theory and suggest researchers differentiate and define its application within their enquiry to avoid confusion.

#### 2.2.5.4 Establishing Instrumental Stakeholder Theory lens for this research enquiry

Kaler (2003, p78-79) states *“Role-specific responsibilities are either perfect or imperfect”* leading to *“a moral perspective, their fulfilment is obligatory and not merely optional.”* For this research enquiry, FTSE 350 NEDs have a legal responsibility and a moral obligation to promote the success of their company. Valentinov and Hajdu (2019, p6) acknowledge *“Instrumental Stakeholder Theory can be criticized for prioritising business rationality over ethical motives.... rather than building stakeholder relationships”*. This research investigates how FTSE 350 NEDs are discharging their strategic oversight direction obligation whilst ensuring continuing financial liquidity and profitability of their company.

#### 2.2.5.5 Theoretical examination of CS linkages with sustainable companies

IST has the potential to aid stakeholder’s reconciliation of capitalism with meaningful ethical relationships. Jones and Harrison (2019, p2) found *“Ethical management principles upon which Instrumental Stakeholder Theory is based include the notion that firms should conform to widely accepted rules of society, but also include principles such as fairness,*

*trustworthiness, respect, loyalty, care, and cooperation.*” Furthermore, Weitzer and Deutsch (2019, p694) in response to Jones *et al* (2018), acknowledge how CS relates to the development of a ESG sustainable competitive advantage. Croce (2020 p1), contends that *“a link exists between a company’s Environmental, Social and Governance performance and its financial performance”*. He continues and suggests investors may deliberately select *“not to invest in a firm that has poor ESG”*. A key deliverable for FTSE 350 NEDs is to be able to add value to their company’s enduring and sustainable CS. This research acknowledges the ever-increasing sophistication of ESG factors impacting FTSE 350 companies and recognises this area warrants further investigation but is outside the scope of this enquiry. This research deploys IST to examine FTSE 350 NEDs’ contribution to CS and is ever mindful of the ostensibly short-term liquidity and profitability emphasis to project ESG sustainable success.

#### 2.2.6 Recognising the theoretical contribution from research

Aksom and Tymchenko (2020 p1226), contend that *“explanation and prediction constitute the main purpose of scientific inquiry”*. Scientific theories corroborate causal relationship and delineate those spheres which are outside of the research scope. They (p1243) promote and support the *“accumulation of new knowledge around isomorphism theory”* which this research enquiry supports. As such, this research adopts and blends IT in conjunction with IST to aid the investigation into FTSE 350 NEDs’ contribution to CS and its economic impact (Aksom and Tymchenko 2020, p1232), and (Tobi and Kampen 2018 p1210). Cooper (2004 p163) indicates the ability to combine theories helps shape research into a valuable form of influence. According to Harrison *et al* (2019 p698) recognised the *“perception that a high level of morality in business would lead to lower financial performance”*. They continue *“this belief fuelled the development of Instrumental Stakeholder Theory”*. Understandably, this thesis is concerned with FTSE 350 NEDs’ strategic oversight practicalities of sustainable CS, not the development of a unique, difficult to imitate competitive advantage for their company.

Grant and Osanloo (2014, p17) observe the selection of an *“appropriate theoretical framework for your research in an important step for all doctoral students ... and the privilege is that of application concentrates the research”*. Solomons (2019, p71) indicates that research contributes to new ways of thinking and those insights are called *“theoretical contributions”*. She continues and indicates research findings take several forms, and *“some*



*generate recommendations for policies and practices*”, which may be an outcome of this research. Inside this research enquiry, by applying IT in conjunction with IST, the theoretical contribution attempts to provide a timely insight on the situation being investigated, i.e., NEDs and CS. Solomons (2019, p72) recognises theoretical contributions keep scholarship up to date. Kasperuniene and Zydziunaite (2019, p7) identify a five-level pyramid in the construction of professional identity. This merits some consideration to explore its potential appropriateness within further research context. Accordingly, selecting and uniquely assembling IT in conjunction with IST attempts to provide the research enquiry with a more comprehensive overview of and scrutiny of FTSE NEDs and CS. The true value to NEDs and CS comes from improved reciprocal coordination between board members and management, from knowledge sharing, and from attracting and retaining quality stakeholders.

Supporting the use of multiple lenses are Okhuysen and Bibardi (2011), who uncover management as a rich context in which to develop theory in *“a subject whose dimensions are amenable to examination through a variety of perspectives.”* Furthermore, they recognise *“these advances in new insights can be tested empirically”* and encourage healthy critique in the practice of management. They promote the combination of substantially similar theories to address a research situation or share compatible assumptions thus leading to a greater depth of understanding. This in turn delivers insights that each theory alone cannot afford. Consequently, this research adopts IT and IST to uniquely examine and enhance understanding along with discovering ‘why’ FTSE 350 NEDs act in particular ways. This enquiry bridges the division between NEDs’ CG and CS oversight responsibilities.

Hughes and Tarrant (2020, p15) indicate the feasibility *“of bringing qualitative data into new contexts for the purposes of comparison and theoretical refinement”* which this research enquiry is adopting and envisages linking with quantitative data to support the *“empirically-driven theoretical development”*. This research may not need to explore all FTSE 350 NEDs within a company to gain valuable insights into NEDs’ contributions to CS. Jones *et al* (2018, p374) recognise *“that members of a firm will be consistent in the way they treat a particular stakeholder group”*. They indicate specific words and actions become the adopted norm of a firm. Jones *et al* (2018) and Donaldson and Preston (1995, p80) underline whilst IST is valuable, it is important to recognise shortcomings which potentially limit its usefulness. This research considers there is merit in selecting and intertwining IT in conjunction with IST to overcome such shortcomings, and it is feasible to develop a

theoretical pathway to elucidate and understand NEDs' contributions to CS. This research enquiry deploys a multi-theoretical procedure to specifically unearth a contribution to knowledge via “*gap spotting*” (Wintersberger and Saunders (2020 p3).

The theoretical literature contribution is important as previous writers indicate “*new research insights arise either from new data, new methods or some combination of the two*” (Lipson 2019), to comprehend how and why FTSE 350 companies exhibit similarity and potential variation in their use of strategic oversight practices, it is crucial to scrutinise the relationship between the prevailing law, CG, and NED impact on company practices through the theoretical lenses of IT and IST. Employing theoretical lenses aids the appraisal of professional bodies guidance supporting strategic oversight direction along with capacity and characteristics for a good strategic culture. In brief, IT in conjunction with IST offer further insights into company's activities which provides valuable clarifications such as how, when and where NEDs are involved in CS. This research enquiry acknowledges the limitations of the selected theoretical framework i.e., little attention is afforded to human agency and what is not the norm is potentially overlooked or ignored.

This research enquiry recognises the potential to develop a new theory based upon the unique amalgamation of IT in conjunction with IST.

**TABLE 2 SUMMARY OF ESSENTIAL FEATURES AND KEY THEORETICAL STRANDS WITHIN THE SELECTED THEORIES**

Selected theories	Essential Features	Key theoretical strands
<b>IT</b>	IT deliberates the social setting in which companies operate influences the behaviour in and of its leadership.	IT and its underlying concept of isomorphic pressures assists in helping explain the phenomenon, in this instance: <b>Coercive</b> – adhere to prevailing legislation and corporate governance codes. <b>Mimetic</b> – emulation of other successful companies including taken for granted assumptions. <b>Normative</b> – pressure to adopt norms and values thus conforming and imitating other competitors and comparable companies.
<b>IST</b>	IST provides a framework to examine and measure the company's financial performance success through the measurement of profitability and liquidity	IST and its underlying principles seek to elaborate the underlying commercial success of a company, i.e., its strategic ability to deliver short-term profitability and liquidity.

Source: Lisson (2022)

Blending both theories recognises the importance of the company's stakeholders and aids the investigation into FTSE 350 company NEDs' strategic oversight contribution. Specifically, this research applies IT whilst reviewing qualitative data in conjunction with IST to analyse the financial data, to enrich understanding of FTSE 350 NEDs' strategic oversight responsibilities. The theories adopted for this research enquiry influence what kind of data is collected and how it is analysed, see Table 2, page 50. Actual data collection is described in detail within the methodology chapter.

## 2.3 Professional (Bodies and Associations) Literature

Nakano and Muniz (2018, p1) emphasise the literature review is the basis for any good research project and promote the literature review as providing *"the theoretical foundation that is required to support any argument of contribution."* Categorisation of this literature review helps the identification of lacunae in NEDs' responsibilities and CS. ACCA (2012, p5) recognises future-proofing the accounting profession requires understanding *"how the key forces shaping the future could affect the organisation"*. This resonates for FTSE 350 NEDs also.

United Nations (2006, p1) guidance on good practices in CG disclosure recognises *"guidance is a voluntary aid"* and adoption and disclosure depend considerably on local laws. EcoDa (2010, p7) define good CG as *"establishing a framework of company processes and attitudes that add value to the business, help build its reputation and ensure long-term continuity and success."* Yusoff and Alhaji (2012) present good CG practice as *"an ideal"* for the board of directors to gain stakeholder's confidence. There is no doubt good CG improves stakeholders' confidence by aiding ESG sustainable businesses. Internal auditing is a key element for the assurance of good CG process, risk management and internal control systems. (Eulerich and Eulerich 2020).

The recently formed Non-Executive Director Association in 2007, a professional body specifically concentrating on the needs of NEDs is gradually gaining momentum, providing a professional network and a recognised examination qualifying certificate. The qualification is heavily centred upon the provision of good CG and perhaps lacks

concentration within corporate strategic oversight provision. Acknowledging the NEDs' oversight primary role is CG, over the past thirty years the governance element has overwhelmed NEDs' provision of corporate strategic oversight. ICSA in late 2018 and subsequently IoD in 2020 have both evolved and now recognise the need for greater emphasis on CG by setting up a division to support it. Barker (2020, p1) illuminates the need for *"much greater clarity about what an auditor is and to whom he or she owes a professional duty"*. This research implies similar should be available for NEDs. Barker (2020, p2) proposes the *"organising activities through a professional structure"*, rather than an extension to regulatory requirements. This resonates with this research whilst emphasizing good CG including NEDs' oversight contributions to CS.

### 2.3.1 Prevailing governance defining the role of a NED

The appointment of a NED is a contract for services and not a contract for employment. A NED is a member of the board of directors who does not form part of the executive management of the company. NEDs do not normally involve themselves in the day-to-day running of the company. However, NEDs must be mindful there is no legal distinction between Executive Directors and NEDs under CA (2006). Thus, FTSE 350 NEDs share the same legal duties, responsibilities, and latent liabilities as the Executive Directors. NEDs' oversight responsibilities include custodianship of CG for their company which includes a fiduciary duty of sustainability (CA 2006 s172.1a). In addition to CA (2006), there are multiple CG guidelines which must be adhered to, these include, UK GCC (2018), and various CG guidelines and reports. Governance designed specifically for alternative jurisdictions, such as The King IV Code (2016) in South Africa, the Wates principles for UK Large Private Companies, can and may afford opportunities for FTSE 350 companies to enhance their provision of good governance.

NEDs' contractual documents, vary regarding extent and specificity. They are vague and informal as to the specific duties although their assigned CG Sub-Committee appointments are named, e.g., Audit, Nomination, and Remuneration Committees. This is scrutinised in greater detail within Table 17 Mapping of professional bodies proforma NED documentation, page 181. This further supports the need for this research investigation into the role and responsibilities of NEDs in the formulation and integration of CS. According to Monks and Minew (2004 p246), *"Independent directors are meant to be a means to an end. It was thought that informed, intelligent, wise directors, of proven integrity, bound by*

*a fiduciary standard, would effectively oversee management.*” A key skill of FTSE 350 NEDs is to be able to both challenge and support their company. NEDs’ oversight responsibilities must be clearly defined, and doable, including a description of the skills and experience required to grow and maintain their company into the future. This point is investigated within this enquiry.

### 2.3.2 Contextual literature of NEDs’ strategic oversight responsibilities

The purpose of this segment is to show NEDs on a specific board must possess sufficient strategic oversight - leadership skills among them to be effective in ensuring the company goals are met as required by CA (2006, s174). NEDs’ oversight duties are closely related to good CG, of which CS is one element. Saunders (2014 p40) acknowledges *“The Board: while they have professionalised since the 1960’s, many boardrooms remain slow-moving, ill-informed about their own businesses”*. Moreover, Ackerman and Alstott (1999 p75) recognise *“A new culture will emerge – one that will seriously challenge existing patterns”*. This research enquiry concentrates on a subset of NEDs’ CG responsibilities i.e., their strategic oversight expertise, see Appendix C.1 NEDs’ strategic oversight skillsets, for professional body guidance on strategic oversight direction for directors. The literature then goes on to consider the context of CS.

### 2.3.3 Defining leadership as distinct from management

Many authors use the terms ‘leadership’ and ‘management’ in an integrative overlapping context. Knowing leadership and management are two terms that are often inter-changeable, it is important to define the difference for this research enquiry. Zaleznik (1977) helped understanding by uncovering companies need both leaders and managers. According to Dunne (2005 p8) *“shall we look on the internet?”* is a normal reaction. Acknowledging a multitude of definitions exist for ‘leadership’ and ‘management’, albeit none in the published literature is found suitable for this specific research enquiry, i.e., NEDs and CS, so this research defines them as follows:

**Leadership:** the initiation, visualisation and communication of new paths, directions, and goals for the company to achieve.

**Management:** the approval and execution of plans, including the control and direction of people and resources to achieve those plans, along with the ability to solve any problems that arise.

Recognising the dynamic integrative nature between leadership and management by FTSE 350 NEDs is imperative. According to Blackmore and Kandiko (2010 p55), interdisciplinary leadership is the intersection between identity and discipline. Harwood and Liu (2019 p55) observed there is a lack of interdisciplinary team skills required for business in business teaching which may underly NEDs' lack of adeptness. Moreover, there are fundamental differences between the characteristics of a leader and of leadership and these are also outside the scope of this investigation. NEDs' strategic oversight duties must focus on exercising leadership whilst delegating delivery of CS to the management team.

The Economist (2008) credits Igor Ansoff as initiating academic discourse on CS with *"Corporate strategy: An Analytic Approach to Business Policy and Expansion"* (original 1965, revised 1979). Ansoff divides management decision-making into three aspects: strategic, administrative, and operating, then distinguishes the multiple types of strategic leadership and likely behaviours of strategic managers. BIS and Tomorrow's Company (2009, p40) detects *"Corporate board diversity is an important attribute in defining how each director fits within the skill sets necessary for a company to be competitive in the evolving global marketplace"*. This research enquiry concentrates upon NEDs' strategic oversight skill sets.

## 2.4 UK Companies Act (2006 and amendments)

CA (2006 and its subsequent amendments) is a consolidation of previous case law and is recognised as an all-encompassing piece of corporate legislation. For this research enquiry the most significant sections are s171 and s172 which are developed from case law and set out the board responsibilities. Section 4 concentrates on Strategic Reporting requirements. Since 2018 the compulsory publication of the annual Strategic Report reveals what has happened throughout the accounting year and if lucky may find mentions of strategic items impacting the company in the next three to six months. Whilst all Strategic Reporting is probably better than none, this falls short of fostering ESG sustainable businesses.

FIGURE 4 SO WHY IS CORPORATE STRATEGY SO IMPORTANT FOR FTSE 350 COMPANIES?

## So why is corporate strategy so important today....?

### Company failures

- FlyBMI (2019) collapses due to business strategy and exacerbated by BREXIT.
- Carillion Plc (2018), Directors accused of 'greed on stilts' - focused on own pay.
- BHS Plc (2016), business fails with massive deficit to pension.

### Reputational Damage

- Arcadia Plc. (2020) / Debenhams Plc. (2019) in administration – weak corporate strategy and stores closing.
- Primark Plc. (2016) wage rates below min.
- Sports Direct Plc. (2016) Working conditions for UK staff 'inhumane'.

**Meeting minimum legislation and corporate governance codes is not necessarily promoting “Best Practice”.**

Source: Lisson (2022).

It is important to recognise whilst FTSE 350 corporate failings and failures are outside the scope of this research, reasons for their failings are a rich source of insight and rigorous post audit published reports uncover the weaknesses of the company and the board members. Corporate failings regarding both outright failure and significant losses and fines continue during the research period 2019 - 2020; examples include Barclays Bank, HSBC, Sports Direct, BHS and Carillion, see more extensive list in Appendix A.2 Further UK corporate governance failings and failures. According to Furnham (2010 p vii), “*some are morally corrupt; others are just low in talent.*” The research implies company failures are a probable consequence of poor CS leading to poor CG by board members. Breslin and Reczek (2019, p30) find a “*pervasive*” common thread amongst these failings, “*an apparent failure of governance*”. According to Domine (2021), “*deconstructing board success into a checklist or recipe is not so obvious*”. It is important to state some of these FTSE 350 failures and failings were apparent prior to 2019-2020. Potential strategic oversight lessons learned are of interest within the research.

Legally, CA (2006) makes no distinction between executive directors and NEDs, i.e., all board members share the same statutory obligations. Sadler (2010, p208) writes “*companies will act responsibly and contribute to sustainability if those who exercise control (company directors and shareholders) have the vision to see that our collective future is inextricably tied to sustainability and the courage and will to act accordingly.*” Owen (2019 p11), contends that “*it would be a serious mistake to assume the contribution that a business*

*makes directly to the welfare of society is largely independent of its profitability.*” NEDs have a clear role and responsibility to drive enduring ESG sustainable companies. Lord Judd of Portsea (1992 p18) warns against the *“Blinkered retreat into established ideological or institutional havens”*. He further indicates *“unless there is a will to avoid a catastrophe it will not be avoided.”* Thuraisingham (2019, p25) recognises NEDs’ strategic oversight *“may choose to exercise their accountability in different ways”*. Senior independent directors (SIDs) have a greater burden of communicating the company’s CG policies to various stakeholders but not specifically in CS.

#### 2.4.1 CA (2006) and board structure

According to Law Teacher (2019 p2), *“UK statutory law is silent on the definition of NEDs and the composition of the Board of Directors”*. The CA (2006) as amended, which applies to all companies, their directors and does not specifically mention board Committees and Sub-Committees which deliver oversight such as, Audit, Nomination and Remuneration, etc... The CA (2006, Part 28, Ch. 1) does provide for *“The Takeover Panel”*, and *“Hearings Panel”* (Part 28, cl. 951). The CA (2006) does provide for information about directors’ benefits and remuneration which fall inside the remit of the Remuneration Committee. Recognising FTSE 350 companies must comply with CA (2006) with no exceptions for specific company circumstances. This is where the UK CGC (2018) steps in and offers a framework to either *“comply or explain”*. This aspect is reviewed later in the thesis.

#### 2.4.2 CA (2006) and corporate strategy

In addition to NEDs’ own strategic thinking and oversight contributions, the CA (2006 and amendments up to and including 2019), s172 states,

*Duty to promote the success of the company:*

*“(1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to*

*— (a) the likely consequences of **any decision in the long-term,**”*

A basic interpretation of the above would conclude NEDs strategic obligation is to ensure company aims are in place to meet its objectives and review and approve strategic goals (Law Teacher 2019 p3). Indeed, CA (2006), as amended, suggests the board is responsible



for preparing a CS and developing the business plans to achieve their corporate goals. According to Plender (2021 p23), s172 “*has proved ineffectual*” during the 2021 pandemic in promoting continuing successful companies for all stakeholders.

Burgess Salmon (2017, p5) point out “*success will generally mean a long-term increase in value but fundamentally it’s up to each director to decide, in good faith, whether it is appropriate for the company to take a particular course of action.*” Furthermore, the CA (2006 and amendments) sets out the requirements of the Strategic Report under section 4, listing the various contents, but does not indicate who is responsible for its production. Section 414C ss 8 supplies a list of items which are required to be published. These include:

- (8) In the case of a quoted company the strategic report must include—*
  - (a) a description of the company’s strategy,*
  - (b) a description of the company’s business model,*
  - (c) a breakdown showing at the end of the financial year—*
    - (i) the number of persons of each sex who were directors of the company;*
    - (ii) the number of persons of each sex who were senior managers of the company (other than persons falling within sub-paragraph (i)); and*
    - (iii) the number of persons of each sex who were employees of the company.*

The CA (2006 and amendments up to and including 2019), Part 15, section 4A, establishes “*The duty for the company to prepare a Strategic Report and be signed off by the board of directors*”. Sub-section 414 states the regulatory and procedural Strategic Reporting requirements and does not include a declaration on the strategic leadership of the company. FTSE 350 Strategic Reports vary significantly due to multiple professional bodies and stakeholder pressures. Further reasons why NEDs must understand and support long-term sustainable CS are considered in the literature review. Overall, the current Strategic Reports are considered poor indicators of FTSE 350 durable ESG sustainable strategic positions.

The Chartered Governance Institute (2021) elaborates the meaning of CA 2006, s172 i.e. Promote the success of the company as: “*A director must ‘act in a way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole’ (CA 2006, s172). This duty applies to all directors’ actions, not just those exercised at board meetings. When making decisions, directors must ensure they have*

*regard to the likely consequences of the decision over the long term, which means they must take account of the:*

- *“interests of employees*
- *impact on the community and environment*
- *need to foster business relationships with suppliers, customers and others*
- *need to act fairly between members*
- *a need to maintain a reputation for high standards of business and conduct”*

There is a distinct lack of emphasis upon CS and NEDs’ strategic oversight of same within this institute’s published interpretation. This research enquiry acknowledges whilst boards are legally responsible for CS, there is no specific instruction as to how they need to fulfil this role. In this instance the onus is on the NED to consciously select the nature and extent of their personal involvement in CS.

## 2.5 Corporate governance evolution with links to corporate strategy

Cadbury (1992) recommends companies have NEDs to minimise failures and failings by an unfettered Executive Director. The Cadbury Report initiated a debate about the NED’s role and its main function to provide a creative contribution to the board as well as objective oversight of and constructive challenge to the executive directors (IoD 2018). The NED’s role in CG is that of providing a pre-action rather than a post-action to an event (Law Teacher 2019 p1). The Chartered Global Management Accountants (CGMA) Report (2012), *Governing for Performance: New directions in Corporate Governance*, increases the body of knowledge based upon a systematic review of how effective the role of the NED is during a period of flux. This research examines what is happening after the global financial crisis 2007/8, specifically the position in the years 2019-2020, to see how effective NEDs are in supporting CS for sustainable businesses and what prospective action, if any, may need to be taken in the future.

According to Maassen (2002, p36), a responsible and effective board should require of its management a unique and durable CS and review it periodically for its validity. He suggests the involvement of directors in the formulation of strategy serves the following purposes:

- *“It helps NEDs to move along the learning curve regarding the industry, competitors and the market...”*
- *It helps develop commitment and a sense of ownership of the corporate strategy amongst board members.”*

His research reveals *“strategic roles of boards mainly focused on the context of overseeing or ratifying strategy, ignoring the possibility that boards can be actively involved in the formulation of strategies”*. This research enquiry provides an up-to-date review of FTSE 350 NEDs’ involvement in CS in 2019-20.

McNulty and Pettigrew (1999, p47) observe *“the 1990s witnessed a surge in the interest of boards of directors”* which is as a direct result of irregularities and mismanagement. While corporate failures and failings are not the centre of this research, they are a conceivable consequence of not having a robust sustainable CS in place. Page and Spira (2016) acknowledge the ever-increasing numbers of NEDs on boards assigned to multiple CG Committees, however they find little firm evidence to determine they are successful in improving board oversight. Brennan and McDermott (2003 p2) acknowledge the role of NEDs has changed significantly since the Cadbury Report (1992) and this research enquiry acknowledges this continues to date, particularly in the provision of CS oversight.

BIS and Tomorrow’s Company (2009, p45 quoting Tunstall), states *“UK boards of directors are held in contempt for having overseen a period of unparalleled incompetence in the world of economic affairs”*. Tunstall continues *“Whether the greedy, self-serving, under-qualified and nepotistic image of boards is a travesty or a true portrayal, there is no doubt that the time is right for an upgrade of the modus operandum for boards”*. This research enquiry assesses the current situation.

Westphal and Zajac (2013, p613) recognise the norms of reciprocity and noted ‘outside directors’, i.e., NEDs, *“feel socially obligated to support CEO’s who endorsed their appointment”*. Their research reveals this situation is linked with theoretical perspectives of *“policy and strategy outcomes”*. Tatar (2019, p1) emphasises the prevailing CG paradigm shift and questions whether *“directors can be effective without considering recalibration and renewal?”* She continues a governance transformation journey and highlights the need for boards in *“risk taking and value creation”* and the avoidance of *“missed opportunities”*. This research realises crises affords an opportunity to see everything! The consequences of

these crises highlight inadequacies surrounding CS of these FTSE 350 companies. The failings are potentially compounded by a lack of corporate ethics and values and are recognised in Fisher's research as early as (2002 p101). Commencing with 1987 Mirror Group and Robert Maxwell, some three decades later, deep problems continue to exist and are constantly being revealed. The FTSE 350 companies' failings are indicative, not exhaustive, rather highlighting the volume and the scale of CS failings from 2008 to 2019. Clearly, companies must review and ensure their CS is fit for purpose. Roberts *et al* (2005, pS6) support NEDs supporting the "*executives in their leadership of the business and monitor and control executive conduct*". Against the backdrop of "*best-practice structures*", Wong (2011) argued there are serious deficiencies in the way boards (including NEDs) guide strategy.

Nordberg (2011 p112-113), contends that "*the codes in the main do not make recommendations about how to structure the board of directors so that it is to marshal the resources necessary to take best advantage of business opportunities*". Higgs (2003, paragraph 12.5) states "*a non-executive director should normally be expected to serve two or three-year terms, although a longer term will exceptionally be appropriate*". The prevailing UK CGC (2018) recognises up to a potential nine-year term for board members. NED professional development needs and length of service on boards and the likely impact on CS is outside the scope of this research but is fertile ground for future research.

The Financial Reporting Council is prescriptive as to the role NEDs should play in Audit, Nomination and Remuneration Committees but scarcely mentions anything on the NED role in CS oversight. Black Sun PLC (2018, p2), reporting globally on a study of executive insights on understanding and explaining value, state: "*79% agree that using a longer-term perspective on strategic planning would improve value creation*". Consequently, this thesis concentrates on NEDs' strategic oversight responsibilities: strategic leadership, participation in strategic planning and implementation, along with approving and monitoring CS to promote the abiding ESG sustainable success of FTSE 350 companies.

### 2.5.1 Regulatory evolution and advancement of UK corporate governance environment

Tempel (1970 p56), contends that "*Global corporations are not philanthropists .... And one and the same company may do quite as much harm as it does good*". Brown (2005 p3)

recognises the “*business case for sustainable development (or corporate social responsibility)*” are one and the same drivers. This enquiry summarizes almost 30 years of evolution within the UK CG environment involving FTSE 350 companies. Jonnergard and Larsson (2007 p467) indicate “*the corporate governance code ... is a third form of additional regulations, ... positioned between legislation and self-regulation*”. Parker (1990 p36) concedes a link between CG and strategy development. The Cadbury Report (1992) provides a framework for CG and re-establishes the need for UK companies to be concerned about upholding good CG, having reviewed some public failures such as Robert Maxwell of The Mirror Group. Hendry and Kiel (2004), building upon Walker (1999), argued boards (including NEDs) must spend significantly more time on strategy rather than operational issues. The Walker Review (2009) following the banking crisis, suggests that up-to “*two thirds of NEDs’ time should be on **strategy***” potentially and possibly inadvertently indicating strategy is directed by the executive team and merely controlled by NEDs. Kingsmill (2013 p24), contends that “*One of the main criticisms of boards and their directors is that they do not focus sufficiently on longer-term matters of strategy, sustainability and governance.*” According to Charan and Colwin (2010 p50), “*the financial crisis (2007/8), suddenly accelerated a long-simmering trend, broadening the board’s role to include much more **leadership**.*” This research enquiry reveals the ever-increasing attention on CG, which may have come at the expense of leadership and strategic oversight.

Corporate governance is nuanced by strategy. Specifically, The Higgs Report (2003, p79 A.1.1.) states the board (including NEDs) should “*set strategic aims, ensuring sufficient resources (financial and human) are available to meet the objectives;*”. Higg’s recommendation is now enshrined in the CA (2006 s172.1 (a)) which says Directors (including NEDs) have a “*duty to promote the success of the company for the benefit of its members, which includes having regard to: “the likely consequences of any decision in the long-term*”. Demb and Neubauer (1992, p20) recognised “*in order to achieve both societal and business objectives, we need a governance approach that fosters a new concept of partnership between business, government and the public*”. A key NED framework is introduced within The Higgs Review (2003) which builds upon Cadbury (1992) critically reviewing the role of NEDs. It summarises **four key areas of NEDs’ responsibilities**, which are: “*Strategy, Performance, Risk and People*”.

Higgs clearly states prior to appointment NEDs should conduct a due diligence exercise on the company to satisfy themselves they have the knowledge, skills, experience and time to

make a positive contribution at board-level. Higgs clearly recognises the board needs knowledge and skills but stops short of suggesting each NED needs to have all such skills. This enquiry specifically investigates the strategic oversight skills and capabilities of NEDs. The degree to which an individual NED fulfils their role is likely to vary by company and circumstance. The above four key areas of NEDs' role are subsequently incorporated into the Walker Review (2009). Huse (2005, p65) recognises the *"gap between board role expectations and actual board task performance"*. Adopting the existing frameworks this research conducts an up-to-date review of NEDs' oversight contribution to CS which is constantly evolving.

Since the early 1990s, the UK government has commissioned and supported 30+ CG reports and reviews, commencing with the Cadbury Review (1992) which address NEDs' responsibilities to the board, see Table 64 on page 461, for a representative listing of prevailing UK CGC (2018), Reports and Reviews, along with amendments to UK legislation. Huse (2005, pS71) refers to this situation as *"institutional embeddedness of corporate governance"*. Moreover, there has been an unprecedented issuance of reports and reviews for companies in the UK as supplied by the Financial Conduct Authority. This research specifically concentrates upon governance reports and reviews relevant to FTSE 350 NEDs and CS.

Attention is drawn to the Cadbury Report (1992) which states institutional shareholders should encourage compliance with good CG practices. Cadbury (2004, preface) notes CG Codes have *"usually been drawn up in reaction to events and have been composed by practitioners pressed for time and responding to immediate political and public concerns."* Parry (2014, p16) recognises the era of the global financial crisis has passed, however issues encompassing governance and transparency are high in both regulators' and the UK Government's agendas and are likely to heighten post the extraordinarily difficult period of 2019-2020. The impact is not uniform across each of the FTSE 350 companies.

Building upon both Cadbury (1992) and Higgs (2003) and subsequent Combined Codes, the current UK CGC (2018, p7 ss13) is recognised as having directly developed and standardised NEDs' responsibilities to include the following items with respect to company strategy: *"challenge and contribute to the development of the company's strategy. Scrutinise the performance of management in meeting agreed goals and monitor*

***reporting of performance. Should constructively challenge and help develop proposals on strategy***". This is reinforced by the Code's requirement, point 11 on page 7, "*At least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent.*" This is prudent in the provision of unbiased oversight in order that no one individual or group of individuals can dominate the board (Davies 2007). Huse (2005, pS74) reinforces this with "*the development of codes of best practice has led to a formalization of rules and structures*". This research considers the potential for this still to be the case.

Stemming from the various corporate failings and criticisms, the following list features significant legal, regulatory and strategic guidance for NEDs of FTSE 350 companies:

- Higgs Review (2003), "*Review of the Role and effectiveness of Non-Executive Directors*" specifically describes NEDs' responsibilities in strategy.
- The CA (2006), s172.1 states directors have a "*Duty to promote the success of the company*".
- The Walker Review (2009) "*A review of Corporate Governance in UK Banks and other financial industry entities*" states "*2/3 of NEDs' time should be on strategy*".
- The FRC (2011) guidance on board effectiveness, The FRC (2011) NEDs' Conference – Delivering fair treatment for consumers of financial services.
- UK CGC (2018) does not specifically emphasise the strategic role of NEDs in formulating or controlling CS.
- Guidance on The Strategic Report (2018).

Extracted from Table 64 UK Corporate Governance Codes highlighting instances of strategy and leadership.

The House of Commons (2018, p85) Report from the Business, Energy and Industrial Strategy and Works and Pensions Committees reveals the collapse of Carillion not only tested the adequacy of the system of checks and balances on corporate conduct but also "*It exposed serious flaws, some well-known, some new.*" The investigation finds the directors of Carillion were responsible for its collapse and its consequences. In its conclusions and recommendations, the Report states clearly (p88, No. 8) "*that NEDs have a particularly vital role in challenging strategy*". According to Parry (2016 p60), "*Corporate scandals inevitably tempt governments to reach for regulatory solutions, all of which take directors' time and attention away from their companies' long-term success.*" This research

recognises FTSE 350 company boards may attempt to protect themselves using layers of extended regulations, but this does not absolve them of their responsibilities. Boards must look outward and incorporate the prevailing economic and business climate into their CS vision. The NED's specific responsibilities must focus on providing both external and internal strategic oversight and less on extending the NED's career. This significant point is assessed in much greater detail within this research enquiry.

It is important to note the numerous UK CGC reports and guidelines are voluntary in nature and its support is a self-regulatory framework (Styles and Taylor 1993 p69). The Higgs Review (2003) sets out what is expected from each individual NED and the significant NED responsibilities contained in Audit, Nomination and Remuneration, Committees. The Higgs Review (2003) recognises NEDs as custodians of the governance process and the need for continual re-evaluation of NED responsibilities. Dixon *et al* (2005) found the need to publish a report; "*An investigation into the role, effectiveness and future of NEDs*". Both Dixon *et al* and the Higgs Review state in their findings the role of NEDs is not in dispute, nor is it different to that laid down by the Cadbury Review (1992). Dixon *et al* (2005) supported the continued requirement for NEDs and deems the system at that time to be sound and effective overall. This may have offered some stakeholders comfort in NEDs' oversight capabilities at the time. The outcomes of this research enquiry performed during 2019 and 2020 may reveal more emphasis is required on continuing strategic oversight and direction by NEDs.

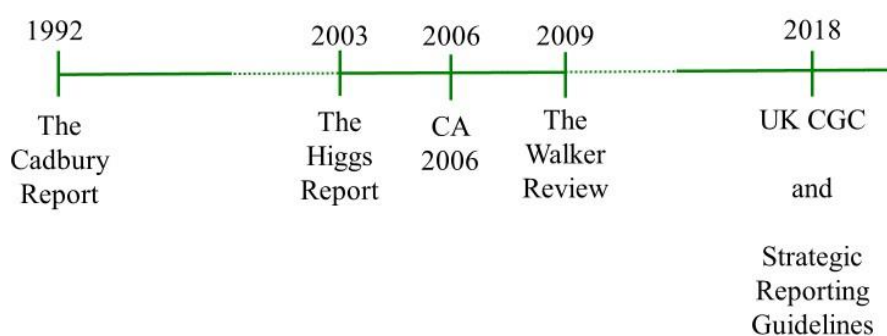
The Hampel Report (1998) noted the probability that increased regulations and guidelines would not eliminate further failings, and this researcher deems this has materialised, as evidenced in the volume of corporate guidelines and amendments to the CA (2006). Barker (2020, p2) recognises auditors are not responsible for corporate collapses and failures, but rather the board "*may or may not have been able to take evasive action*". Potentially, the absence of a specific CS Committee at board-level is partly responsible for the lack of sustainable companies.

The UK CGC (2018), principle H, indicates NEDs should have "*sufficient*" time to meet their board responsibilities. Provision 15, which states boards consider other demands on directors' time during their first appointment and before approving additional external appointments. This is clarified further with restrictions for full-time FTSE 100 company



executive directors. Curious by its absence, are NEDs' time and demands, thus permitting them to hold numerous positions. FRC (2018) in their guidance of board effectiveness use the term of “*overboarding*”, i.e., an example, the number of board positions held by a single individual; and suggests the Nomination Committees consider limits. ‘Overboarding’ is outside the scope of this research enquiry, nevertheless, the more NED positions individuals hold, the less time is available to concentrate on CS. A summary of key strategy, legal and CG issues is presented in Figure 5.

**FIGURE 5 KEY STRATEGY, LEGAL AND CORPORATE GOVERNANCE ISSUES**  
**Key Strategy, Legal and Corporate Governance Issues**



Source: Lisson (2022)

Schmuecker (2012, pp17-19) recognises the importance of governance has been addressed, but those of leadership and decision-making are as important and must be cultivated. The multitude of legal, CG regulations and reporting requirements for FTSE 350 companies is conceivably overwhelming and diverts attention away from long-term strategy planning “*with untended consequences*” Subramanian (2015). This research enquiry is likely to propose and support the introduction of a CS Committee at FTSE 350 company board-level as the literature review search noted the absence of same whilst various other organisations do have Strategy Committees. This is a fundamental change to what is currently the case in FTSE 350 companies. Strong evidence and a clear benefit to the company is revealed in this thesis. UK CGC (2018) - Board governance requirements.

Underpinning modern CG is “*the argument that free enterprise would be more stable and secure if common standards of transparency and accountability were followed*” IoD (2019,

p1). The UK CGC (2018) is clear on the board's need to establish various formal Governance Committees such as Audit (Ch 4, P24, p10), Nomination (Ch 3, P17, p8) and Remuneration (Ch. 5, P32, p13). Conspicuous by its absence is a CS Committee. This omission needs further exploration within the context of NEDs discharging their corporate strategic oversight obligations. The UK CGC (2018, s14) requires the responsibilities of the chair, chief executive, senior independent director, board, and committees should be clear, set out in writing, agreed by the board and made publicly available. Specifically, emphasising this research enquiry, The UK CGC (2018, p2) recommends *"Companies should cover the application of the principles in the context of their particular circumstances and show how the board has set the company's purpose and strategy."* This has yet to be observed and reported upon, thus this gap is examined by inspecting up-to-date professional bodies proforma NEDs' contracts, i.e., multiple documents within this data repository.

Sikka (2019) in his presentation asserts *"UK lacks a joined-up regulatory system"*, as evidenced in the failure of Carillion PLC. Burgess (2009, p21) conceded nit-picking by the Financial Reporting Council (FRC) of the prevailing UK CGC *"may have encouraged box-ticking"* at the expense of good governance. These CG codes have assisted businesses in reducing boardroom governance errors but appear to have done nothing to promote enduring sustainable CS for FTSE 350 companies (O'Neill *et al* 2020). This research seeks to examine this matter.

#### 2.5.1.1 Corporate governance codes and corporate strategy

The Cadbury Report (1992) underlined the need for greater care for CG matters in FTSE companies. The board, including NEDs, has a duty to participate in the decision-making process and to scrutinise the company's performance in meeting their goals and objectives. Since Cadbury, there has been an abundance of further UK governance reports, with those directly applicable to NEDs - numbering some thirty guidelines and growing. Whilst 'strategy' is mentioned in the context of the business model, it is infrequent and does not have a high profile compared to governance, Audit, Nomination and Remuneration, which have their own specific committees directly reporting to the board. Page and Spira (2016, p213) found *"a business model view has the advantage that it unifies the compliance and monitoring aspects of governance with the advisory and strategy setting roles of directors"*. Furthermore, they note *"the role of the NED appears to straddle both conformance and*

*performance*". Their research concludes the "*business model*" maybe neglected, with the prevailing emphasis on explicit recognition of the prevailing UK CGC.

This research notes the earlier versions of the UK CG Codes concentrated on "*Shareholders*" only. The current UK CGC (2018) now refers to "*Stakeholders*" engagement. This goes some way to widening the participation in key decision making and perhaps focusing on a more balanced view including ESG capabilities for sustainable companies. According to Raconteur.net (2021 p5) "*it is important to shift risk management to value creation*" which is the strategic opportunity for NEDs' oversight in FTSE 350 companies. Parry (2014, p7) indicates "*High quality corporate governance helps to underpin long-term company performance.*" He acknowledges the prevailing UK CGC is instrumental in "*spreading best boardroom practice throughout the listed sector...*" Berezinets *et al* (2016, p632) recognise "*the board of directors serves as a source of intellectual capital for a company, being the main internal corporate governance mechanism that leads to value creation in a company, taking into consideration the interests of all stakeholders*". Against the backdrop of several CG guidelines, which appear to be the dominant assessment and emphasis since the Cadbury Report (1992), this enquiry investigates FTSE 350 companies 'NEDs and CS'. NEDs' oversight and influence on CS at board-level appears limited, which is notable in the wake of some of the worst FTSE 350 companies' corporate failings and crises in the past decade. There is little room for complacency on the part of NEDs. UK CGC (2018) published in July 2018 and effective from 1 January 2019 is the prevailing UK CGC (2018) for the period of this research.

UK CGC (2018, p4, Section 1): Board Leadership and Company Purpose – Section A states:

*"A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society."* EcoDa (2019, p1) endorses the need for action: "*Businesses cannot wait for legislators, they should lead the path towards long-term sustainability.*" They determine governance and sustainability are intrinsically linked, and boards must remain competitive whilst delivering value. This thesis is judicious in re-examining FTSE 350 NEDs' strategic oversight contribution to their company.

A critical and evaluative review of previous published empirical research establishes the connections and shapes the specific RQs and research propositions of this thesis. CA (2006),

UK CGC (2018) and multiple other guidelines present a solid reference point for specific NED considerations which are important to a company's longstanding strategic future. This research enquiry contributes to the assessment of the Hampel Report (1998, paragraph 1, section 14) observation: *"It might be possible for the next disaster to emerge in a company with, on paper, 100% record of compliance."* NEDs are required to comply with the duties of directors which are established by CA (2006) and UK CGC (2018). The UK legal framework shapes board structure and conduct, CA (2006 s172), requires *"promoting the success of the company"* and the consideration of *"the likely consequences of any decision in the long term"*. The prevailing regulatory regime is considered *"light touch"* by McNulty and Pettigrew (1999, p68) who note *"inadequate access to the corporate elite has resulted in us knowing little about the work and conduct of boards and directors."* This research is cognisant each business environment is somewhat unique and may require different strategic skill sets from its NEDs.

Additionally, in uncovering specific company strengths and possible failings, this research enquiry establishes why appropriate controls were not in place to mitigate the risks, including whether companies have set-up a separate Risk Committee at board-level as recommended by The Walker Review (2009). 'Failings' include both liquidations, significant fines and reputational damage. Whilst corporate failures and significant failings are not the emphasis of this research, it is acknowledged these companies are a likely rich source of information as their deficiencies afford valuable insights. Published data is sought into the key decisions that were inappropriate or went wrong and NEDs' involvement in such decisions. Examples include incentive structures, mis-selling and other inappropriate corporate actions. NEDs' role is to ensure the board is well informed (directing, leadership) and reflect appropriate values when supporting board decisions.

#### 2.5.1.2 Corporate governance guidelines on board effectiveness

FRC Guidance on board effectiveness (2011, pp. 3, 6) states the role of the Chairman is *"setting a board agenda which is primarily focused on strategy....."* This same Guidance makes no mention of strategy in its description of the role of the NED. The FRC NED Conference (2011, p5) acknowledges *"It became clear during the financial crisis (2007/8) that boards did not sufficiently understand their business models, strategies or products, and the risks they were running."* The consultation goes on to state: *"one of the key roles that NEDs play is using their experience and expertise to identify, highlight and challenge*

*developments that could pose a risk to the firm's strategy, profitability or reputation".* The International Integrated Reporting Council (2013, p34) offers guiding principles which state: *"An integrated report should provide insight into the organisation's strategy, and how it relates to the organisation's ability to create value in the short, medium and long-term".* This research aims to uncover the impact NEDs have in creating this abiding economic and sustainable value for their company (Aram and Cowen 1986 p117). McNulty and Pettigrew (1999, p59) describe NEDs as the *"brake on the power of the chief executive"*. Thus, the need for approval creates *"self-regulating behaviour by executives."* The Wates principles (2018) developed for large private companies, may offer strategic insights relevant to FTSE 350 companies. According to Hancock (2005 p6), *"the business case for corporate social responsibility provides an important incentive to companies to consider adopting socially and environmentally responsive policies."* The challenge for this research is to illuminate prevailing NED power and influence in shaping CS within their CG role.

EY (2019, p9) identifies links between CA (2006 s172.1) and FRC's Guidance on Board Effectiveness (para 43), with the *"Impact on the long-term sustainable success of the company"*. By implication this is clearly linked with CS and the principle that boards (including NEDs) have a responsibility for durable decision making. CA (2006 s172) refers to board effectiveness, not specifically CS, which may not be synonymous. Moreover, Clifford Chance (2020, p4) suggests companies use CA (2006 s171.2) to frame their communications with their key stakeholders. This is potentially the key to explaining why there are little or no specific company requirements emphasising CS.

#### 2.5.1.3 UK CGC (2018) guidance on Strategic Reporting

The CA (2006 section 4) outlines what is required in a company's Strategic Report. Publishing a Strategic Report is compulsory since 2018. Ruddick (2019, p37) finds the Strategic Report *"includes next to nothing about what was discussed at board meetings or a breakdown of votes"*. This research enquiry is cognisant that NEDs are not required to prepare this report, rather ratify it by their acceptance of the annual report. This research enquires what, if any, involvement NEDs have in such strategic statements. The 2018 Guidance on the Strategic Report is in its infancy and aims to address the need to regularly report on the company's strategy. Published reports often appear to be the outcome of consultants' ready-made solutions. This guidance is no doubt helpful but is not compulsory. There is no blanket obligation to report CS, merely to comply with the 2018 Strategic

Reporting requirements which concentrate on the here-and-now, not the long-term sustainability of companies. There is a probable absence of serious reflection and supervision of Strategic Reporting in favour of meeting minimum regulatory requirements. Evidence of this situation is considered within the research analysis.

Pertaining to Strategic Reporting, the FRC (2018, p2) highlights the following:

*“(i) The aim of the Financial Reporting Council (FRC) is to promote transparency and integrity in business. The FRC believes that encouraging entities to prepare a high-quality strategic report – which provides shareholders with a holistic and meaningful picture of an entity’s **business model, strategy, development, performance, position and future prospects** – is a key part of achieving this aim. “(ii) The FRC believes that the strategic report should be **clear and concise** and result in fair, balanced and understandable reporting. The guidance is therefore intended to encourage preparers to consider how the **strategic report fits within the annual report** as a whole, with a view to improving the overall quality of corporate reporting.”* Grant Thornton (2016) remarked that a FTSE 350 Strategic Report is on average 44 pages long, with 57% of companies applying all the Strategic Reporting regulations albeit with varying quality and approach. Only 16 companies implemented all regulatory requirements in a transparent and informative way. Significantly, they observed only 52% offer a high-quality forward-looking statement. BDO (2018, p3) points out the Strategic Report must include:

- *“A fair review of the company’s business; and*
- *A description of the principal risks and uncertainties facing the company”.*

Point 43 of the BDO reports notes: *“The strategic report must be included in the opinion on other matters prescribed by CA (2006). In our opinion the information given in the strategic report and directors’ report for the financial year....”.* These statements once more emphasise on the present and known risks whilst omitting any strategic statements on the sustainable company. More recently, Grant Thornton (2018) reports a mere 14% of FTSE 350 companies offer better explanations than regulatory strategic guidance reporting requires of them, and 60% of FTSE 350 companies do no more than merely comply with the Strategic Reporting requirements. The report associates the term ‘strategy’ with how a company explains its principal risks and uncertainties regarding their likely impact on the prospects of the company. This research views Strategic Reports as part of NEDs’ oversight responsibility in monitoring, not necessarily NEDs’ contribution to the development of a enduring strategic direction. Ever mindful of the Smith and Soonieus (2019, p3) research

suggesting NEDs have *“a shallow understanding of the real issues and fall short when it comes to giving executives the strategic framework, they need to take real action”*. They suggest the NEDs *“focus on small actions rather than a wholesale strategic review”*. Additionally, examples appear from *“past successes”*, not focusing on current and future needs. This research seeks to establish whether this is the case regarding CS.

### 2.5.2 London Stock Exchange Listing (2018) and good governance

According to Barker (2013), *“it is a mistake to suppose that good governance can be ‘guaranteed’ by more stringent listing rules. Such an approach panders to the laziness of those investors within to pass responsibility for the investment risk to regulators.”* The case of Bumi PLC. illuminates the difference between UK CG environment and of the US Sarbanes-Oxley (2002) regime regarding stock market listings. It is worth noting FTSE has some 70% plus overseas listings whilst NY stock exchange has as little as 10%. Moreover, Fahy *et al* (2005 p19) finds *“... institutional investors and analysts no longer rate companies by mere financial criteria alone.”* This supports the need for FTSE 350 companies to ensure they have a continuing sustainable strategy to attract and maintain their investor base.

### 2.5.3 Overseas influence on regulatory and compliance guidelines

Jensen (2006, p1), contend that *“Issues of corporate governance are found in many disciplines .... including strategy”*. The International Corporate Governance Network, London Conference (2005, p6) reiterates the OECD Principles of Corporate Governance. Section IV states the duties of the board include *“Review, approving and guiding corporate strategy....”* Moreover, Jonnergard and Larsson (2007 p460), acknowledge the move towards *“global regulatory convergence”*. Bhagat *et al* (2013) within a McKinsey quarterly report on strategy and corporate finance, acknowledge *“too many boards just review and approve strategy”*. Furthermore, Bhagat *et al* find relatively few boards feel they have a complete understanding of how companies create value. Johanson and Ostergren (2010 p527), contend that *“corporate governance is embedded in economic, cultural and social contexts, yet also addresses institutional forces of conformity that are exogenous to the governance system.”*

Parry (2014, p7), referring to Sir Adrian Cadbury’s initial policy, writes *“this policy has had a profound impact on worldwide corporate governance. It sets out good practice covering*

issues such as board composition and effectiveness, the role of board committees, risk management, remuneration and relations with shareholders”. Conspicuous by its absence is any mention of CS within Parry’s report. A significant number of FTSE 350 companies trade internationally and have foreign subsidiaries. Therefore, knowledge of overseas guidelines is a prerequisite for FTSE 350 NEDs. Moreover, overseas CG guidelines may have an influence in the UK. The King IV Report and Code (2016) to “*Comply and Explain*” is such an example. Clarke (2004, preface) referring to Cadbury, identifies the national factors influencing CG as follows: “*Forms of corporate governance are shaped nationally by their economic, political and legal backgrounds, by their sources of finance, and by the history and culture of the countries concerned.*” FTSE 350 NEDs must be cognisant of both UK and international factors impacting their companies. BIS and Tomorrow’s Company (2009, p38) suggest “*the US boards focus on strategy..... as opposed to UK where they attend board meetings to present on particular issues*”. This may imply the UK is over emphasising compliance issues, to the detriment of CS and leadership.

Smith and Soonieus (2019, p1) recently undertook NED interviews with 50 large European companies into “*Sustainability and the five archetypes of boardroom behaviour*”. They observed companies have become “*very skilled in filling out questionnaires*” for sustainability indexes. This may also be the case in completing the annual Strategic Report thus not providing the full picture. This research is cognisant of this fact and is mindful when making such recommendations in the context of the findings of this research enquiry. Accepting that overseas board structures and their responsibilities are different than these in the UK, supervision of corporate strategy is not directly comparable with FTSE 350 Companies. Supporting this research enquiry is an appraisal of overseas jurisdictions CG disclosures. These overseas CG codes and disclosures can influence UK CG practices and therefore are provided within Appendix B.3 Overseas influence on regulatory and compliance guidelines.

#### 2.5.4 FTSE 350 NEDs’ legal, regulatory and governance responsibilities precis

An extensive review of legal, regulatory, and governance determines that NEDs have clear CS responsibilities to their company. As such, this research contemplates that whilst legislation and CG guidelines are efficacious regarding impact on policy and guidelines, an unintended burden maybe imposed on FTSE 350 companies by the compliance obligations introduced by the plethora of UK CGC and legislation since 1992. The attention of FTSE



350 company boards may be distracted from issues affecting sustainable CS. There is a need for anticipatory governance and forward planning by the board (Fuerth 2009, p29). Amaral-Baptista et al (2010 p709) acknowledge “*corporate decisions that are not consistent with strategy formulation do not necessarily result from poor governance*”. Understandably, based on previous research, this literature exposes in recent history, despite the evolution and volume of legal obligations and regulatory advice, a specific need continues to exist to ramp up companies’ strategic capacity. This research seeks to fill the gap by investigating the apparent lack of NED strategic oversight provisions.

Isaeva *et al* (2020, p3) suggest commencing with the theoretical foundations, in this instance, NEDs and CS, and “*explore the ways it has been conceptualised in the relevant literature.*” The foundations delivered within this chapter are the basis for chapter 5 theoretical and empirical outcomes: findings and implicit insights. Each of the legal, regulatory and compliance documents within the data repository are identified and further analysed for FTSE 350 NEDs’ specific oversight involvement in strategy. In the words of Kay (1997) “*Policies cannot achieve all this, but they can help to create the climate.*” Moreover, the Financial Times (2021) notes, “*only companies with a premium listing in the UK are required to follow the code*” the precise group under investigation within this research enquiry. Having investigated the regulatory and governance surrounding this research enquiry, many thoughts influence the pursuit of this research enquiry and form part of potentially recurring latent themes.

## 2.6 Chapter Summary

This chapter commenced with a meticulous theoretical review before selecting and uniquely blending IT in conjunction with IST. These theories add solid context to this research, and incrementally contributes to both existing knowledge and advancing the theoretical foundations. The IT lenses, coercive, mimetic, and normative, directly inform and underpin the data collection and examination phase. IT helps explain the regulatory perspective whilst IST aids understanding of the legal and economic perspectives. A summary of key IT and IST literature reviews is provided in Table 3 and Table 4.

The literature review encompassed the theoretical insights, professional oversight skills, prevailing legal, regulatory, and governance surrounding this research enquiry. The literature review includes a review of professional bodies and associations definition of the role of a NED. In essence, NEDs' role and responsibilities were introduced and reinforced in an attempt to control and or reduce the tendency for Executive Directors to operate in their own interests (normative behaviours). In order to assist this research enquiry to move to a broader concept i.e., one that tries to ensure that the company is operated in the broader interests IT is amalgamated with IST a sub-set of Stakeholder Theory.

The next chapter explores the empirical literature review surrounding NEDs and linkages to CS which acts as a foundation to this research enquiry. Commencing with McNulty and Pettigrew (1999) observation that NEDs and CS is under researched. It includes an evolution of NEDs' strategic oversight responsibilities along with extending current scholarship whilst illuminating the continued need for strategic oversight at board level.

*“The proper test of theory is not that of finality, but of progress”*

Whitehead (1929, p14).

**TABLE 3 SUMMARY OF KEY INSTITUTIONAL THEORY REVIEWS**

<b>Institutional Theory: Theoretical framework reviews</b>								
#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design/sample /instruments	Findings/limitations between publication and this research	Source of Publication
1	1983 Rev. 2000	DiMaggio, Powell	USA	The Iron Cage Revisited (Theory)	Institutional isomorphism	Unstated	Collective rationality in organisational fields	American Sociological Review 48, pp 147-160
2	1987	Zucker	USA	Institutional Theories of Organisations	Institutional Theory	Literature Review	Provides definitions to IT Organisational Needs / benefit from IT that is more precise.	Annual review of Sociology, Vol. 13 pp 43-464.
3	1995, 2004/ 2005	Scott.	USA	Definitions	Institutional Theory	Literature Review	Disclosure of what is within and outside of scope	Sage Publications, ISBN 9781452242224
4	1999	Tolbert and Zucker	USA	The Institutionalization of Institutional Theory	Institutional Theory	Historical overview between Institutional Theory and organisational structure	Highlights the role of normative influences. Decision makers are characterised by bounded rationality	Sage Publications, ISBN 9780857022110
5	1999	Tolbert and Zucker	USA	Institutionalization	Institutional Theory	Literature Review	Highlighting the normative influences on organisational decision-making processes.	Sage Publications London, ISBN 9780857022110
6	2001	Carpenter and Feroz	USA	Theoretical Frameworks	Institutional Theory	GAAP	Companies conform within an organisational category largely due to institutional pressure.	Accounting, Organizations and Society, Vol. 26, No. 7, pp 565-595
7	2004	Cooper	UK	Corporate Social Performance: A Stakeholder Approach	IT and Resource Dependency Theory	Mixed-methods, quantitative, statistical, qualitative, interview, analysis	The findings of this multi-theoretical approach linked with mixed-method research led to recommendations on policy and corporate governance.	Ashgate Publishing Ltd, ISBN 0-7546-4174-0

## Institutional Theory: Theoretical framework reviews

#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design/sample /instruments	Findings/limitations between publication and this research	Source of Publication
8	2004	Scott	USA	Definitions	Institutional Theory	Literature Review	Disclosure of what is within and outside scope	Sage Publications 265348080
9	2005	Khadaroo	UK	Perspective on PFI Accounting Standard Setting Process	Institutional Theory	PFI candidates were classified into 5 types of respondent groups	The accounting standard-setting process appeared to conform to the coercive, normative, and mimetic forms of institutional pressures.	Public Management Review, Vol 7, No. 1 March 05 Routledge
10	2006	Ahrens and Chapman	UK	Qualitative Field Research	Institutional Theory	Interviews and Questionnaires	Improving the functioning of companies.	Accounting, Organizations and Society, Vol 33
11	2011	Okhuysen & Bonardi	Unstated	Editors Comments: The Challenges of Building Theory	Combining Theoretical Lenses	Reasons/Application of theoretical lenses within Management.	Support for combining theoretical lenses and potential to build theory.	Academy of Management pp 6-11, Vol. 36 (1)
12	2014	Fuenschilling and Truffer	Australia	The Structuration of Socio-Technical Regimes	Institutional Theory	Qualitative document analysis	Over time institutional protocols, both formal and informal, are taken for granted.	Research Policy, Vol. 43.
13	2015	Raynard, Johnson, Greenwood	UK	Strategic Management	Institutional Theory	Case Study	Emphasises how established ways of thinking and behaving shape senior managers' interpretation and construct their world and its challenges.	Palgrave, ISBN 10.1007/978-1-137-37795-1-2
14	2015	Aliyu	UK	The State of Sustainability Reporting Assurance in the UK	Audit, Legitimacy, Stakeholder and Institutional Theories	Content Analysis	Sustainability Reporting is recognised, however the level of recognition varied considerably across individuals and groups.	PhD Thesis Dec. 2015

## Institutional Theory: Theoretical framework reviews

#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design/sample /instruments	Findings/limitations between publication and this research	Source of Publication
15	2018	Chiu	UK	Institutional Account of Corporate Behaviour	Institutional Theory of Corporate Regulation	Unstated – Possibly Article Reviews	Gaps in the achievements of social expectations of regulation of corporate behaviour.	SSRN 3122029
16	2018	Gleim, Smith, Cronin	USA	Extending the Institutional Environment:	Institutional Theory	Associated Path Model - Quantitative	Influence by government carries most influence.	Journal of Strategic Marketing, 10.1080/0965254X.2018.1454498
17	2018	Herold	Austria	Demystifying the link between Institutional Theory and Stakeholder Theory in Sustainability Reporting	Institutional Theory and Stakeholder Theory	Literature Review	Relevance of IT provides good explanations for the adoption of sustainability reporting. Linking IT in conjunction with IST emphasises the critical role of stakeholders.	Economics, Management and Sustainability pp 6-19, ISSN 2520-6303
18	2020	Aksom and Tymochenko	Unstated	How institutional theories explain and fail to explain organizations	Institutional Theory	The power of IT lies within its generalization, explanation and prediction of observable and unobservable phenomena.	An up-to-date perspective of IT explain or fail to explain organisations. They acknowledge the need for economic rational strategy and the need to accumulate new knowledge around isomorphism theory.	<a href="https://www.emerald.com/insight/publication/issn/0953-4814">https://www.emerald.com/insight/publication/issn/0953-4814</a> <a href="https://doi.org/10.1108/JOCM-05-2019-0130">https://doi.org/10.1108/JOCM-05-2019-0130</a>

**TABLE 4 SUMMARY OF KEY INSTRUMENTAL STAKEHOLDER THEORY REVIEWS**

<b>Instrumental Stakeholder Theory: Theoretical framework reviews</b>								
#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design/sample/instruments	Findings/limitations between publication and this research	Source of Publication
1	1995	Donaldson and Preston	USA	The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications	Stakeholder Theory, including IST	Literature Review	IST is justified based upon a connection between stakeholder strategies and organisational performance.	Academy of Mgt. Review, Vol. 20, pp 65-91
2	1995	Jones	USA	Instrumental Stakeholder Theory (IST)	Instrumental Stakeholder Theory	9 Propositions Examined	Link of IST to transaction cost economics and the relationship between corporate social performance and financial performance.	Academy of Mgt. Review, Vol. 20, pp 404-437
3	1999	Freeman	USA	Divergent Stakeholder Theory	Instrumental Stakeholder Theory	A response: The Instrumental Thesis of Stakeholder Theory	Identified the need for greater recognition of IST and various kinds of linkages.	Academy of Mgt. Review, Vol. 24, pp 233-236
4	2003	Claessens.	Global	Corporate Governance and Development	Instrumental Stakeholder Theory	Quantitative; links with a country's financial development.	Acknowledges the importance of good corporate governance.	Global CG forum and The World Bank. Pp 1-41.
5	2004	Freeman, Wicks and Parmar.	USA	Stakeholder Theory and " <i>The Corporate Objective Revisited</i> "	Stakeholder Theory	Literature Review	Stakeholder Theory reflects and directs how managers operate, additionally it addresses what responsibility does management have to stakeholders.	Organization Science, pp 364-369, Vol 15, No. 3.
6	2008	Morphy	Global	Stakeholder Management	Stakeholder Model	Literature Review	Improving achievement of business goals	www.stakeholdermap.com

## Instrumental Stakeholder Theory: Theoretical framework reviews

#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design/sample/instruments	Findings/limitations between publication and this research	Source of Publication
7	2010	Egels-Zanden & Sandberg	Sweden/International	Distinctions in Descriptive and IST: a Challenge for Empirical Research	Global Economic Focus.	Growing interest in business ethics.	Identifies 3 distinctions between different lines of research connected to descriptive and IST.	Business Ethics: A European Review, Vol. 19, (1), Jan 10
8	2011	Okhuysen & Bonardi	Sweeden / European	Editors Comments: The Challenges of Building Theory by Combining Lenses	Combining Theoretical Lenses	Reasons/Application of theoretical lenses within Management arena	Support for combining theoretical lenses and potential to build theory	Academy of Management pp6-11, Vol. 36 (1)
9	2011	Susniene and Sargunas	International	Stakeholder Management Paradoxes from the Perspective of Normative, Descriptive and Instrumental Approach.	Multiple, including Instrumental Stakeholder Theory	Literature Review	Organisations have a responsibility to inform the stakeholders of what is going on.	Changes in social and business environment – conference paper, 3-4 Nov. 2011, KTU Panevezys Institute.
10	2015	Raynard, Johnson, Greenwood	UK	Strategic Management	Institutional Theory	Case Study	Emphasises taken for granted ways of thinking and behaving. Senior managers interpret, shape and construct their world around its challenges.	Palgrave, ISBN 10.1007/978-1-137-37795-1-2
11	2015	Aliyu	UK	The State of Sustainability Reporting Assurance in the UK	Audit, Legitimacy, Stakeholder, and Institutional Theories	Content Analysis	Sustainability Reporting is recognised, however the level of recognition varied considerably across individuals and groups.	PhD Thesis Dec. 2015

## Instrumental Stakeholder Theory: Theoretical framework reviews

#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design/sample/instruments	Findings/limitations between publication and this research	Source of Publication
12	2018	Jones, Harrison, and Felps.	Global	How applying IST can provide Sustainable Competitive Advantage	Instrumental Stakeholder Theory	Relational Models	Firms that are successful in developing a close relationship capability may enjoy a sustainable competitive advantage.	Academy of Management Review, pp 371-391 Vol 43 No. 3.
13	2018	Herold.	Austria	Demystifying the Link between Institutional Theory and Stakeholder Theory in Sustainability Reporting	Institutional Theory and Stakeholder Theory	Literature Review	Relevance of IT provides good explanations for the adoption of sustainability reporting.  Linking IT in conjunction with IST emphasises the critical understanding of the roles of stakeholders.	Economics, Management and Sustainability pp 6-19, ISSN 2520-6303
14	2019	Jones and Harrison	Global	Sustainable Wealth Creation: Applying Instrumental Stakeholder Theory to the Improvement of Social Welfare	Instrumental Stakeholder Theory	Unstated – possibly article reviews	Call for strategy scholars to engage in research that discriminates between corporate policies that result in actual wealth creation.	Oxford University Press, pp72-91
15	2019	Weitzner. and Deutsch	Global	Why the Time Has Come to Retire Instrumental Stakeholder Theory	Instrumental Stakeholder Theory	Response to: How applying IST can provide sustainable competitive advantage	Potential limitations of IST acknowledged.	Academy of Management Review, pp 694-698 Vol 44 No. 3
16	2019	Valentinov and Hajdu	Germany	Integrating Instrumental and Normative Stakeholder Theories: a Systems Theory Approach.	Instrumental and Normative Stakeholder Theory	Literature Review	The limitations of IST solely are potentially offset by combining with an alternative theory.	Journal of Organizational Change Management, Emerald Publishing Ltd. 27 Sept 2019



### **3 Empirical Literature Review: NED and Corporate Strategy**

#### **3.1 Chapter Introduction**

The previous chapter recognises the importance of the legal, regulatory, professional, and theoretical information in underpinning this theoretical and empirical research enquiry. The foundation is a critical investigation into current UK legislation, specifically CA (2006 s171.2), UK CGC (2018) and London Stock Exchange listing regulations (2018), which are all vital to the way FTSE 350 companies conduct their businesses. This is reinforced with an integrated review of explicit empirical data and implicit understandings of NEDs' involvement in their companies' ever-changing business environment and CS.

The empirical literature review of NEDs and CS recognises philosophical, methodological, and data collection method implications from published literature suitable for deployment within this research enquiry. Strategy literature is appraised in respect of FTSE 350 NEDs' strategic skillsets, responsibilities, and contributions to CS. To conclude, the literature summary presents an overall summary of the elements and their conceptual, regulatory, empirical, and methodological implications encountered.

FTSE 350 NEDs' corporate governance oversight provides their company with the strategic oversight, such as a vision, to build long-term sustainable companies. This enquiry seeks to illuminate good practice, showcase role models, discover potential strategic areas for improvement, and highlight what change, if any, has occurred to NEDs' role, responsibilities, and contribution to CS in an authentic setting. The role of the senior independent director (a SID/NED position) and the related responsibilities and contribution of such SIDs to CS is included within their NED responsibilities. This research enquiry aims to uncover when and where FTSE 350 companies' CS is currently supported by NEDs. Having regard for the preceding literature, this empirical literature review is timely and intended to be helpful in providing fresh insights into NEDs' strategic oversight contributions and leadership in 2019-20. The primary emphasis is on the extent and nature of the attention afforded to CS at board-level specifically by NEDs.

### 3.1.1 Lack of a coherent definition of corporate strategy

Satyro *et al* (2014) observe there are as many definitions of CS as there are authors on the subject. They quote Porter's (1996) definition of strategy "*as the search for a favourable and sustainable competitive position against the forces that determine competition in industry*". Porter (1991) proposes various tools to evaluate and attempts to provide generic guidance to companies on all levels of strategy. These tools include "*Value Chain Analysis*", "*Diamond*" and "*3 Generic Strategies*" as taught as part of university and professional syllabi in 2020 - examples include LSBU Masters Programmes and ICAEW and CIMA. Additionally, Porter (1991) highlights the need for further research to better understand the degree of stickiness or inertia in competitive positions once a firm stops progressing. They lead on from Porter by citing Zaccarelli (2000) who states, "*strategy has served as a roadmap for making decisions on the relationships with opponents, whose reactions cannot be predicted*". Rao and Tilt (2015) define strategy "*as a set of decisions that guide the organisation according to the environment, affect the internal structure and processes and consequently, its performance.*" According to Nonaka and Takeuchi (2008) they recognised "*creating new knowledge is not simply a matter of "processing" objective information. Rather, it depends on **tapping the tacit and often highly subjective insights**, intuitions, and hunches of individual employees and making those insights available.*" Strategically this is a key factor within a NEDs' responsibilities.

Cossin and Metayer (2008 p46) acknowledge "*Companies define strategy in different ways, depending on their place in their industry and the nature of their industry*". Moreover, according to Cullen and Brennan (2017 p1880) this contribution is important to understand and differentiate board of director strategic oversight provision regarding "*Control, Monitoring and Oversight*" which is key to unlocking the different dimensions of power and influence within boards of directors. This particular research enquiry focuses on the element of NEDs' strategic oversight role. Accordingly, Amaral-Baptista *et al* (2010 p709) recognise "*the translation of strategic plans into actions is influenced by various factors*". The ever-changing nature of the FTSE 350 business environment has required the evolution in definitions for CS.

Mintzberg (1987) emphasises strategy is a consciously intended course of action. Ritson (2011 p19) defines CS as identifying "*what business or businesses the firm should be in*" which impacts the businesses future and how it intends to compete. The selected definition

of CS for this thesis is a means of establishing the purpose and aiding the direction and choices for the company. Andrews' (1987, p74) definition resonates with this research as he defines CS as the *"pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue...."* Long (2007, p48) defines CS as *"the development of intentional, informed and integrated choices"* in her research. Leaders frequently craft strategy by collecting inputs from other people and sources. As a starting point for this research, the following definition of CS applies: *"how an organization creates and captures value in a specific market"* (Raynor 2007) as it is overarching and straightforward to remember.

In a comparative review, Manwaring (2009, pp iv, v) states *"Business is a profoundly human endeavour, and it is a collective effort"*. He continues *"The quality of leadership – 'tone from the top' – is a critical capability for businesses...."* From this standpoint, Manwaring argues *"...we have entered the Age of Sustainability – the rules of sustainable value creation are changing radically."* The BIS and Tomorrow's Company report (2009, p21) indicates *"innovation needs to be pervasive throughout an organisation to be effective"*. They specify *"An organisation needs the right cluster of attributes – leadership, people, skills, networks, culture, resources, structures and processes... It relies on complex interactions between many people, organisations and their operating environment."* All are within NEDs' oversight role and responsibilities.

Bremen *et al* (2021 p1), contends that *"Effective measurement requires an understanding of how innovation is expected to create value, the time horizon over which value is created, and triangulation of metrics using a combination of qualitative and quantitative factors."* ICAEW (2018, pp 2, 4) finds the Chief Financial Officers' (CFO) collegiate role in board strategy *"varies significantly across organisations"* and this research may find the same is potentially true of the role of NEDs. They write that strategic thinking *"stems from experience, innate ability and conscious effort."* Moreover, they recognise CFOs seek to manage strategy *"by balancing short-term and long-term goals and meeting multiple stakeholder needs."* Additionally, they observe *"strategy requires good teamwork"*. This research enquiry embraces FTSE 350 company NEDs' strategic oversight role concentrating on creating and capturing value for the resources available (actual and impending) to achieve its enduring strategic objectives.

Hinton and Londo (1992 p13) perceives “*the strategic manager observes the world through the eyes of a designer for the future conditions, not as an interpreter of ‘reality’*”. According to Simpson and Taylor (2013 p126), as part of NEDs’ duties “*they will contribute to the development of strategy*”. The oversight role and strategic responsibilities of NEDs is complicated by unclear definitions and expectations of what is expected of them (Filatotchev *et al* 2007 p26). Domine (2021) acknowledges difficulties in defining well-functioning boards “*there is an intangible aspect... that can’t be captured by merely curating the right CVs.*” This research enquiry seeks to further uncover what long-term strategic goals companies have and their NEDs’ oversight involvement in leading, conducting, and approving and monitoring such corporate strategies.

### 3.1.2 Multiple empirical perspectives on NED strategic oversight provision

Assessing multiple research publications from multiple perspectives provides this research enquiry with context (Johnston 2014 p624). According to the IOD (2019, p4, article 1) code of professional conduct, a director shall: “*Exercise leadership, enterprise and judgement in directing the company so as to achieve its continuing prosperity and act in the best interests of the company as a whole.*” It is reasonable NEDs offer feedback and comments on how they and their organisations discharge this duty. NEDs’ proactive strategic oversight and leadership remains at the heart of this research. According to Stiles (1993 p120), “*effective management of companies would be facilitated by improved links between executive and NEDs.*” Stiles (p120) continues, “*But for NEDs to be effective, they must be independent.*” Furthermore, McNulty and Pettigrew (1999, p49) find “*the numbers of NEDs on FTSE companies is numerically increasing*”. They go on to acknowledge “*knowledge about the structure and composition of boards exceeds knowledge about behavioural dynamics.*” Additionally, McNulty and Pettigrew’s (1999, p51) implicit research illuminates the difficulty in understanding “*what*” and “*how*” NEDs’ strategic oversight responsibilities are fulfilled. Huse (2005) recognises that board members may be described by composition, competence, characteristics, and compensation. Kasperuniene and Zydziunaite (2019, pp 7-8) recognise “*how a person combines hybrid roles in rigid professional environments remains unanswered*”. They write “*professional identity construction is a complex phenomenon covering social, cultural, vocational and career*”. The context in which NEDs’ strategic oversight is fulfilled within this ill-defined description forms the basis of this research enquiry. Potentially strategic oversight provision is a assumed intrinsic characteristic of the role fulfilled by FTSE 350 NEDs.

Bevir (2009 p121), contends that “*governance is about the presence of networks... a network is a non-hierarchical, collaborative structure...*” much like NEDs. Fuerth (2009, p14) recognises the practice of governance is “*blind to the longer-term implications of its decisions, slow to detect the onset of major defects in policy, and inattentive to its best options*”. Davies (2011, p111), argues “*Good corporate governance establishes the character and values of the company as a basis for sustainable business success, and shapes the processes to deliver that success to match the vision which integrates the whole operation.*” Writers such as Jones and Harrison (2019) call for “*strategy scholars to engage in research that carefully discriminates between corporate policies that result in actual wealth creation and those that result in wealth transfers*”. The World Economic Forum (2020) motivation is “*Total Societal Impact*”, listing six dimensions and seventeen sustainable goals for organisations to align with. According to Amaral-Baptista *et al* (2010 p711), “*the understanding of the multiple ways in which boards may address strategic issues is still incomplete*”. Whilst the reach of these writers is greater than this specific research enquiry, FTSE 350 NEDs’ responsibilities for CS is clearly a small part in a big picture. FTSE 350 companies must be able to create sustainable wealth before engaging in wealth transfers.

Mallin (2010 p176), contends that “*the company will be looking for the added value that a new appointment can make to the board. The added value may come from a number of facets...*” interestingly CS is not specifically mentioned. Wong (2011, p2) recognises boards play a vital role in both “*stewardship and long-term viability of the company*”. The elements of CS and sustainability are assumed to be two-sides of the same coin and stakeholders must permit FTSE 350 NEDs to deliver and enhance overall confidence in their company through their provision of oversight. Breslin and Reczek (2019, p30) recognise “*as trust in institutions weakens and institutions become more complex, it is more important than ever for cross-sector learning about good governance.*” Grundy (2014 p234) identifies “*the strategic thinking wheel*” in which he suggests the various strategic processes can form part of the “*strategic toolkit*” which NEDs’ strategic oversight may use during “*reflective detachment*” phase. According to Chiu (2009 p58), ideal directors’ qualities include ‘*competence*’. She indicates competence includes “*ability, experience and communication skills*” of which are crucial to NEDs when discharging their duties. NEDs are required to define, approve, and monitor CS (Tirole 2005 p29) and additionally provide ‘wise counsel’ as part of their strategic oversight contribution. This research accepts strategic oversight and communications involve periods of reflection and discursive activity between involved board members and other interested parties to define and redefine CS on an ongoing basis.

### 3.1.3 FTSE 350 insights gained from corporate failings and failures

Whilst the news headlines refer to the Boards' of specific FTSE 350 companies (Jolly 2021 p34), this research notes that frequently the Executive Team and not the NEDs are the linchpin for the demise of their company. The reality is this situation is not new and is recognised in the 1992 Cadbury Report following the demise of large companies such as Mirror Group (Maxwell), Polly Peck, BCCI and others (Thomas 2021 p12).

Accenture (2015) propose the financial services industry utilises the compliance function to strategically transform the industry by using the ability of the compliance team to "*predict and avoid reputational and financial crime events*". Lesser *et al* (2012, p14) promulgate the concept of collective intelligence and its strategic benefits as a driving tool for creating "*top-line growth, driving efficiency, improving quality and excellence*" to promote a shift in leadership roles and responsibilities. Thuraisingham (2019) challenges the status quo of board effectiveness and how it is evaluated, concentrating on the urgent need for the board to be more active strategically. Her comments are borne out by the list of various board failures and failings, in Appendix A.2.2 FTSE 350 corporate scandals resulting in significant fines and damaged reputations.

Tusa (2020, Ch.1) concedes "*board membership will be a time of personal learning that is painfully acquired.*" He indicates "*dramas are often played out in very public ways, attracting intense media coverage.*" CS may (or may not) be seen as in crisis, however the rigour and relevance of this research persists to assess current NED practices (Daniel p118). Chynoweth (2012, p5) highlights "*The big thing with strategic risk is you don't always know you have been affected until it hits you.*" FTSE 350 NEDs have a responsibility to the stakeholders to ensure the executive team do not recklessly pursue high risk over sustainable CS, risking the collapse of the company. NEDs have a duty to seek out and promote best practice.

Mellahi (2005 p263), contends that "*full blown failures do not result from single 'big bad' decisions, but from unbroken chains of bad decisions.*" This research enquiry is not driven by the cold reality of board failings and failures, rather the desire to establish a mechanism to promote continuing sustainable companies. Davies (2011, p196) recognises the financial crisis of 2007/8 has shaken businesses to their roots and has resulted in the need to

concentrate on longer-term considerations away from quarterly reporting. Wong (2011) finds boards merely staffed by highly qualified members must ensure sufficient constructive discussion between executive and NEDs along with ensuring a healthy and productive relationship between both categories of directors. Chynoweth (2012, p5) indicates NEDs “*should be able to spot the warning signs in time to prevent damage or minimise it.*” MacAvoy and Millstein (2003, p94) reaffirm “*the litany of recent corporate failures is instructive to the future of good governance.*” Roberts *et al* (2005, pS6) propose NEDs “*acting individually and collectively are able to create accountability within the board in relation to both strategy and performance*”. Williamson (2018), in his presentation, states you should not regulate based upon “*bad apples*”. Sikka (2019, p2) observed NEDs who are “*often part-time buddies of executive directors, failed at Carillion*”. In the case of BHS PLC., NEDs “*remain centrepiece of corporate governance*”. Morais *et al* (2019, p12) reveals in times of corporate trauma “*there is a requirement for leadership to be more problem-focused and less accountability-focused.*”

History has demonstrated merely providing yet more UK regulation and reviews has done little to improve CS leading to sustainable FTSE 350 companies. Davies (2011, p178) advocates caution when allocating core responsibilities such as investor relations and CG to the main board whilst “*executive/operating committee dominated planning and operational matters.*” This thesis serves to broaden current thinking beyond that of the director-shareholder dichotomy. Simply Strategic Planning (2019, p3) states clearly the strategies boards devise needs to be two-dimensional. The strategy must give “*the organisation a good chance of hitting a level of performance which is satisfactory to the beneficiaries while at the same time protecting it from failure*”. There is some suggestion the IBM PLC. 2012 aggressive 5-year financial strategy, had it not been stopped by the new chief executive officer, would eventually have led to its destruction. Lessons learned indicate one of the toughest jobs is to get the senior team to agree the strategy is not working (Bitti 2015, p32). NEDs’ oversight needs to continuously consider and monitor alternative strategic scenarios.

#### 3.1.4 Stimulating corporate strategy dialogue through good governance

The FTSE 350 NED role requires interdisciplinary skillsets not least in the area of CS. The CA (2006) s172 states; “*Directors have a duty to promote the long-term success of the company*”. Cadbury (1992) and subsequent CG Codes, thereafter, known as ‘The Code’ specifically section A.1.4, and highlighted by Higgs (2003) asserts:

*“NEDs should constructively challenge and contribute to the development of strategy.”*

The FRC Strategic Reporting Requirements (2014, s414), states where disclosure of a strategy would prejudice the company, it need not be published. The IoD (2017, p14) Good Governance Report omits strategy from its *“five broad corporate governance categories”*. The prevailing UK corporate governance culture appears to omit a specific committee for strategic planning within the defined NED responsibilities. Ahrens and Chapman (2006) note the potential for NEDs’ role to be treated as a tool, and so this research may highlight the need to bring about fundamental company change. This research enquiry could be regarded as having FTSE 350 company significance telling the current official story.

CS is a set of aims and ambitions concurrent with meaningful abiding plans setting out what the company is trying to achieve. McDonald Wood (2013, p5) states *“corporate reporting is about stating what happened”*. Hay and Cordery (2018, p1) indicate audits can illuminate thus helping develop suggestions about how to add value. Sax and Andersen (p723) indicates *“strategic planning is conceived as a rational analytical approach”* which offers the company a view of where the company is going, CS emphasises the big picture at the apex of the company. NEDs should be mindful of their company’s environment, effectiveness, efficiency, and economics when proactively leading and participating in strategic oversight discussions.

### 3.1.5 Understanding the importance of building strategically sustainable companies

McNulty and Pettigrew (1999) consider the implications that Executive Directors and NEDs differ in their understanding of what NEDs’ oversight responsibilities should be in strategy. This research enquiry specifically reviews NEDs’ responsibilities and CS. McNulty and Pettigrew (1999, p71) express *“Corporate governance has indisputably attracted attention in recent years”; “Norms and expectations are changing as boards and shareholders are encouraged to make corporate management more accountable. Greater public scrutiny of management is one contributory factor enabling boards and part-time members (NEDs) to become more involved in strategy”*. Rao and Tilt (2015) state *“director’s role in strategy is the most complex and crucial one which requires thorough investigation”*. Recognition of these insights strongly supports furtherance of this research some twenty years after the McNulty and Pettigrew (1999) paper.



Tricker (2019), contemplating upon his earlier research from 1979 to 1983, recognises the role of strategy in governance: *“governance involves formulating strategy, setting policy, supervising management and being accountable overall”*. Mumford *et al* (1987 p1), observe directors’ development is relatively infrequent and importantly *“the effectiveness of informal processes is significantly below what could be achieved”*. The Good Governance Institute (2020, p1) advocates the need for board members to continually improve through *“development by doing”*. This research enquiry concentrates upon disclosing where FTSE 350 NEDs’ contributions and oversight add value to their company’s CS. Adapting the trilogy of strategic components of McNulty and Pettigrew (1999) and linking with Cadbury report (1992), this research analyses NED contributions from the inter-related constructs of CS i.e., Shaping strategic content; context and Conducting of strategy; and Deciding and monitoring strategic decisions. According to Salvioni *et al* (2016 p1), *“the corporate approach to sustainable value creation is a source of global competitive advantage.”* Bhagatt and Kehoe (2014) recognise the impact spending more time has on high performing boards and a need for greater time on strategy.

## 3.2 Corporate Strategy Literature

### 3.2.1 Global organisational strategy perspectives

Wommack (1979) recognised the *“most effective boards get their work done through committees that report to the full board.”* a key point which resonates with this research. Klettner *et al* (2013 p1) recognise *“As the effort to enhance sustainability moves from the margins to the mainstream of corporate activity, the skills, knowledge and sophistication involved in leading corporate sustainability initiatives have developed.”* Furthermore, INSEAD (2018) brings to light the need for today’s global boards (including NEDs) to rethink how they address strategy. INSEAD underpins the link between strategy in organisational competitiveness and sustainability. Madden (2016) President of The Chartered Association of Management Accountants, addresses the future for boards in *“Good Corporate Governance for Business Excellence”*. Madden’s board-level recommendations are; board diversity, composition (including capacity for employees on the board), and quality of decision-making which is identified as an area for further research. INSEAD (2018) recognises today’s global boards (including NEDs) must rethink how they address strategy. INSEAD underlines the link between strategy and organisational

competitiveness and sustainability. Kolev and McNamara (2019, p16) research indicates *“diverse boards likely exchange a greater variety of information, engage in more thorough discussions, and implement greater oversight of divestitures, leading to more positive divestitures returns.”* Widening the scope to outside the UK, Kang (2015) uncovers in a Singapore board of directors’ appraisal wherein the three areas identified by boards as most important are: business performance, strategy development and strategy execution.

According to Bertels (2017 p13), *“companies need to think about long term strategy, not just quarterly returns.”* Bitti (2015, p32) discusses the harm that arises when a company is bound by its financial strategy. Specifically, she states *“at a high level it’s rare to see a strategy that isn’t focused about growth”*. This research enquiry is mindful of such situations and understands the board may pursue a consolidation strategy to build a strategically sustainable company. Adams (2017 p29), contends that *“the organisation’s strategy and business model evolves to reflect past performance with respect to the sustainable development goals”*. This research accepts CS is frequently inward and backward looking, albeit this research supports the scope for promoting a more forward-looking company.

The global financial crisis in 2007/8 impacted FTSE 350 companies negatively. The World Economic Forum (2009, pp22-23) promulgates an interventionist regulatory framework stating five common principles. These neither mention nor imply ‘strategy’ but rather expand the scope of regulation and governance. Cocks *et al* (2009 p18) recognised leadership issues within boardroom knowledge and skillsets, specifically *“strategic thinking capabilities”*. The apparent lack of concentration on CS is what this research enquiry specifically investigates in a rigorous academic fashion. This literature review is informed by the need to deliver a balanced evaluation of prevailing current literature which in turn clearly identifies the gap in this literature and the need for this research enquiry (Gibbs 2014). This is fundamental to the overall success of delivering this thesis.

### 3.2.2 FTSE 350 company Strategic Reporting requirements

CG recognises fundamental matters to include important concepts and issues surrounding strategy. This is recognised in changes in strategic emphasis since the commencement of this research enquiry. In addition to CA (2006, s4), The Guidance on the Strategic Report

(2018) now requires FTSE 350 companies to publish an annual Strategic Report with the emphasis on the strategic prospects of the business. The stimulus is on formalising the reporting structure as companies publish strategic historical statements on items of their choice omitting items where inconvenient. The Strategic Report requirements include non-financial information to afford greater depth of understanding. With respect to performance reporting measures presented, these should support an assessment of the company's progress against its pre-set strategic objectives. The guidance requires the Strategic Report to be aligned with UK CGC (2018). In brief, the Strategic Reporting requirements are:

- FTSE 350 companies must prepare and publish an annual Strategic Report.
- The purpose is to inform shareholders and other stakeholders alike.
- Clear links with the published financial statements and all material elements are to be included. Contents are to meet the requirements of CA (2006, s171.1(a–f)).
- The communication style is to be fair, balanced and include a forward-looking orientation and sufficient detail to comply with their s171.1 statement.

Source: Guidance on the Strategic Report (2018), FRC and BEIS 2018.

This research enquiry acknowledges whilst all attention on strategy is a step in the right direction, the current Strategic Reporting requirements centre on the regulatory, ownership and timely publication protocols. The Strategic Reporting process “*does not stipulate the actual implementation process*” (Kolk and Pinkse 2007, p7). Nowhere does it state who is involved in the development and publication of the Strategic Report. McDonald Wood (2013, p1) indicates CG reporting is a “*tedious imposition*” arising from “*unrelenting boiler plate disclosures in so many annual reports*”, raising the question as to the quality of these corporate reports following mandatory publication. There is further potential to examine the links between strategy, sustainability, and the Strategic Report. The NEDs' role and responsibilities must reflect and incorporate these CG Strategic Reporting requirements. This research goes deeper and explores specifically NEDs' responsibilities to their company's strategic leadership, planning and development processes.

### 3.2.3 Potential absence of sustainable strategic thinking within corporate governance practices

Long *et al* (2005) record the organisational strategic process does not operate in a vacuum suggesting NEDs have a constrained role. This may account for why strategy sessions are infrequent, coupled with being executive-led. NED appointments may not be purely

motivated by the specific knowledge of the business but by a variety of factors including peer, government and other contacts which may not directly contribute to the company's abiding strategic direction. Lowe (2015, p2) finds only 57% of FTSE 350 companies within a Grant Thornton study complied fully with the prevailing UK CGC. Lowe (2015, p3) notes the lack of FRC regulatory changes and suggests such changes as there are represent insubstantial amendments rather than full scale UK CGC changes. This affords FTSE 350 companies an opportunity to digest prevailing regulations that aim to offer more robust explanations and disclosures. Long *et al* (2005) recognises NEDs' oversight role over-emphasises monitoring and control, via additional bureaucracy, potentially at the expense of their strategic contribution.

Page and Spira (2016) find directors might give strategy-setting a high priority however this is not a main principle of UK CGC but rather a supplementary principle. This lack of priority raises the concern between CG and CS for boards. Mazars (2017 presentation slide) states *"effective corporate governance is the collective quality of people on the board, both executive and non-executive.... with the principal factors impacting this being the board members individual skills, experience and personalities"*. Meanwhile, Klettner (2013 p4), recognises *"there is little evidence at this stage that this reinstatement of directors duties has in itself made a material difference to board decision-making in the UK"*, whilst referring to CA 2006 s172.1 which is key to this research enquiry.

CS can appear subordinate when *"The corporation's search for profits is 'relentless'..."* (Monks 1998 p31). According to Russell (2020), London Stock Market is becoming the *"Green finance centre of the world"* which is a strategic deliverable for FTSE 350 companies. FTSE 350 NEDs must embrace the many elements of sustainability such as carbon footprint, when overseeing their company's sustainable CS. FTSE 350 companies must reconnect with 'people – planet – profit' in that sequence to succeed in the future. NEDs must appreciate CS does not happen in a vacuum rather needs to recognise the wider environment.

### 3.2.4 Valuing the need for corporate strategy

Caldwell (2012, p20) stresses the *"importance of strategy to create shareholder value is undeniable"*. He goes on to emphasise *"there are no rules or regulations governing how*

*strategy should be developed or presented. There are no professional standards or qualifications for those developing strategy*". Continuing, he draws attention to *"There are limited if any independent validation procedures... there are no mandated board processes to oversee strategy"*. Therefore, *"most boards need better processes and tools to assist in the oversight of strategy"*. He supports the use of strategy consulting firms to perform due diligence to validate company strategy just as is done during acquisitions. According to Monley (2019 p12), interest in CG is fast growing as is driving continuing value creation. She continues (p13), noting *"Factors affecting material sustainability can take different forms across different industries and geographies."* This research enquiry investigates NEDs' oversight involvement and best practice for strategic reviews.

Conti (2013, p49) states *"Enterprises can pursue innovative business models and new opportunities to deliver transformative solutions that can have deep impacts on societies", ... "recognising and shaping the long-term benefits of contributing to sustainable development"* is a view which resonates within this research enquiry and perhaps should be within the remit of FTSE 350 NEDs. Brown (2008 p121) recognises *"considerable discussion and debate are often required to construct missions, strategies, and goals"* which this researcher is mindful regarding NEDs' part-time oversight provision. KPMG (2016, p8), briefing on the UK banking sector, finds financial institutions achieving a top-100 customer experience ranking outperform their FTSE peers. They state *"that delight customers have an average revenue growth of 14.2%, which is 163% higher than the sector average for the FTSE 100 banking sector"* suggesting there is a positive relationship between good customer efforts and sustainable business.

Sikka *et al* (2018, p32) state *"Company boards need to be reformed so that they consider the long-term future of companies rather than the short-term interests of executives and shareholders."* FTSE 350 boards need to ensure sufficient time is spent on CS and not be subjected as inferior to CG which has multiple board committees. To summarise, while NEDs' involvement in strategic oversight is evolving, Liu and Andersson (2014, p5) ascertain there is a continuing lack of clarity in NEDs' responsibilities in particular *"their strategic function"*. Adams (2020 p1), contends that *"Even companies that are considered to be leading the way on integrating the sustainable development goals have considerable work to do when it comes to incorporating appropriate information into decision-making."* This research enquiry aims to uncover patterns of NED strategic oversight involvement i.e.,

strategy development through to deployment and to discover any further lacunae which still must be addressed.

FTSE 350 NEDs occupy part-time oversight positions on a unitary board (Law Teacher 2019 p1). This research detects a NED's role in CS is somewhat subjective and does not lend itself to specific measurement. Austin and Sutton (2014) and Snyder (2013, p1) states the provision of *"a detailed explanation of the methodological aspects of conducting the study demonstrates the ability to replicate this combination of qualitative methods."* As early as Wommack (1979 p7) recognised the need for a board level Strategy Committee to support strategically sustainable businesses. The Institute of Management (1995) research into *"NED's role in strengthening boardroom leadership"* specified *"extensive desk research and preliminary interviews to establish key issues"*. This resonates within this enquiry and is examined for its relevance during 2019-2020.

### 3.2.5 Evolution of NEDs' strategic oversight role

McNulty and Pettigrew (1999, p49) trace the history of NEDs of a set of companies registered after 1 November 1929. From this date, companies were legally required to have at least two directors and there is no distinction between executive (full-time) and NED (part-time). The Commission of the European Communities (2005, pL51) acknowledges *"NEDs are recruited by companies for a variety of purposes"*. Here in the UK the Cadbury report (1992) marks the progression of NEDs' role from somewhat amateur to that of professionals. McNulty and Pettigrew observe *"boards evolved out of practice rather than law and four roles have evolved on the board of directors: Chairman, chief executive officer, executive director and non-executive director"*. McNulty and Pettigrew recognise that NEDs *"now play an increasingly important role in UK PLC. 's"*. This increasing importance is the corner stone for this research, concentrating on FTSE 350 NEDs' CS oversight responsibilities.

Nonaka and Takeuchi (2008), acknowledge tacit knowledge is *"that which is shared directly with another"*, in this instance, NEDs have access to a profusion of published company reports and board records which requires syntheses. FTSE 350 NEDs are members of the board and are required to put context in integrating disciplines whilst providing CG oversight which includes strategy. Zahra (1990 p109) argues in favour of the need for increasing the board's involvement in strategy and (p112-114) proposes eight factors to maximise the

contribution of the board (including NEDs) in the strategic arena which influence the pursuit of this research enquiry. This research enquiry some 30 years since the Cadbury Report 1992, continues to support the argument for NEDs' ever-increasing involvement in CS.

Parry (2014, p13) quotes Dr Barker, IoD Head of CG as saying, "*directors ought to have a wide range of talents, but they are not crystal-ball gazers*". NEDs should not operate in silos, and it is recognised there is a difficult balance to be struck between their CG duties and participation in CS. NEDs discharging their oversight duties must make assumptions about the future of their company. These assumptions and the NEDs' oversight involvement must be more explicit within their company's strategic decision-making and reporting activities.

This research enquiry seeks to uncover FTSE 350 NEDs' actual structure and processes are be used in Shaping, Conducting, Deciding CS, the potential quality of their discussions and commitment. By restricting the target group to FTSE 350 NEDs, it reduces the variations under review to one coherent group in CG characteristics. McNulty and Pettigrew (1999) advocated the need for NEDs to be more involved in strategy, a need which this research enquiry wishes to understand and develop in 2019-2020. CG issues have attracted NEDs' attention and they are key members of various Committees such as, Audit, Nomination and Remuneration, etc., but not CS. Hendry and Kiel (2004) confirm structural governance solutions largely aimed at conformance roles for the boards were the order of the day in 2004. This maybe to the detriment of long-term strategic thinking within FTSE 350 companies. This research enquiry postulates this continuum exists to the present time, 2020, at the expense of strategic oversight.

Long *et al* (2005) recognise the NED role is ever increasing in breadth and depth, knowledge, and skills. Support for this view is underpinned by Chambers (2017) in his 7<sup>th</sup> edition of "*Chambers Corporate Governance Handbook*" which aims to assist board members in understanding the prevailing UK governance codes. NEDs' oversight responsibilities in CS are unclear when evaluating whether emphasises is on conformance rather than strategically sustainability of the company. McNulty and Pettigrew (1999, p47) investigate NEDs as to "*who*", "*what they are paid*" and "*how they are selected*". Little of 'what' NEDs do and much less of NEDs' contribution to strategy is known. McNulty and Pettigrew (p50) recognise a duty of NEDs is "*Setting strategic direction*". NEDs must be mindful it is not

their responsibility to offer management services for corporate, business, or operations, as this firmly belongs to the Executive Directors. This research recognises the prevailing gap in the literature, i.e., between empirical evidence of what NEDs actually do compared to their legal responsibility to be active in strategic oversight of their company.

#### 3.2.5.1 NEDs' strategic oversight responsibilities

NEDs' responsibilities include an active role in the custodianship of CG and constructively challenging and contributing to the development and success of CS (CA 2006, s171.2). Against this background, there are numerous UK corporate scandals highlighting inadequacies of Boards fulfilling their duties under the CA (2006) and UK CGC (2018), and Financial Reporting Council regulations for FTSE 350 listed companies. This critical assessment attempts to explore and concentrate upon what is required to promote sustainable CS. The current multitude of regulations and guidelines do not appear to assist and support FTSE 350 NEDs when providing strategically sustainable direction for their company. Tenets of UK corporate regulations include the CA (2006), s171 which states the role of law is to provide an efficient framework for all companies. London Stock Exchange regulations (2018) for publicly listed companies enshrine the UK CGC (2018, p1) – *“Comply or Explain”*. The CA (2006, s172) stipulates the fiduciary duties of directors (executive and non-executive) to promote the success of the company. Parry (2014, p7) writes *“an advantage of the ‘comply or explain’ approach is its inherent flexibility that makes it possible to set more demanding standards that can be done through hard rules”*. This resonates with this enquiry especially as to companies' exercise of the choice of CS.

Liu and Andersson (2014), building upon McNulty and Pettigrew (1999), implicitly recognise research into NEDs and CS is still in its infancy. They acknowledge a gap in knowledge could be because of the absence of a conducive environment for NEDs to fulfil their responsibilities. Additionally, the potential exists for unrealistic expectations of NEDs' part-time role to exercise CG oversight and perform a strategic oversight function (Effective Governance 2013 p1). Moreover, they recognise NEDs' ignorance is an unacceptable excuse for not knowing or understanding their businesses and or their CS. Moreover, Chynoweth (2013 p2) recognises difficult issues, such as insolvency, changes the demand on NEDs *“and gives them new responsibilities”*, all relevant during the 2019-20 research period. This research enquiry builds upon McNulty and Pettigrew's and Liu and Anderson's



previous research and specifically narrows the effort to FTSE 350 NEDs' strategic oversight responsibilities observed during 2019-2020.

Barlow (2016, p1), answering the question, *"What are the NED Responsibilities"*, describes strategic direction as one of the most important duties of the NED. Barlow (p2) asserts effective NEDs *"constructively challenge current plans and enhance business strategies."* Barlow (p3) states *"NEDs are entitled to seek independent advice or training at the company's expense to further their duties."* thus no escape by means of insufficient strategic knowledge. Stathopoulos (2019) observes *"directors who hold board seats on multiple firms are typically associated with greater skills and expertise."* This point implies such board members (NEDs) would have *"significant ability and superior knowledge"* which is unproven as well as being outside the scope of this research. Grant Thornton (2019, p3) states NEDs must possess *"broad networks and expertise"* and in addition *"they should bring a broader and critical – but still constructive – view to the table."* Moreover, *"they need to keep a strategic eye on longer-term"*, as the executive board is preoccupied in short to medium-term thinking.

#### 3.2.5.2 Overseeing continuous evolution of NEDs' strategic oversight role and responsibilities

Given research into FTSE 350 NEDs' strategic responsibilities has been evolving, Huse (2005, pS73) acknowledges the need for more research into the behavioural perspectives of boards including the board accountability concept. He continues, *"boards are not acting in a vacuum, thus studies should be integrated with studies of top management"*, i.e., further research should be undertaken. Myners (2018, pp26, 27) recognises NEDs need the following qualities, *"Curiosity, a focus on crucial matters, ability to question"* to name a few. Moreover, he suggests *"the power of the UK financial sector puts pressure on firms to be short-termist"*. This research enquiry is mindful NEDs do not operate in a vacuum rather members of teams.

This research enquiry is timely because many FTSE 350 companies continue to potentially underperform and the board including NEDs are continually being questioned on strategy at Annual General Meetings. Roberts *et al* (2005, p5) emphasises *"corporate governance reform will be undermined by prescription that supports distant perceptions of board*

*effectiveness but not the actual effectiveness of boards.*” Connell (2015, pI) describes the role played by NEDs as “*rarely seen but in times of drama*” ..... and then “*are thrust into the spotlight.*” The IoD (2019) courses for NEDs’ learning objectives mention the individuals must have strategic competencies but fail to mention the NEDs’ oversight role needs to encompass CS. It is noted, NEDs are not required to undertake a specific educational or professional development course. Bassett (2020) writes careers can be extended by “*going plural*”, i.e., taking on several NED roles. Thuraisingham (2019, p25) recognises “*the involvement of NEDs in strategy can range from simply endorsing it at one end of the scale to actively shaping it at the other.*” This literature review takes account of the ever-changing regulatory environment over the past 25-plus years, and aims to increase awareness of NEDs’ contributions to CS.

### 3.2.5.3 Continuing education and development needs of NEDs

Liu and Andersson (2014) recognise the importance of NEDs in CG driven by the attention of regulators. They recognise there is a gap in knowledge as to what NEDs do, compared to their responsibilities. Hendry and Kiel (2004) acknowledge high profile corporate collapses and inadequate disclosures have affected public confidence, resulting in a significant increase in structural governance solutions. However, this has not reduced the volume of corporate scandals in the UK. UK CGC (2018) Audit Committee guidance clearly states Audit Committee members need both audit qualifications and recent audit experience, but there is no such guidance on strategy. Charkham (2005, p310) recognises NEDs require “*a set of skills and a range of knowledge*” and some specialist training is required. He stops short of stating what skills and knowledge are required. He emphasises meeting legislative requirements and CG codes conceivably missing the need for strategic oversight. Ultimately, he acknowledges (p369) there is a possible information overload between the CA (2006) and the countless CG codes, reviews, and recommendations.

Beatie *et al* (2012) highlighted the possibility for NEDs on Audit Committees to lack independence. Once more, this research enquiry highlights the need for NEDs’ responsibilities and CS to be investigated to gain greater insights and understanding, not merely more regulation or governance reviews. Huse (2005, pS68) state board competencies include the following amongst others, “*firm and board specific knowledge and skills*”. Board level competencies and skill sets are a key feature within CG and Audit Committee membership requires minimum audit knowledge and requirements. The Chartered Quality

Institute (2018), among other professional bodies, offers programmes for senior management to equip themselves and “*develop the strategy*” and tools needed to embed a culture of quality and operational governance. Barker (2020, p2) suggests the IoD have indicated a code of conduct and professional development requirements for directors and promoting the ‘Chartered Director’ qualification. This code for professional development could be widened to specifically include the NED strategic oversight role and CS within its qualification.

#### 3.2.5.4 Regulatory links between finance, risk, and strategy

Cohen *et al* (2012, p61), observed in their study after the implementation of Sarbanes-Oxley Act 2002, whilst legal and financial controls were heightened, the quality of disclosures deteriorated. Monks and Minow (2004 p49), contends that “*At some point, any long-term strategy will seem at odds with the goal of profit maximisation.*” Perhaps CS short-term gains at the expense of sustainable strategy is one of the key obstacles. CGMA (2015) sees many challenges for business, one of them being they must improve decision making. To this end they support the link between financial management and the business model, i.e., its strategy. UK CGC (2018) states the Risk Committee needs to constantly review links with CS. The above resonates with the research enquiry and is conscious of possible administrative overload.

Tricker (2015, pp179-180) appreciates the need for unitary boards to have Sub-Committees in which NEDs play an active oversight role ensuring legal, regulatory, and CG code compliance. FTSE 350 companies typically have the following Sub-Committees, Audit, Nomination and Remuneration, Risk and Control. This research enquiry’s literature review has not found observable evidence of a board-level ‘corporate strategy’ Sub-Committee within the sample of FTSE 350 companies reviewed see Table 63 FTSE 350 company website: published NED biographies etc..., page 448.

#### 3.2.6 Characteristics of strategically active boards

Thuraisingham (2019, p25) identifies four key characteristics of strategically active boards.

1. “*Board capital... cogitative and ideological diversity ...to the task of ‘shaping’ strategy*”.

2. *“Together NEDs own the ‘decision-making’ process,”*
3. *“An intuitive chair who is skilled in facilitation....”,*
4. *“Quality of debate ... which allows for open, emergent thinking and collective reflection.”*

According to Sonnenfeld *et al* (2013 p104), CEO’s welcome constructive challenge of strategy and are *“disappointed by the absence of energetic debate in the boardroom”*. Hallam (2019, p26) reinforces the point that NEDs must ask challenging questions and listen carefully as such questioning *“can bring a new perspective”*. Recognising the nature of NEDs’ strategic oversight is a must. Moreover, Kingsmill (2012 p22) observes *“Fill those empty rooms with the leaders and directors of the companies concerned and they are transformed into busy, dynamic places where real decisions are taken.”* Additionally, Sonnenfeld *et al* (2013 p104) observe when the board (incl. NEDs) take discussions outside of the boardroom, i.e., implicit deliberations, *“they cannot be contrasted and integrated with other deliberations”*. This research enquiry recognises decision taking is one element of NED strategic oversight provision.



**How can NEDs’ oversight role have a beneficial impact on corporate strategy?**

Google image downloaded 2 July 2018 and comment added by Lisson (2022).

#### 3.2.6.1 NEDs’ strategic oversight skillsets

The Institute of Management (1995, p2) findings *“There is too often an expectation by the executives for rubber stamping (by the NEDs). The question ‘Why are we doing this? Is met with disbelief”*. Apparently, Boersma (2015, p1) revealed *“A mere one per cent of NEDs at*

*Europe's top 100 companies have proven digital skills*" such skills are key to corporate survival. A change in emphasis leads FTSE 350 NEDs to possess competent up-to-date digital skills reflecting the environment whilst attempting to deliver sustainable strategy. Many NEDs and their companies were negatively impacted by their technology provisions. Moreover, Groysberg and Seligson (2020), stress the importance of "*being kind*" as a powerful leadership strategy tool especially during times which is transforming how business is conducted – "*onboarding*" i.e., "*remote workplaces requires new skills, capabilities and processes*".

All board participants have a duty to foster and promote the sustainable success of their companies (CA 2006, s171). David (2003) maintains for companies to survive and prosper, they must build and sustain a strategic competitive advantage. Fuerth (2009, pp18-19) suggests four elements of oversight "*Vision, Insight, Foresight and Hindsight*" and boards should have an additional "*'supra-system'...topstight*". Coyle (2010) recognises strategy in the various CG Committees, e.g., in Strategic Risk Report. Dey (2018, pI) acknowledges NEDs' "*risks and responsibilities are soaring*" and follows by observing "*no business can ever avoid crises*", FTSE 350 companies are open to such events. Awareness of further strategic writers views are available in Appendix A.3.1 Individual NED characteristics. This research enquiry's illustration of a typical boardroom thought process should include the following question: Can NEDs assist the board in formulating and maintaining long-term sustainable CS as well as delivering on regulatory and CG issues? This research enquiry aims to reveal the status quo on FTSE 350 NEDs' strategic oversight expectations during 2019-2020.

### 3.2.6.2 Frequency of NEDs' provision of strategic oversight

McNulty and Pettigrew (1999, p53) questioned some 108 board members in a semi-structured interview environment to discover how frequently NEDs impart a view about a strategic issue. Their study reveals NEDs "*rarely initiate the substantive content of strategy.*" Moreover, collecting reliable information to link strategy input and time spent on strategic issues is fraught with complications. This research acknowledges FTSE 350 NEDs explicit and implicit strategic oversight provisions. However, assuming NEDs with little or no involvement in CS are not fulfilling their oversight obligations, this key theme warrants further investigation.

FTSE 350 companies must maintain and update their CS and report upon it annually. Items such as the age, growth and maturity of industry, product or service, prevailing market conditions, changes in the law, mergers and acquisitions, noticeable shifts in company policy and procedures do impact CS. Each of these factors influence the frequency with which the company needs to revise and update its CS. Likewise, key changes in company leadership and the boards of directors, other than NEDs are likely to give rise to noticeable changes in CS. O'Neill *et al* (2015 p32), propose the following points when reviewing strategy:

- *“Ask the question: is it the right strategy for the company?”*
- *State your case: here are the implications of what you are about to do*
- *Don't act too soon, give the strategy enough time to take effect*
- *Keep emotion out of the analysis*
- *Present alternative strategies*
- *Seek out independent guidance*
- *Build support for your point of view”.*

Clearly all the above are wise words, particularly when suffering a financial crisis, but perhaps these questions should be part of the regular strategic reviews, discussions and meetings. The strategic contribution of NEDs may be inhibited by limited time availability. Long (2007) indicates board agendas allow limited time for strategic debate. This may be exacerbated by unstructured ‘away days’ and potential timing on board agendas.

The Institute of Management (1995) observed *“companies do not have formal written strategic plans for two or more years ahead”*, FTSE 350 companies publish a Strategy Report annually, the abiding sustainable statements are few and far between. Maassen (2002) observed boards are increasingly involved in important decisions on strategic development, implementation, and communication. The extent to which NEDs are involved is not clearly stated. Caldwell (2012, p20) recognises the major risks connected with strategy are the company's *“inability to execute its strategy and the timeliness of implementation”*. Poorly developed and communicated strategy leads to company underperforming and ultimately may lead to failure. However, Huse (2005, pS75) reinforces the notion *“there is not one best way in corporate governance”* rather favouring *“emphasising codes of best practice”*. Annuar's (2011, p264) study indicates interviewee's strategic suggestions show *“only information pertaining to company strategy and related aspects of the company business should be provided”* to NEDs. Annuar continues and suggests the role of NEDs is *“to contribute toward enhancing the value of the company.”* All this resonates well with this research enquiry.

Liu and Andersson (2014, p3) state NEDs' responsibilities are "*to support executives in the leadership of the company and to monitor and supervise their conduct.*" Nevertheless, there is no clear indication how this should be achieved. NEDs, as members of the board, are expected to be keenly participating in decision making within their companies. This may take the form of development, preparation, recommendations and review and control of CS. The strategic review process represents a leading opportunity for NEDs' expertise to influence CS. This assumes NEDs possess the strategic skill sets to competently undertake the task. Prevett (2016, p31) suggests NEDs should have mentors to "*increase confidence, better decision making and above all improved company performance*". This research enquiry seeks to better understand NEDs strategic responsibilities.

Both the Hampel (1998) and Higgs (2003) Reports emphasise the need for NEDs to be actively involved in the strategic direction of their company in addition to their monitoring role. This involvement emphasises: "*enhancing the competence and effectiveness of boards in promoting business prosperity*" (Higgs 2003, p12, 1.12). McNulty and Pettigrew (1999, p54) UK FTSE-based research, draws attention to the changing norms and involvement required by NEDs in shaping CS. Their research indicates there is further scope to investigate the boards' responsibilities and CS provisions. They report 8 out of 100 accounts to the board where NEDs had "*the ability to say no to specific proposals*" and failed to do so, notwithstanding the unknown outcomes. Examples included "*diversify business activities, acquire a business or dispose of business operations*". Their report states "*boards are merely rubber stamps 90% of the time*". Performed during 2019 - 2020, this research uncovers how far NEDs have progressed and what needs to be addressed with respect to NEDs' responsibilities in CS.

McNulty and Pettigrew (1999, p55), recognising the role of boards, uncover three levels of NED involvement in FTSE companies:

1. "*Taking strategic decisions*"
2. "*Shaping strategic decisions*"
3. "*Shaping the context, conduct and content of strategy*".

Their study revealed little about influences on the board from behaviours outside of the boardroom practices. Furthermore, it is interesting to explore all contact time, not just within boardroom meetings to understand activities such as "*preliminary paper to test ideas*". This

research builds upon the work of McNulty and Pettigrew (1999) and specifically investigates what remains to be improved within NEDs' strategic role.

Roberts *et al* (2005, pp S5 and S21) assert "*better understanding of the inner workings of boards is necessary to advance management research and to promote relevance to corporate governance practice and reform.*" They emphasise the need for NEDs to build a good knowledge of the business as a "*basis upon which they can feel able to critique what executives are doing*". Roberts *et al* (2005, p S8) quoting Hill's (1995) study, found NEDs were "*involved in reviewing and refining the strategic decisions of their organisations*". Moreover, Pye's (2002) quoted in Roberts *et al*, features the importance of NEDs in "*corporate directing activity that involves strategizing*". Huse (2005, pS65) reaffirms "*board accountability is related to value creation*" which is closely aligned with long-term sustainable CS. This continues to reinforce and support the need for this research enquiry.

Subsequently, building upon McNulty and Pettigrew's early study, Annuar's (2014, pp. 334 and 346) research of Malaysian companies reveals Executive Directors seek advice from NEDs when implementing strategic decisions. Annuar's research indicates NEDs rarely participate in the strategic implementation phase; rather, they monitor the delivery of a selected strategy. NEDs' oversight responsibilities are covering all elements of CS. Thuraisingham (2019, p25) re-emphasises "*a crowded agenda leaves little room for ongoing discussion on strategy.*" Thuraisingham's article indicates "*boards spend 70 per cent of time on reporting, budgeting and compliance matters*" which clearly is at the expense of strategic oversight. Additionally, she highlights "*NEDs' concerns of crossing the red line and drifting into the management domain*". This research tries to offer clarity regarding NEDs' strategic oversight role to ensure they effectively aid value creation for their company. Strategic oversight should be equal if not higher within their skill sets and needs as much if not more attention than CG.

### 3.2.6.3 NEDs' ability to contribute to long-term corporate strategy and policymaking

Harvey (1996, p10) recognised the implications of CG with a link to "*strategic relevance for business*" which he accredits to the expression of "*corporate social responsiveness*". Harvey reiterates NEDs must live with ambiguity in their role. Tricker (2015, p175) denotes "*strategies remain nothing more than dreams, statements of intent, until they are turned into*



*actions.*” Therefore, for companies to realise their longstanding strategies they must have procedures, policies, and plans. GC 100 (2018, p8) acknowledges boards must recognise the importance of long-term vision and goals impacting the success of the organisation and in doing so, stresses the importance of *“do you think that they are given sufficient time and focus by the board and management?”* According to Grant (2020) *“Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs.”* NEDs must take a proactive role in the development of these procedures, policies and corporate plans when discharging their board oversight responsibilities.

When considering NEDs’ strategic oversight, it is easy for the reader to become bewildered by the scope of board-level oversight required to discharge their duties. This research may well establish what level, if any, of information and decision-making asymmetry exists between NEDs on the one hand, and executive directors on the other when fostering long-term corporate sustainability. Having distilled the various categories and concepts as presented in the literature, this thesis presents in both effective and creative ways, a succinct reservoir of evidence and knowledge on NEDs and CS. Bain (2008, pp49-50) suggests Chairs can add value by *“ensuring the board gives entrepreneurial leadership the company needs”* as well as *“The importance of a good supply of good information is hard to over-emphasise”*. This is crucial to promote enduring strategic alignment of a FTSE 350 company.

McNulty and Pettigrew (1999) found only a small number of NEDs initiated the content of strategy. Roberts *et al* (2005, p S5) endorse the need for *“better understanding of the inner workings of boards is necessary to advance management research and to promote relevance to corporate governance practice and reform”*. Furthermore, Roberts *et al* suggest the work of NEDs is indeed vital, *“both for enhancing the actual effectiveness of boards and as a source of confidence”* of board activities. Collins and Stockton (2018, p7) acknowledge *“reflection portrays a profound intellectual exercise that further highlights the influence of a theoretical framework.”* This is a key concept for this research enquiry to appreciate within the scrutiny and findings phase of this research enquiry.

Tricker (2015, p177) reveals boards use *“financial measures and accounting systems”* as a means of monitoring the performance of the company. Whilst this is a well understood

process, it is not suitable for delivering long-term sustainable companies. Tricker (2015, p178) asserts boards must strike a balance between conformance and supervision versus strategy formulation and policymaking. The CA (2006 s171) states the duties of directors includes “*strategy*”, which is investigated in this research enquiry. Additionally, NEDs’ oversight responsibilities are practically limitless, by default FTSE 350 companies’ NEDs emulate each other regarding actual NED tasks undertaken.

Lloyd (2020, p57) recognises the challenge for today’s FTSE 350 NEDs is to develop “*a coherent package of policies*”. This new era is likely to propel a shift to “*a world and societies concerned with values and wisdom as the key measure of personal and societal success, rather than the obsession with money.*” It is too early to evaluate if this shift in emphasis has commenced or if another point for future research. Talwar *et al* (2020, p150) highlight the “*critical fragilities and opportunities that have to be part of the agenda recovery and future development at national and global level*” a key strategic leadership approach for ensuring a company’s long-term survival. These are wise words for FTSE 350 NEDs to shape their company’s CS and sustainable future.

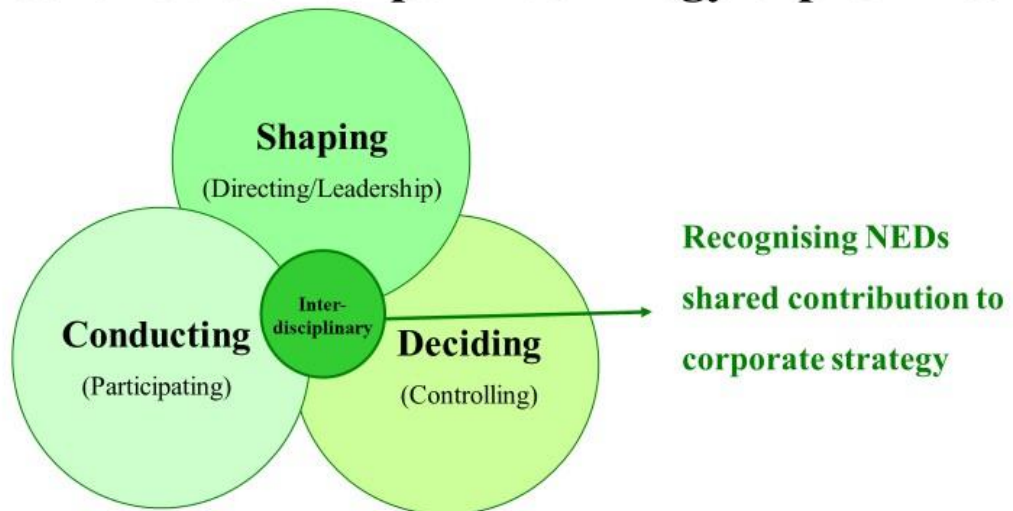
#### 3.2.6.4 Research conjecture – aspects of corporate strategy are overlooked

GC 100 (2018, p8) states boards should “*avoid being drawn into prioritising immediate and urgent issues, at the expense of longer term and important issues*”. This research enquiry envisages uncovering various aspects of CS and mapping NEDs’ strategic oversight performance to uncover impending gaps which must be closed. This is undertaken in line with the selected methodological procedure which investigates NEDs’ involvement in CS under the following areas of participation, Shaping, Conducting, and Deciding.

The researcher’s own Venn diagram depicts the constructs of CS capabilities as previously identified by McNulty and Pettigrew (1999) and the Cadbury Report (1992) which are under investigation in this thesis. The three key constructs, Shaping, Conducting, and Deciding are derived from McNulty and Pettigrew’s (1999) earlier research findings and to best of the author’s knowledge have not been specifically researched further until now. The terms “*shaping, directing and leadership*”, “*conducting and participating*” and “*deciding*” are derived from the accepted Cadbury Report 1992. The three constructs of NEDs’ corporate strategy oversight capabilities are employed in this specific research as depicted in Figure 6.

FIGURE 6 CONSTRUCTS OF CORPORATE STRATEGY CAPABILITIES

### 3 constructs of corporate strategy capabilities



Source: Lisson (2022), terminology derived from McNulty and Pettigrew (1999) and Cadbury Report (1992).

#### 3.2.6.5 Boards and decision-making

McNulty and Pettigrew (1999, p56) showed NEDs when “*taking strategic decisions exerted influence at the end point in the decision process*”. They found it is not appropriate to generalise all NEDs are “*decision-taking*” rather than “*decision-making*”. Prevett (2013 p2) “*believes it takes a certain type of leadership to achieve cohesion*”. This research investigates the Shaping behaviours such as testing ideas, raising issues and sharing concerns, advising caution, and offering encouragement. Clarke (1998) listed the functions of the board including the strategic ones as:

- “*Strategic Performance*
  - *Approving Strategy*
  - *Checking progress in execution*
  - *Calling for adjustments and changes*”

Kingsmill (2012 p22), like Clarke, clearly omits the need for a board to proactively explore corporate strategies. Long (2007) supplements Clark by stating “*the board’s primary role is the development of strategy*”. She argues the need for the board to be involved with “*formulation of strategy*” and “*strategic development*”. Here she identifies a gap in the research, i.e., “*the empirical evidence that boards are in practice embracing the strategic*

role”. Kingsmill (2012 p22) indicates the boardroom is “*a place that is positive in attitude, full of energy and new ideas, and a vital source for change and progress*”. All positive, let’s observe whether NEDs fulfil the requirement to provide CS is served in 2019-20.

According to Filatotchev *et al* (2007 p26) research, “*found a wide variety of views on how boards should be involved in strategy*”. Roberts *et al* (2005) highlight the need for appropriate information, which is both helpful and supportive, to be made available to NEDs to enable them to make valuable contributions, actively challenge, and support executive directors at board meetings and other executive discussions. Apparently, Roberts *et al* see this as a positive resource not a threat of criticism of executives. Furnham (2010 p\_viii) indicates “*Leaders of organisations need to be courageous and bold, self-confident and socially skilled, and many other things besides.*” Rajan *et al* (2006, p6) acknowledge “*principles can’t cover every eventuality. Common sense is the only answer*”. This research enquiry has observed a considerable body of literature on good CG including the need for strategy but little on how this can be achieved in practice. NEDs must be able to use both strategic foresight and reactive leadership as and when needed.

Tricker (2015, pp167-168) identifies two models to depict the dynamic involvement of the board in the formulation of strategy. Specifically, he shows a matrix highlighting inward and outward strategic thinking for boards (including NEDs). Moreover, in the future-focused elements he concentrates upon strategy formulation and policymaking. See Appendix C.3, Capacity for a good strategic culture for supplementary review of the capacity for boards to promote a good strategic culture.

Ultimately, is it reasonable to expect NEDs’ oversight provision to express opinions on strategic implications for their company. This literature review uncovers whilst there is heavy emphasis on NEDs undertaking and discharging their duties in respect of CG and the formal Sub-Committee meetings such as Audit, Nomination and Remuneration, Risk etc. there is a gap in the literature showing a clear need for a CS Committee which is currently missing. Evidence of ‘Strategy Committees’ do exist at sub-board level, as well as organisations outside the focus of this research enquiry (NHS 2019). McNulty and Pettigrew (1999, pp 57, 66) observe “*rubber stamp decisions – you have to explain it*”. According to Hill (2021 p19), “*senior executives should not assume either that a strategy will magically emerge from the crowd*”. Neither can NEDs rely upon merely providing strategic approval

and monitoring at board meetings. This reinforces the continuing need for this specific research examination into NEDs as providers of strategic oversight.

#### 3.2.6.6 NEDs' strategic leadership

McNulty and Pettigrew (1999, p69) state *"opportunities for board members to contribute to strategy are not assured simply by allotting time on the board agenda to discuss strategy"*. They go on to suggest *"information sharing, challenge and open debate"* are a prerequisite. Success requires avoiding *"ritualistic and superficial consideration rather than genuine debate"*. Tricker (2019), reflecting upon his earlier research between 1979-1983, employed discussions with board members in the forms of roundtables and seminars at conferences.

Huff (1990 p41), contends that *"The diagnosis phase of strategy formulation has been under-researched."* Durable CS requires leadership and good governance to minimise disturbance arising from *"legal and corporate governance violations"*. Pearson (1990 p206), acknowledges that some *"nine different strategic frameworks ... none of them provide the whole answer to strategic analysis and formulation."* Fahy et al (2005 p18), pinpoint boards are concerned with *"value creation"*. This research observes the current CG guidelines, UK legislation, Stock Exchange Listing regulations, plus CG codes, distracts NEDs' oversight attention from long-term strategic matters to concentrate on the here and now *'good governance'*.

Goyer (1998 p69) indicates a series of competencies for senior management which includes *"strategic thinking, commercial awareness, leadership, financial astuteness and decision making"* which this research extends to NEDs. BIS and Tomorrow's Company (2009, p13) assert *"the pace of change for companies and society has never been greater"*. This requires companies to react and adapt their board's leadership and directly impacts NEDs' provision of strategic oversight. Antonacopoulou and Balogun (2010, p392) recognise the contribution of *"practice-relevant scholarship in promoting the importance of academic/business connectivity through learning driven collaborations."* Brontas (2004, p152) recognises the board needs to *"successfully establish a corporate environment"*. Tricker (2015), referring to his original book published in 1984, states *"governance is not management, but rather about seeing that the business is run properly"*. He recognises the link between governance

and strategy, and he highlights the need for UK boards to discuss the strategic direction of their company. Time has shown his thinking is ahead of his time.

McNulty and Pettigrew (1999, p56), quoting Mintzberg (1987), establishes boards have a role in strategy. This means NEDs must take responsibility for the outcomes, good and bad, of their chosen strategy. Maitland (2015 p1) more recently recognises “*the opaque path that leads to the boardroom*”. Reverting, McNulty and Pettigrew recognise not all NEDs are equally involved in strategy. Hysan (2007) acknowledge NEDs’ role in strategy as being to constructively challenge, thereby develop proposals on strategy. Hendry and Kiel (2004), referencing (Davies 1999), state a board’s role is to deliver both strategic thinking and leadership. This research illuminated the shift from passive rubber stamps to active impartial thinkers who shape the strategic direction of their companies. Highlighted in the conclusion is the lack of clarity in boards’ strategy, thus underlining the continuing need to undertake academic research in this arena.

Roberts *et al* (2005, pS9), quoting Stiles (2001), emphasises the “*perception of non-executives that the review of strategic initiatives was a central feature of their contribution*”. McNulty and Pettigrew (1999, p62) state NEDs should explicitly and intentionally think strategically and encourage the executive directors in this respect. They see this as a legitimate and valued activity of NEDs, going on to say “*it is the role of the NED to be satisfied that there is a proper strategy in place*”. One of the respondents mentioned seeing a “*ten-year, three-year and one-year plan*”. This notion of strategic planning is key to this research enquiry. Long (2007, p48) recommends the board be continuously active with respect to “*how strategy is developed*” as well as “*strategic content*” and “*substance of choice*”. She notes FTSE 100 companies are more likely to have strategy awaydays than those of FTSE 250 companies. Ashton (2010, p2), criticising BP’s handling of the Gulf of Mexico crisis, promotes the idea the Chairman “*needs to have a bigger hand in setting strategy, managing risk and providing more visible support to the Chief Executive*”. This research enquiry is wary of merely confining strategy discussions to “*closed-door awaydays and board meetings*” may have adverse unintended consequences (Hill 2021 p20). Continuous strategic debate by Chair and NEDs throughout the year is preferred to ensure opportunities for value creation are exploited especially in times of turbulence.

The Cox Review (2005, p44) accepts UK companies are strategically challenged and must develop creative capabilities and its recommendations include *“preparing future generations of creative specialists and business leaders”* (Cox 2005, p28). Jensen (2006, p2) states *“The choice of value maximisation as the corporate scorecard must be complemented by a corporate vision, strategy and tactics that unite participants”*. Chambers *et al* (2013, Ch.1) states *“high performing boards across all sectors concentrate on shaping strategy, resource identification and use, and talent management”*. They develop this argument and suggest good practice includes proactive boards in the area of CS. Lorsch and MacIver (1989) pinpointed four key areas for boards: defining the long-term, taking the lead in finance discussions, strategy discussions and developing talent. The UK CGC (2018, provision 1, p4,) states *“The board should assess the basis on which the company generates and preserves value over the long-term. It should describe in the annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the company’s business model and how its governance contributes to the delivery of its strategy.”* Thompson and Graham (2008 p99) contends that *“Leadership is not something you ‘put on’ like a raincoat ...”* rather *“an opening of the mind”*. The FRC (2018) implies strategy is executive director led and merely reviewed and controlled by NEDs. This infers FTSE 350 NEDs must become comfortable with ambiguity surrounding their strategic oversight role and responsibilities.

According to MTD Training (2010 p49), people can establish strategic thinking by encouraging the following: ***Model it*** – be a role model for strategic thinking. ***Expect it*** – make sure strategic thinking is an expectation. ***Reward it*** – positive reinforcement will help establish strategic thinking.” Northouse (2019, p319) recognises the various leadership archetypes as: *“The Strategist, The Change Catalyst, The Transactor, The Builder, The Innovator, The Processor, The Coach, and finally The Communicator”*. All these leadership skills are required at some time or another by FTSE 350 companies; however, it would be presumptive they could all be found within every single NED. Domine (2021) indicates *“A positive board dynamic, therefore, lends itself not only to group cohesion, but also to optimal fulfilment of core roles and responsibilities for the good of the firm”*. Thus, the board needs to ensure these leadership skills are present within the complement of appointed NEDs.

Hendry and Kiel (2004, p501) quoting Mace’s (1971) *“observation that boards typically only become involved in strategy at times of crisis”*; investigate three inter-related questions as follows:

1. *“How do boards fulfil their strategy role?”*
2. *“How is this strategy role affected by contextual factors in the firm’s internal and external environments?”*
3. *“How does this strategy role relate to firm financial performance?”*

Additionally, they claimed the definition of strategy and the extent to which it should be articulated were not well understood by boards. Moreover, they posed the question: who should formulate strategy versus merely review and monitor? Furthermore, the outside directors were not sufficiently well-informed about the intricacies of the business to be able to evaluate strategic recommendations. According to Roberts *et al* (2005, pS14), levels of involvement by NEDs in strategy are driven by their strategic skill sets. They indicate NEDs bring objectivity and experience and courage of their conviction to enable them to question and challenge – *“just asking the idiot-boy questions can really add value”*. Lastly, boards were unwilling to become involved with abiding decisions characterised by risk and uncertainty. This research enquiry continues to inform the debate.

Brenner (2020), contends that in turbulent times *“NEDs need to look to the future whilst navigating extreme unpredictability.... the turbulence .... can’t be an excuse to abandon traditional strategic planning processes”*. She suggests *“Boards must provide their management teams the confidence and courage to do this broader thinking”*. Continuing, she indicates *“NEDs bring external views and perspectives... within value-adding strategic conversations”*. Overall, FTSE 350 NEDs must accept significant strategic challenges require their ongoing leadership oversight. Leslie (2021), contends that *“leaders need to adapt and improve to ensure the livelihood and prosperity of their organisation and employees in the wake of crises”*. In sum, driving positive change needs to be embraced alongside meeting minimum legal and governance regulations as a basic requirement. FTSE 350 NEDs should set their standards high to ensure best outcomes as well as taking on board the apparent significant shift in social change and the impact this is likely to have on their companies. This has never been so critical for FTSE 350 companies as it is in 2020 onwards.

### 3.2.6.7 Strategic purpose and profit objectives, audit and risk

Pinnell (1986 p28), contends that *“When the answers are known it will become apparent to the Board how far the profit objectives can be met.”* Moreover, Pinnell continues and points out *“If it becomes clear that the business as constituted cannot achieve the objectives,*



*attention will have to be paid to ...reshaping.*” To close, Pinnell (p32) recognises “*A system confined to the internal financial workings of the business reports nothing about the business environment*”. Filatotchev *et al* (2007 p27) acknowledge “*the general conduct of board affairs and how and why boards processes impact on empirical patterns of strategy and performance*”. This research enquiry recognises the need to investigate both the financial aspects of the business as well as NEDs’ perspectives in the provision of strategic oversight. Lovullo and Sibony (2006 p4) indicate “*the strategic decisions that companies make result from interactions among their executives*”. Moreover, Huber *et al* (2020 p2) recognises the board’s obligation to “*engage more deeply with management teams to embed corporate purpose.... so as to enhance the company’s long-term performance*”. Sneader *et al* (2020 p8), indicate boards must ensure “*that strategic investments are fully funded each year and have the appropriate talent assigned to them*”. This research enquiry acknowledges successful CS takes both internal and external factors into consideration.

Companies are understandably reluctant to reveal internal strategic conversations for fear of disclosing commercially sensitive information (Ruddick, 2019). According to Pratley (2021 p28), the prevailing CG code requires companies to have a specific Risk Committee, which is a condition of a London Stock Exchange Listing (2018). Pratley (2021 p28), Martens and Perraglia (2017) and Filatotchev *et al* (2007 p51), clearly recognises strategic risk and “*the need to be proactive in corporate strategy*”. Moreover, Fahy *et al* (2005 p19), recognise the classic accounting measures such as return on investment, “*are not reliably linked to increasing the value of the company’s shares.*” The motivation for a Risk Committee is the need to set up and monitor the risks emanating from initiation and pursuing the company’s selected CS. Examples can include conditions possibly requiring a serious adjustment to CS or something as simple as a misalignment with the company’s mission statement.

A point of interest is the development of the strategic plan is outside the scope of the Risk Committee; instead, the strategic initiatives are implied or explicitly stated by other board documents. Sherman *et al* (2009 p99), contends that “*The audit committee is uniquely suited to assess risk, judge the valuation ... and ensure the company strategy and finances are aligned*”. Excluded from this research enquiry are, Audit and Risk Committee views on CS, particularly regarding who is involved in strategic leadership versus strategic control. Steger (2006, p202) discusses assessing corporate performance and indicates “*the formulation of clear targets as well as accountability and transparency are at least as important as regulatory compliance.*” Mindful of Hill (2021 p20), “*Senior executives should not assume*

*either, that a strategy will magically emerge from the crowd, absolving them of responsibility.”* This research enquiry, within RQ 3, seeks to establish whether CS is afforded equal resources to those allocated to CG within the remit of FTSE 350 NEDs.

#### 3.2.6.8 NEDs’ professional development

Parker (1990 p 41), contends that *“the single most important quality in a chairman is a ‘strategic vision’”*, communicating this strategic vision to the company’s NEDs may need greater insights. NEDs’ ability to possess and accumulate strategic capital, both conscious and unconscious needs to be recognised. Antonacopoulou and Balogun (2010) recognise the need to foster collaborations between academic and business practitioners to expand the ways in which research practice is informed. Moreover, Domine (2021) indicates board oversight can include experimenting with informal roles, professional development for directors, board assessments and coaching. Amaral-Baptista *et al* (2010 p711), contends that *“strategy formulation is a task of high complexity, making strategies work is even more complex”*. This research enquiry recognises the importance in investing time and attention in nurturing NEDs’ strategic oversight awareness as well as active involvement in board strategic discussions.

According to Terry (2010 p2), *“the 2010 Association of Masters in Business Administration / Diploma in Business Studies survey found that only 62% of schools teach sustainability and 46% ethics as integrated/thematic elements”*. In the UK, the IoD, Financial Times, ICAEW in conjunction with NEDA (2021) and many other organisations run tailored development courses for NEDs, yet few presently cover the corporate strategy needs. This may simply be an oversight as NEDs have not requested same. The itemisation of several such courses reveals, much time and effort is devoted to the regulatory and legal requirements and little or no attention is afforded to CS issues. This research aims to discover and close potential lacunae through better dialogue valuing the contribution NEDs can make to their company’s strategy.

#### 3.2.7 Corporate strategy literature review precis

This research enquiry serves to amalgamate the fragmented pieces and illuminate the need for greater coordination and strategic oversight provision by NEDs. Subramanian (2015

p98), contends that boards need to avoid “*fighting issue by issue.... incremental meandering towards*” which emphasises the short-term performance. Moreover, Mathern (2013) issues a word of caution, highlighting performance and strategy “*are not effectively analysed using standard accounting procedures, they are more qualitative in nature*”. There is extensive published literature on CG, codes of conduct and various frameworks, however, this literature review, whilst not exhaustive, is intended to comprehensively inform the readers of the prevailing knowledge pertinent to the selected field of NEDs and CS. This literature review establishes whether further research in this area is warranted or not. McNulty and Pettigrew (1999, p66) established “*it is not appropriate to generalise that all boards function simply to give a final blessing to decisions effectively made elsewhere*”. This enquiry is mindful of such a situation and imagines the literature review is comparable to panning for gold. Therefore, this research enquiry is placed in known published research which informs the intellectual framework underpinning this thesis. The objective of this literature review is to inform the RQs. This research acknowledges CS should vary for each individual company. Likewise, having a strategy does not guarantee a sustainable future for the company.

This research recognises Grant and Osanloo’s (2014, p19) point “*the literature review acts as the foundation of your study*”. Whilst the general importance of regulatory gaps and good CG is established, concrete context-dependent knowledge of FTSE 350 NEDs’ contribution specifically to CS needs investigation (Filatotchev *et al* 2007 p161). NEDs’ oversight roles and responsibilities are broad and require individuals to ‘helicopter’ above the day-to-day operational elements thus ensuring they try to provide good CG, i.e., ensuring good ethics and values, leading the company’s continuing strategic direction. This research enquiry does not consider whether individual NEDs are qualified to undertake this role, rather it acknowledges CS is merely an element of their overall duties. In this context, it is important to realise and reemphasize enhancing FTSE 350 NEDs’ strategic oversight is fundamentally complex and very much an individual company effort which requires behavioural changes. Domine (2021) indicates “*the rituals and routines of the board itself can be key shapers of context*”. Company-specific circumstances along with legal, professional, and regulatory frameworks mean FTSE 350 strategic findings do not apply directly to each company and situation. Plender (2021 p12), indicates “*the way to oppose short-termism is for the board to set its sights more firmly on long-term strategy*”. A more holistic view of FTSE 350 NEDs’ corporate oversight responsibilities must involve building and maintaining their strategic skill sets and deployment within their businesses.

**TABLE 5 PRECIS OF ISSUE-BASED LITERATURE**

Contention	Discussion of empirical issue-based literature
Definitions:  Corporate strategy          Strategic Oversight	<p>Satyro <i>et al</i> (2014) observe there are as many definitions of CS as there are authors on the subject. The definition adopted for this research enquiry is driven by NEDs' oversight in creating and capturing value for their company.</p> <p>According to PMI (2021), "<i>the purpose of the Strategy Oversight Committee is to oversee the Institute's strategy formulation, approval, implementation, review, and report in concert with the Executive Leadership Team.</i>" This definition resonates with this research enquiry and is adopted.</p>
FTSE 350 NED provision of strategic oversight	NEDs' responsibilities include an active role in the custodianship of CG and constructively challenging and contributing to the development and success of CS (CA 2006, s171.2). The context in which NEDs' strategic oversight is fulfilled within this ill-defined description forms the basis of this research enquiry.
Stimulating corporate strategy dialogue through good governance	Higgs (2003) asserts: " <i>NEDs should constructively challenge and contribute to the development of strategy.</i> " This supports the need for a CS Committee at board level.
Building strategically sustainable companies	The Good Governance Institute (2020, p1) advocates the need for board members to continually improve through " <i>development by doing</i> ". Bhagatt and Kehoe (2014) recognise the impact spending more time has on high performing boards and boards need a greater time on strategy.
Strategic Reporting requirements	This research enquiry acknowledges whilst all attention on strategy (CA s4) is a step in the right direction, the current Strategic Reporting requirements centre on the regulatory, ownership and timely publication protocols.
Valuing the need for greater understanding of corporate strategy	This research enquiry highlights the continuing need for NEDs' responsibilities and CS to be investigated to gain greater insights and understanding, not merely more regulation or governance reviews.

Source: Lisson (2022)

### 3.2.7.1 Extending current scholarship and delivering deep empirical insights

Adopting an interpretivist philosophy with an inductive approach to deliver deep empirical insights into the inter-relationship of strategic leadership and governance of CS by individual NEDs and Chairpersons, as is required by CA (2006) and CG codes. This research specifically centres attention on where FTSE 350 NEDs discharge their strategic duties. The

research outcomes can unlock the current CG Committee silos and emphasise the need for the company to have a clear corporate vision linked to a sustainable strategy. Huse (2005, p67) emphasises “*purpose of corporations is to create value*”. Klettner *et al* (2013 p8) recognise “*to build a sustainable business, start with the strategy*”. Being mindful of the overarching responsibility all companies have both to their immediate stakeholders and to serve society.

#### 3.2.7.2 A gap in knowledge of NEDs’ involvement in corporate strategy

Some FTSE 350 companies publish NED biographies, which show a distinct lack of strategic emphasis. It is therefore essential to continue this research to clearly determine whether FTSE 350 NEDs currently have a marginal role in their companies’ CS. There is no common understanding of what their involvement in strategy should be and the issue of strategic leadership maybe overlooked thus leading to “*unintended consequences*” (Subramanian 2015 p99). Of the various board-level Committees, the Risk Committee is likely to have more input into CS than other board level Committees. This thesis may uncover NEDs are more involved in reviewing and approving strategic decisions set by the executives, rather than in strategic leadership, planning and development. The fundamental contribution within the findings is likely to highlight the need for greater emphasis on CS, probably using the following constructs: Shaping strategic context, context and Conducting of strategy as a possible model for best practices, Deciding strategic decisions.

This critical literature review detects a gap in FTSE 350 NEDs’ strategic knowledge. FTSE 350 NEDs are members of the board without management responsibilities within their company. NEDs have many fiduciary duties, one of which is to attempt to provide and exercise objective judgement and expertise which promotes their company’s sustainable CS, business development and governance (CA 2006, s171.1). Effective NEDs should constructively challenge current plans and enhance business strategies to support their sustainable businesses (Higgs 2003 and Walker 2009). Higgs (2003, p11, 1.1) writes: “*effective and robust boards are an essential feature of successful companies.*” NESTA (2019, p4), a UK think tank, identifies the “*absence of the right institutions to handle data and knowledge*”. They suggest there are huge benefits to be gained from employing artificial intelligence and linking data sets with human intelligence to uncover opportunities and minimise likely problems before they arise. Big data, interrogation skills and CS are elements within FTSE 350 NEDs’ oversight provision.

The literature review reveals the subject of ‘NEDs and CS’ is both complex and comparatively unexplored. Parker (2008 p83) acknowledges boards “*increasing sensitivity to the need to document strategy proposals and business plans*” which is equally relevant to FTSE 350 companies as it is to smaller companies. Specific Business Unit strategy for products and services is widely published and is outside the scope of this research. CS and all its board-level resources, i.e., people, organisation and potentially HR incentives, is the emphasis of this research enquiry. The gap is regarding CS, and this is exposed by reference to what is, and is not, explicitly published. This research enquiry suspects NEDs need to be more proactive in their strategic oversight provisions in addition to challenging and approving board decisions.

### 3.2.7.3 Lacunae in the literature review

Deakins *et al* (1999) concluded their research with a statement that the actual influence NEDs bring is of course intangible and cannot be precisely quantified. McNulty and Pettigrew (1999, p61) found NED “*influence is reactive, rather than pro-active*”. They indicate changes may be instigated by the board to increase strategy exposure to include NEDs in the arena of “*strategic thinking and involvement in the strategy process*”. On previewing typical communication images using the google search engine ([www.google.com](http://www.google.com) 2018) depicting CG interactions, once more this research enquiry’s observation is no specific strategy element is present.



*Google image Downloaded 31 March 2018*

NEDs must contribute to the shape and conduct of the strategy process by setting out a clear framework of CS oversight practices and a higher level of accountability to the board. The when, where and how needs to be clarified and this thesis contributes to closing this gap.

BIS and Tomorrow's Company (2009, p45 Tunstall) diagnoses the need for transparency in boards' performance evaluation and more specifically *"the strategic issues being addressed, ... quality of the boards output should be scrutinised systematically"*. Caldwell (2012, p5) asserted in large Canadian companies *"few companies produce comprehensive, fact-based strategic plans"*. According to Amaral-Baptista *et al* (2010 p711) observations, *"boards involvement in strategy implementation has been sparse"*. This research enquiry wishes to discover whether the same is significantly true of the FTSE 350 companies in 2019-20. Further afield, Annuar (2014) has undertaken research into independent NEDs in Malaysian companies and found Malaysian independent NEDs are actively involved with governance and current organisational strategy, however they have limited if any involvement in the long-term strategic direction of their organisation preferring to leave this to the executive directors. Page and Spira (2016, p216) acknowledge there is *"little evidence to tell us how much time boards typically spend on ... "strategy formulation" ... and the expectation is that NEDs will exercise a significant monitoring role"* thus concentrating upon board's compliance duties. This research enquiry is specifically interested in NEDs' oversight contributions to prevailing strategy and leadership issues and consider whether NEDs should participate in a specific CS Committee.

The findings from the systematic literature review reveal the need to underpin both theory and methodology within the analysis and outcomes. The literature review raises awareness of methodological issues to be thought through before selecting and deciding upon the methods to be deployed to deliver this thesis. The exact nature of the evaluation criteria and assessment methods deployed are discussed in the forthcoming chapters. Evidenced through the literature review, there appears to be a lack of professional identity surrounding NEDs' overall role and responsibilities apart from Sub-Committee membership, which has specific and defined roles for Audit, Nomination and Remuneration Committee membership led by various CG guidelines. It is feasible due to this lack of clarity; some NEDs may choose to concentrate on areas clearly defined at the expense of providing strategic oversight. Taking onboard the outcomes of earlier research, this research enquiry selects to further examine the specific area of NEDs' strategic oversight to close lacunae in current literature. This research aims to discover if FTSE 350 NEDs' involvement in CS is the cement of structure or whether a CS Committee would enhance their strategic oversight contributions.

### 3.3 Literature Review Summary

The purpose of this literature review summary is to explore the theoretical and empirical literature surrounding NEDs and CS and establish the need for further research in this field. Based upon previous research, this research enquiry commences by recognising the need for theoretical grounding followed by prevailing UK legal, CG and strategy environment for FTSE 350 companies within chapter 2, leading onto NEDs' strategic leadership responsibilities in chapter 3. Should a FTSE 350 company have an explicit long-term sustainable CS, this can be evaluated, and potentially improved, to underpin the company's aspirations. Perhaps this can assist in implementing the recent annual Strategic Reporting requirements. The literature research conjecture detected those aspects of CS are potentially overlooked by FTSE 350 NEDs in their provision of oversight. This research enquiry set out three constructs of NEDs' strategic oversight responsibilities, i.e., Shaping, Conducting, and Deciding which are investigated. To close, this chapter addresses NEDs' ability to contribute to abiding CS and policymaking.

Having read extensively an array of extant research, no recent research drawing upon actual observable evidence of FTSE 350 NEDs discharging their CS responsibilities is evidenced within the literature search. This is despite McNulty and Pettigrew's (1999) article indicating this area is under-researched. Thus, the selected issue being seldom researched warrants further investigation and publication of literature which in turn influence NEDs' *modas operandi*. It is accepted the involvement of FTSE 350 NEDs in strategic oversight needs further investigation to ensure a coherent approach supported by observable evidence which has clear benefits to FTSE 350 companies. This research having undertaken a broad review of the literature deems FTSE 350 NEDs are involved with CS; however, due to the scarcity of research, the exact extent is unknown and likely to vary between companies.

Acknowledging NEDs' performance is influenced by norms and behaviours are typical within FTSE 350 companies, this research acknowledges further lacunae in the literature may arise requiring additional examination, more than this thesis aims to fulfil. Contextually, turbulent times has reminded us merely having a CS does not eliminate the need for continuous rigorous oversight. Importantly in this literature review, various authors have suggested the need for further research into unanswered questions, to which this research enquiry is a response. Clearly, the area of CS remains unclear not least the NEDs'



role in same. This research enquiry's literature review connects existing knowledge to discover the lacunae in NEDs' strategic oversight.

This research enquiry goes on to uncover some twenty years after McNulty and Pettigrew's (1999) research whether FTSE 350 NEDs' involvement in CS has gained in prominence and effectiveness. This literature review fulfils the need and has the potential to uncover recommendations which can include collaborations and bridge-building to share best practice. The specific strategic references relating to FTSE 100 and FTSE 250 companies uncovered at different time periods, clearly supports the need for further research and this thesis aims to close a gap by researching the FTSE 350 companies performed during 2019-2020. This research enquiry is not a replication or resurrection of McNulty and Pettigrew's (1999), rather a new view during the period of 2019-2020 period of flux for FTSE 350 companies.

The next chapter moves into the domain of research methodology and design to reinforce the structure and shape to deliver this research enquiry. The purpose is to recognise the methodological issues and concerns contained in the literature review. This aids the methodological and methods choices used in this research. Ultimately, the literature review presents an overarching precis of the total literature reviewed. Table 6 Summary of Empirical Literature: NEDs' responsibility and strategy summarises the empirical literature uncovering illustrative examples between their publication and this particular research enquiry. Table 7 depicts prominent methodological based issues within empirical literature review on pages 122 and 126 respectfully.

*“In an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge. When markets shift, technologies proliferate, competitors multiply, and products become obsolete almost overnight, successful companies are those that consistently create new knowledge, disseminate it widely throughout the organisation, and quickly embody it in new technologies and products.”*

**TABLE 6 SUMMARY OF EMPIRICAL LITERATURE: NEDs' RESPONSIBILITY AND STRATEGY**

<b>Empirical Literature: NEDs' responsibilities and strategy</b>								
#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design / sample / instruments	Illustrative examples between publication and this research	Source of Publication
1	1979	Ansoff and Nakamura	USA /global	Recognised godfather of corporate strategy.	Strategic Management: explanatory theory.	Review of corporate strategy in companies.	Corporate strategy and the interaction with environment / transition triggers.	Palgrave Macmillan, ISBN 978-0-230-59060-1
2	1991	Porter	USA	Recognised need for successful strategy for successful organisations.	Theory of Strategy.	Review of various essays – development of tools e.g., value chain analysis.	Deployment of tools, such as, Value Chain Analysis, Diamond, Competitive Advantage. Need for further research into organisational inertia.	Strategic Management Journal, Vol 12, 95-117
3	1999	McNulty and Pettigrew	UK	Strategists on the board.	Institutional Theory.	Interviews.	NEDs interviewed stated they rarely initiate the substantive content of strategy.	Organisational Studies, 20/1, pp. 47-74 EGOS.
4	1999	Deakins <i>et al.</i>	UK	Role of NEDs in SMEs.	Undisclosed.	Questionnaires and Interviews.	Business size, timing regulations are different.	ACCA
5	2002	Maassen	USA, UK, Netherlands	Comparison of corporate governance models.	Various - NEDs in Control Roles – Agency Theory.	Literature review.	Stewardship Theory opposes the notion boards are devices to align conflicts of interests ... integrate decision management with decision control.	@developmentwork.Net ISBN 90-9012591-4
6	2003	David	Global	Management concepts for competitive advantage.	Strategic Management Theory.	Business case studies.	Over-coming the financial crisis of 2000 – 2002.	Prentice Hall, ISBN 9780130479129
7	2003	Higgs	UK	Role and effectiveness of NEDs.	<i>"Comply or Explain"</i> .	Review the role of NEDs.	Recommendations to be adopted by the prevailing UK CGC.	www.dti.gov.uk
8	2004	Hendry and Kiel	UK	The role of the board in strategy.	Agency and organisational control.	Acknowledges research of others.	Potential for integrating more than one theory to explain a richer understanding of relationships, i.e., theory development.	CG: Blackwell Publishing Ltd., Vol. 12

## Empirical Literature: NEDs' responsibilities and strategy

#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design / sample / instruments	Illustrative examples between publication and this research	Source of Publication
9	2005	Long, Dulewicz and Gay	UK	The Role of NED: Empirical investigation into differences between listed and unlisted UK boards.	Undisclosed, mentions " <i>Isomorphic pressure</i> ".	Semi-structured Interviews – piloted in 1 <sup>st</sup> instance.	NED roles in listed versus unlisted UK companies are different.	Corporate Governance Blackwell Publishing Ltd., Vol 13
10	2005	Roberts, McNulty & Stiles	UK	Beyond Agency Conceptions of the Work of NED: Creating Accountability in the Boardroom.	Agency Theory, Stewardship Theory, and need for " <i>theoretical pluralism</i> ".	40 in-depth interviews focusing upon NED effectiveness.	Observed the need for the board to possess " <i>balance of skills, knowledge and experience</i> ".  Specifically evaluated NED contributions to strategy.	British Journal of Management, DOI: 10.1111/j.1467-8551.2005.00444.x
11	2005	Pye & Pettigrew	UK	Studying Board Context, Process and Dynamics: Some challenges for the future.	Highlights the lack of a specific theoretical framework.	Recognises high quality process research has quality standards.	Complimentary response to Roberts, McNulty and Stiles Paper.	British Journal of Management, DOI: 10.1111/j.1467-8551.2005.00445.x
12	2005	Huse	Global	Accountability and creating accountability: a framework for exploring behavioural perspectives of corporate governance.	Agency, contingency, evolutionary, resource-dependency and IT.	Commenting upon the collection of opinions and experiences within Roberts, McNulty and Stiles paper.	In-depth response to Roberts, McNulty and Styles Paper. Recognises interactions inside and outside boardroom practices.	British Journal of Management, DOI: 10.1111/j.1467-8551.2005.00448.x
13	2005	Cox	UK	Cox Review of: Creativity in business:	Undisclosed.	Based upon UK economy.	Raising awareness and need for changing behaviours in UK business.	HM Treasury, Crown copyright 2005, ISBN 1-84532-108-1
14	2007	Long	UK	The evolution of FTSE 250 boards of directors: key factors influencing board performance and effectiveness.	Undisclosed, does mention " <i>isomorphic pressure</i> " which is a component of IT.	Interpretative approach based upon 25 respondents.	Effective development of strategy is vital to the success of every organisation. Strategic development can be improved. The content and quality of board papers.	Journal of General Management, Vol. 32.3

## Empirical Literature: NEDs' responsibilities and strategy

#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design / sample / instruments	Illustrative examples between publication and this research	Source of Publication
15	2007	Davies	UK	Directors' responsibilities under CA (2006).	CA (2006).	Directors strategic responsibilities under CA (2006).	An authoritative guidance on: NEDs' role: constructively challenge and develop proposals on CS.	ACCA
16	2007	Raynor	Global	What is corporate strategy, really?	Undisclosed.	Review of role of corporate strategy.	General article on the need for companies to be committed to CS.	Ivey Business Journal (2007)
17	2009	World Economic Forum	Switzerland	The Future of the Global Financial System: A near-term outlook and long-term scenarios.	Global financial focus.	Gap in literature.	Five common principles agreed – none emphasising strategy.	World Economic Forum, Geneva.
18	2010	Antonacopoulou and Balgoun	UK	Collaborating to discover the practice of strategy and its impact.	Undisclosed, however <i>"practice-relevant"</i> is part of Resource-Based Theory.	Undisclosed.	Questions existing research assumptions and provides a table comparing traditional versus new research principles and assumptions.	Emerald Group Publishing (2010), ISSN: 0742-3322/doi:10.1108/S0742-3322(2010)0000027016
19	2012	Caldwell	Canada	A framework for Board oversight of enterprise risk.	Auditor disclosure.	9-Step framework to assist directors and risk oversight.	Canadian versus UK regulations/governance may differ.	Chartered Professional Accountants Canada
20	2013	Conti	Italy	The KPMG Survey of corporate responsibility reporting 2013.	KPMG detailed survey of CR reports 2012-13.	Global large companies sample.	Growth in countries and companies indicating CR is now mainstream.	KPMG International Cooperative
21	2013	Cox	UK	Overcoming short-termism within British business.	Undisclosed.	Unstated.		Labour Party, London.
22	2014	Annuar	Malaysia	Independent Non-Executive Directors' strategic role.	Undisclosed.	27 Directors of public companies interviewed.	Combined experience 358 years, members of 133 boards.	Corporate Governance, Vol 14, Issue 3, pp 339-351.

## Empirical Literature: NEDs' responsibilities and strategy

#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design / sample / instruments	Illustrative examples between publication and this research	Source of Publication
23	2014	Liu and Andersson	UK	Mind the Gap: Expectations on the role of NEDs.	Undisclosed.	Pre-existing questionnaire.	Statistically significant difference of opinion between Execs, Institutional Investors and NED views on NEDs' role.	Working Papers in Business and Management 2014. 1402:RWPBM1402
24	2015	Tricker	UK	Role of governance: recognising the link with strategy.	Undisclosed.	Nuffield College, Oxford.	The board's performance roles: strategy formulation and policy making.	CG: Principles, policies and Practices, 3 <sup>rd</sup> Ed. 2015.
25	2016	Page and Spira	UK	Corporate governance as custodianship of the business.	Undisclosed, potentially stewardship.	Unstated.	Highlighting need for integration between strategic and compliance responsibilities.	Journal of Management and Governance, 20:213-228
26	2017	Martens and Perraglia	Global	Risk through the eyes of strategy.	Unstated.	Unstated.	Clear recognition between risk and strategy.	<a href="https://www.pwc.com/gx/en/services/advisory/consulting/risk/resilience/connecting-risk-and-strategy-in-the-coso-erm-framework.html">https://www.pwc.com/gx/en/services/advisory/consulting/risk/resilience/connecting-risk-and-strategy-in-the-coso-erm-framework.html</a>
27	2018	Oxford Business Dictionary	UK	Prevailing definition of a NED.	Oxford Dictionary.	Defines the scope of duties for NED.	Clear statement of involvement in planning and policymaking.	Oxford Business Dictionary.
28	2021	Plender	UK	An exploration of the problems facing today's boards.	Unstated.	Unstated.	... <i>"the way to oppose short-termism is for the board to set its sights more firmly on long-term strategy"</i> .  Proactively promotes NED involvement in CS.	Financial Times, p12, printed 10 May 2021

**TABLE 7 PROMINENT METHODOLOGICAL-BASED ISSUES WITHIN EMPIRICAL LITERATURE REVIEW**

<b>Empirical Literature: Methodological-based Issues</b>								
#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design/sample/instruments	Findings/limitations between publication and this research	Source of Publication
1	1998	Oppenheim	UK	Questionnaire design, interviewing and attitude measurement.	Research design.	Research techniques.	Recognising the need for <u>appropriate research design</u> to be able to generalise findings.	Pinter Publishing, ISBN 1 85567 044 5
2	2006	Ahrens and Chapman	UK	Qualitative field research.	Employ qualitative methodology.	Interviews.	Engaging of RQs, <u>theory and data has important implications for qualitative field research.</u>	Accounting, Organizations and Society, Vol. 31.
3	2010	Lietz	Australia	Questionnaire design.	Cognitive and communication research.	Questionnaire design.	Depends upon aims of research subject to clear and simple questions, <u>focus on current attitudes</u> , Linkert type scales are desirable, all numeric labels should be shown to respondents.	International Journal of Market Research, Vol. 52
4	2018	Collins and Stockton	International	The central role of theory in qualitative research.	Qualitative research design.	Qualitative methods.	<u>Research considers utilising the frameworks of noted theorists to guide qualitative studies.</u>	International Journal of Qualitative Methods DOI: 10.1177/1609406 918797475
5	2019	Cassell and Bishop	UK	Qualitative data analysis: Exploring themes, metaphors and stories.	Qualitative research.	24-indepth interviews.	The use of <u>template analysis, story analysis and metaphor analysis led to deeper insights than other data methods.</u>	European Management Review, Vol. 16, 195-207.

## 4 Research Design and Methodology

*“The measure of greatness in a scientific idea is the extent to which it stimulates thought and opens up new lines of research.”*

**Paul Dirac (2014)**

### 4.1 Chapter Introduction

Chapters 2 and 3 illuminate the insights afforded by the literature review, separating NEDs’ oversight into both governance and CS. This chapter commences with a consideration of the research design and reasoning behind the selected exploratory empirical research. Methodologically-informed its unfolding philosophy follows the sequence theoretical, professional, regulatory and governance. It then goes on to discuss the research approach, strategy, choices, timeframe and data collection and analysis deployed to answer the RQs and ROs. Significant considerations are given to the research design and methodology employed to ground the decisions needed to deliver this thesis. The execution of the research design involves a purpose-built data repository, which supports an intricate review applying Content and Descriptive Analysis to a multitude of documents and numerical calculations. Finally, the chapter concludes with an overall summary, showing the value in having a thorough research design in place prior to embarking on the next chapter delivering the theoretical and empirical outcomes.

Each research design needs steering and support by a specific paradigm, ontology, and subjectivist epistemology to enable this research to focus on the methodological stance. Maher *et al* (2018, p2) observes “*design research is an act of imagination,*” which is not underestimated within this research. Guba and Lincoln (1994 p116), contend that “*no inquirer ought to go about the business of inquiry without being clear about what paradigm informs and guides his or her approach*”. This research considers the conceptual frameworks available prior to selecting a rational interpretivism paradigm of research design best suited to and supporting the delivery of this thesis and its understanding of the phenomenon (Farquhar 2012 p20). The selected research design includes concepts and terminology influenced by Crossley and Jansen (2021 p18), OU (2020, Ch 1),

(15Writers.com 2020), Saunders *et al* (2019, p130), Collis and Hussey (2014), and Farquhar (2012), specifically the Research Onion terminology and those within Harwood's (2021) mixed-methods research design. This section provides an overview of the research design and methodologically controlled inspection to deliver each of the RQs/ROs.

**TABLE 8 OVERVIEW OF SELECTED RESEARCH HIERARCHY**

<b>Overview of Research Hierarchy</b>	
<b>Research Design</b>	This thesis is theoretical supported by IT in conjunction with IST, based upon exploratory, empirical insights from FTSE 350 companies.
<b>Research philosophy</b>	Interpretivism combined with an ideographic ontology are selected philosophies shaping this research to understand why NEDs select what strategic oversight tasks to do, and their performance. The axiology is value-laden and personal bias is recognised.
<b>Research approach</b>	This exploratory and empirical research is delivered applying elements of a combination of inductive, descriptive, and abductive approaches to tease out NEDs' strategic oversight provision.
<b>Research strategy</b>	The research strategy utilising archival material and secondary data analysis is deployed through selected theoretical and methodological lenses which evolves from elements of Grounded Theory during informing discussions, followed through with a multitude of resources thus minimising bias in a single method.
<b>Research choice</b>	Mixed-methods, parallel-layered archival and secondary data is selected with the likelihood for multi-layering of methods in a resource-friendly way which enables triangulation of data analysis.
<b>Research timeframe</b>	This is predominantly a cross-sectional research performed throughout many time points performed during 2019 and 2020 material and/or efforts.
<b>Data collection and analysis</b>	Practical execution of this research design and methods is achieved using textual examination and financial analysis, or identifying the absence of, specific word(s) and phrases 'strategy', 'leadership' and 'values' within a wide set of up-to-date material within the purpose-built <b>data repository</b> : Table 44 and Table 45 substantiated by FTSE 350 company financial performance.

Source: Terminology influenced by Saunders *et al* (2019), application Lisson (2022).



## 4.2 Research Design

Beginning with the research design an appreciation of its underlying philosophy is warranted because this substantiates the series of decisions made within this rigorous enquiry (Tobi and Kampen 2018). This interpretative research encompasses a socially constructed, shared body of knowledge, shared vocabulary, integrated perspectives, concepts, and methods (Harwood 2021). The research ontology articulates the structure of the research and epistemology provides the nature of the relationship between researcher and knowledge through investigation further supported within Appendix D.1.1. Respecting each of these concepts as well as high-quality research techniques and procedures adopted, enables taking advantage of the unique perspective each affords (Farquhar 2012 p17). The relativist ontology is achieved through enhanced understanding of a complex real-world problem for which four specific RQs are applied to a specific population i.e., UK legal and regulatory provisions in connection with FTSE 350 NEDs and their company. Ethical concerns, relevance, reliability, and validity implications are stated.

### 4.2.1 Research philosophy including ontological, epistemological, and axiological position

The ontological stance adopted for the research is ideographic. Within this stance the researcher accepts ‘the world is socially constructed and understood only by examining the perceptions’ of relevant actors or documentary evidence. In this research the ‘actors and documentary evidence’ include professional proformas and NEDs’ published biographies, FTSE Stock Exchange rules as well as FTSE 350 companies’ profitability and liquidity, legal and regulatory. This ideographic ontological stance is in contrast with a nomothetic quantitative approach, where the researcher holds the view reality exists independently or objective as a structure, and structure is separate and distinct from individual perceptions. Antwi and Hamza (2015, p218) and SICE (2012) mention adopting and deploying an ontology involves “*articulating the nature and structure of the world*” which Punch (2013) calls ‘*what the reality is like*’. Frels and Onwuegbuzie (2013, p91) are mindful ontological research is participatory, i.e., “*the mind and given world order are co-created through subjective-objective reality*”. Allen (2020, p42) observes “*Well-constructed ontologies can support logical inference*”. This research ontology has elements of subjectivity, i.e., founded on the researchers’ observations, as exhibited within the research questions to portray and describe the reality of NEDs’ strategic oversight involvement (Moon and Blackman 2017, p3) and (O’Gorman and MacIntosh, 2015 p55).

Within philosophy, epistemology is concerned with the nature of what we ‘know’ and is ‘true’ – i.e., knowledge. Epistemologically sound research requires the researcher to be neutral and detached and eliminates bias whilst defining the research ideas (O’Gorman and MacIntosh 2015, p58). Understanding this helps to explain some of the constructs and potential outcomes from the interpretive approach deployed in this thesis, (Farquhar 2012 p22) and (Bacharach 1989 p500). Nakano and Muniz (2018, p3), contend that “*exploratory studies observe and identify interesting phenomena that are not yet well explained by extant literature*”. “*Knowledge creation rests upon a cycle of testing and amending or refuting existing theory*”. This requires this research to discover the gaps in the theoretical and empirical background literature, whilst defining key concepts linked to this specific research design (Nyanchoka 2021). This exploratory research concept is timely as the role of FTSE 350 NEDs and CS has many practical benefits for the corporate world, reinforcing the need for this research into how CS leads to building long-term sustainable businesses.

Axiology is a sub-division of a philosophy that studies judgement about value (O’Gorman and MacIntosh 2015, p67) and (Farquhar 2012, p17). This research design and methodology is mindful that value practice are likely influencers at all stages of the research process. Acknowledging same within the research process is critical to the credibility of the overall research findings (Daniel 2019 p121). The axiology or set of values inherent in the researcher influence this research methodology and are duly recognised and acknowledged. The interpretivist stance adopted by the researcher implicitly accords with this non-value-free acceptance. Accordingly, one contends the values help determine what are considered to be facts and consequently, the interpretations drawn from them. Whilst this researcher is not a NED, however having been employed in FTSE 350 companies and their equivalents, is mindful to understand and eliminate her own bias and declare it as appropriate (Point *et al* 2016, p2 and O’Gorman and MacIntosh 2015, p69). Ultimately, “*understanding the philosophical basis of science is critical to ensuring that research outcomes are appropriately and meaningfully interpreted*” (Moon and Blackman 2017 p3). An interpretative research approach is favoured to deliver this thesis because such an approach enables the evaluation of NED strategic oversight provision and identifies if more strategic effort is needed to achieve the optimum.

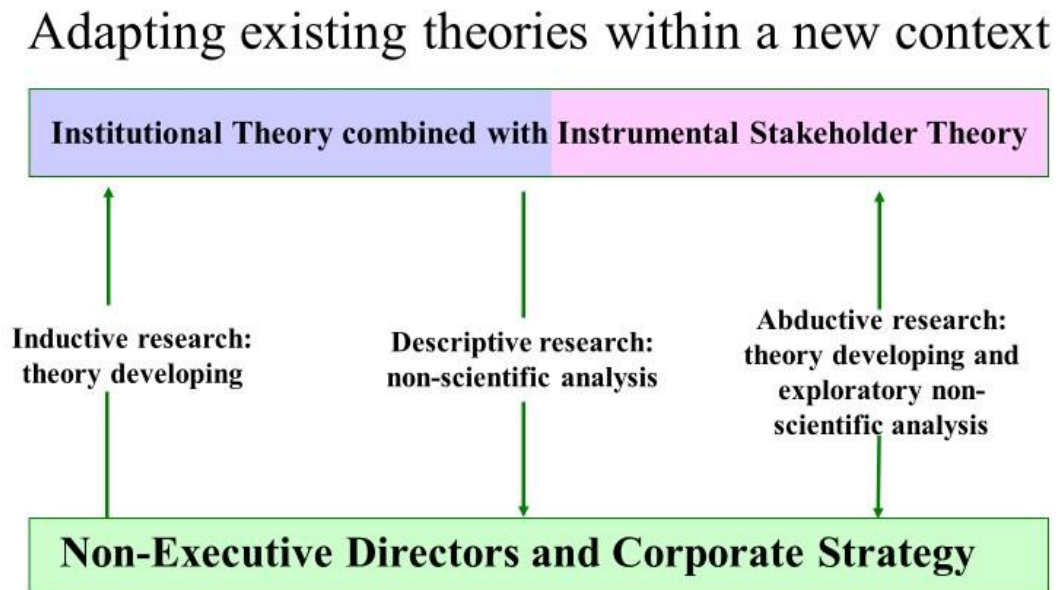
#### 4.2.2 Research approach

Vaismoradi *et al* (2013 p398), contend that “*qualitative methodologies aim to explore complex phenomena*” and go on to recognise they “*are not a single research approach*”. The selected inductive, descriptive, and abductive research approaches centre upon a particular research community whilst the research propositions seek where, when and to what extent FTSE 350 NEDs are actively engaged with their company’s CS. The nature of each research question and its specific examination is elaborated within the data collection and analysis section. Farquhar suggests that “*the value of case study research for business is that it allows the researcher to examine a problem or question in a practical, real-life situation*” as some elements are flexibly applied within this research design and methodology. Moreover, she indicates “*case study research is particularly suitable for description, explanation and exploratory research*” which at one level is the selected approach to deliver this research. Pollack (2009 p158) and Conger (1998 p108) supports utilizing a soft paradigm to help and develop the various inter-related levels of theory and methodology to be continuously explored, thus affording the research deeper insights.

The research approach utilised is considered experimental and through analysing an adequate number of units “*the aim is to understand and theorise through enfolding the literature*” (Farquhar (2012 p8-9). Previous writers including Annuar (2011), Roberts *et al* (2005), McNulty and Pettigrew (1999), and Tricker (1978), all deployed a qualitative approach within their research. This research design and methodology also gathers diverse documents and examines same for specific textual mentions or omissions about NEDs and their CS involvement (SCIE 2012).

Guidance is offered by Rahl (2017 p1), “*theory is a standardised principle on which basis we can explain the relationship between two or more concepts*”. Wilkins *et al* (2019 p 4), contend that the researcher “*by making adaptations to improve the predictive and explanatory powers of existing theories*” overcome the need to create a new theory. One accepts the role of theory is not always obvious nor transparent in qualitative research, after “*constant comparison*” (Qureshi and Unlu, 2020 p2). This research design features the unique blending of IT in conjunction with IST exploring empirical insights of NEDs’ strategic oversight provisions as follows:

**FIGURE 7 ADAPTING EXISTING THEORIES WITH A NEW CONTEXT**



Source: Application of existing theories within new context – (Lisson 2022).

#### 4.2.3 Research strategy

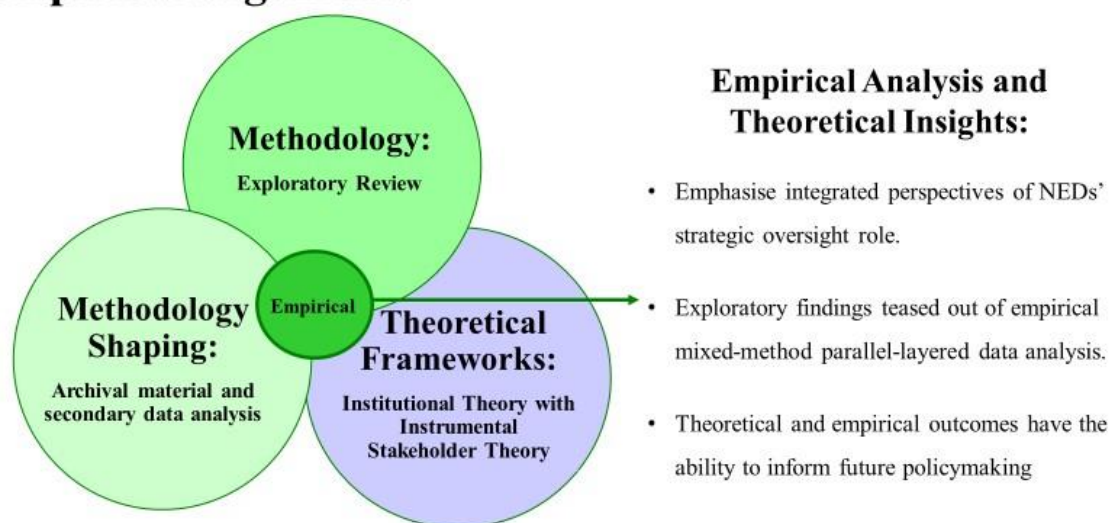
This research strategy attempts to provide a clear up-to-date understanding of NEDs' responsibilities in CS supporting long-term sustainable companies through selected theoretical and methodological lenses. This research casts a wide net regarding identifying, examining, and considering electronically accessible datasets which are available on request. The systematic, rule guided, mixed-method parallel-layered data inspection phase has the capability to uncover the need for each FTSE 350 company to have a CS Committee which requires relevant involvement from NEDs (Mayring 2020). The collective findings of this thesis, specifically the perspectives of various compositions, present a useful contribution in understanding the emerging complexity around NEDs and CS (Farquhar 2012 p31).

Acknowledging qualitative research techniques have matured, there is a notable proliferation of qualitative methods observed within published articles (Bleijenberg *et al* 2018 p2). Moreover, Murphy (2018) suggests explorative research is particularly suitable for a field study where there are few prior studies, which resonates with this research design strategy. Mindful of the methodological issues raised in the literature review, various conceptual frameworks are appraised before selecting those to support this research design and methodology see Appendix D.2 Research Philosophy and Design. Adopting Lincoln & Guba's (1985), reiterated in: Vaismoradi *et al* (2013), and more recently Maher *et al* (2018,

p3), evaluative criteria for qualitative research, this research applies the four features: “*Credibility*” confidence in the 'truth' of the findings. “*Transferability*” showing the findings have applicability in other contexts. “*Dependability*” depicting the findings are consistent and could be repeated. “*Confirmability*” a degree of neutrality or the extent to which the findings of a study are shaped by data and not researcher motivation, bias, or interest.

**FIGURE 8 CONCEPTUAL METHODOLOGY AND EMPIRICAL ARGUMENTS**

## Conceptual methodology and empirical arguments



Source: Lisson (2022).

This research design and methodology develops theory through adopting a logical, rational combination of existing theories to elicit a contribution to knowledge as described by Wilkins *et al* (2019 p4-5), “*inductive research observing cases in the real world and then constructing theory to cover all cases, deductive research, starting with a theory and then using it to explain observations in the real world and finally abductive research, generalising from interactions between theory and real world observations*”. CS is the cornerstone of all sub-strategies including financial strategy which is deployed in this research. This non-scientific exploratory research employs an amalgamation of:

- **Develop - Inductive analysis:** documentary search of NEDs' explicit strategic oversight i.e., “strategy”, “leadership” and “value”.
- **Numerical Comparisons - Descriptive analysis:** based upon empirically informed cross-sectional 2019-20, FTSE 350 Company financial performance – profitability/liquidity analysis and potential inferences.

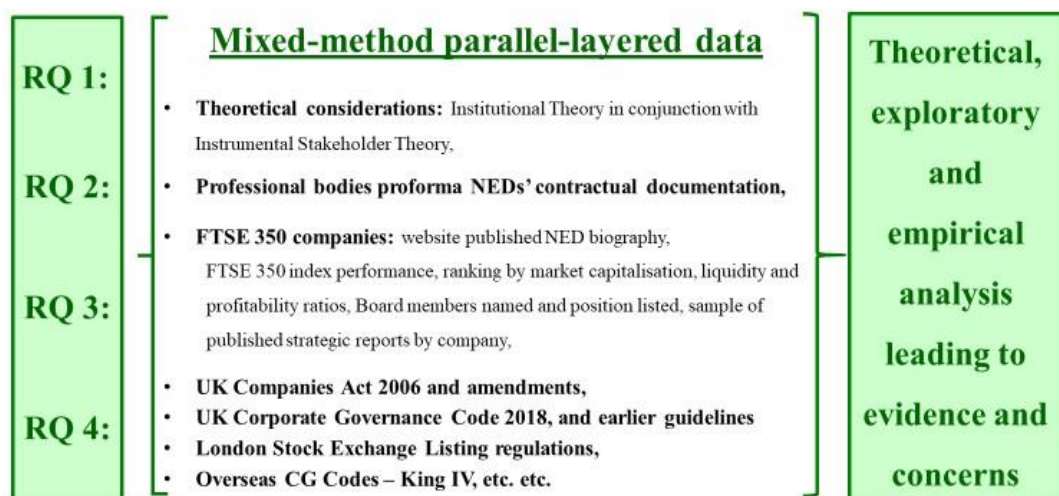
- **Develop/Comparisons - Abductive analysis:** drawing logical inferences from the explicit outcomes informing the potential for implicit insights and understandings.

Consistent with the principles of other authors this research is careful to scrutinise numerous and wide-ranging sources of archival material from the past 30 years as well as recent secondary data, to elicit FTSE 350 NEDs' need for direct involvement in discharging strategic oversight obligations (see Appendix D). Ultimately, adopting an inductive approach aids theory development which is formulated to help illuminate the research problem, and understand the observable flux of experiences. Furthermore, abductive analysis linked with IST provides greater understanding of the strategic deciding, approval, and monitoring. FTSE 350 companies are inspected to draw upon the need for profitability and liquidity to support both short-term viability as well as long-term sustainable CS.

Acknowledging the context of this research strategy, Fetters (2019) proposes comparing data analysis via an explanatory design which the purpose-built data pipeline supports as follows:

**FIGURE 9 MIXED-METHODS, PARALLEL-LAYERED, DATA ANALYSIS PIPELINE**

## Data repository supporting research findings



Source: Lisson (2022).

To fulfil the ROs, the RQs require a practical, ideographic, inductive approach; selecting and employing an archival material and secondary data analysis strategy to capture and analyse NEDs' responsibilities with respect to CS (Avenier and Thomas 2015 p3), (Salkind 2010 p1073) and earlier (Douglass *et al* 1974 p666). The data is extracted from existing prime sources and is stored in the purpose-built extensive data repository, which is subsequently analysed using mixed-method procedures (Schwaferts 2019 p4, and 9) and (Farquhar 2012 p22). A synthesis of key research methods is displayed in section D13 page 396. The outcomes of this thesis have potential to yield up-to-date and potentially new insights into FTSE 350 CS.

#### 4.2.4 Research choices

Oppenheim (1998, p101) recognises each individual research has its own unique problems. The British Library E-Theses Online Service is accessed to gain insights into what has been previously researched as well as gain understanding in research design and methodology development. Furthermore D'Silva (2019), indicates researchers must clearly present "*Data sourcing, Gathering, Analysing and Analysis*". This research design and methodology lends itself towards non-participant involvement deploying mixed-method data examination seeking out specific CS tasks and opportunities depicted in various documents supporting this research (Johnston 2014 p624). The selected data subjects, NEDs and FTSE 350 companies, are not homogeneous. The top 100 companies may have different needs from those ranked 101 to 350 (i.e., FTSE 250) companies. FTSE 100 companies for the majority, are well established companies and Long (2007) recognised their NEDs are less involved with strategy than the guideline recommends. According to Pettigrew and McNulty (1998 p197), "*when elite institutions such as boards are approached, it is often from the limited perspective afforded by secondary data rather than direct observation and interviewing*" which is the case in this research.

This research employs elements of interpretivism regarding conveying theory with data, initially utilising qualitative Content Analysis techniques (Ryan 2018, p44) and (Antwi and Hamza 2015, p218), (Farquhar 2012 p19) and (SCIE 2012). Consistent with Saunders *et al* (2019) in presenting the above aspects, the research first categorises and then further classifies the "*raw research data*" prior to it being analysed, to convert it to "*processed research evidence data*". In doing so the research remains mindful the processed data is, in fact, the observable evidence based on which the four RQs are answered and evaluated. Of

these four, RQ 1 is theoretical in nature and calls for an examination of relevant theoretical data sets. RQs 2 - 4 however, are more empirical in nature and call for the consideration of empirical data sets. The fundamental research issues are captured within the four RQs method mapping presented on Table 9, page 138.

This research employs data sets as inventoried within the data repository, and each document is examined to elicit NEDs' potential oversight involvement in discharging their strategic obligations (Johnston 2014 p624). A representative sample of suitable documents combined with a sample of cross-sectional financial data sets is selected (Daniel 2019 p121). Multiple databases are interrogated, and specific 'Strategy', 'Leadership', and 'Values' searches are performed on documents within this data repository. Deploying a mixed-method parallel-layered approach delivers up-to-date insights and understandings into prevailing FTSE 350 NED strategic oversight provision. This research imagines the future of NEDs and CS through these examples to adapt to the evolution of the needs of the future.

#### 4.2.5 Research timeframe

The chaotic context of the timing of this research should not be discounted as indicated within the preface of this thesis. This thesis is best described as predominantly cross-sectional layered at different points in time, within the timeframe of 2019-2020 rather than longitudinal over many years (UCL Learning Hub 2020). Thus, trying to provide clear insights into what is happening during those years for FTSE 350 companies. The global economic disruption is not something an individual NED nor their company can predict, nor should they need to. Rather each FTSE 350 company needs to have and trust a strategic plan for times of disruption to stay ahead of the curve. FTSE 350 NEDs' CS oversight role needs are to be able to react swiftly and not be buried in bureaucracy or caught unaware. Undoubtedly, during these unsettled times, individual NEDs' oversight provision is tested to their limits. This research being limited to archival material combined with secondary data analysis which may be less precise and generalisable in findings, but every effort is made to overcome such short comings by significant triangulation of data sources and scrutiny. Purposefully, this research design and methodology provides up-to-date insights, within the scope of FTSE 350 NEDs' oversight provision performed during 2019-2020.



### 4.3 Data Collection and Analysis

Previous sections of this chapter, apply five of the six layers of the Saunders *et al* (2019) “*Research Onion*”. The sixth layer – i.e., the Research Data and Analysis pursues. To aid clarity and understanding this research deploys the following criteria of ‘empirical’ within this research design and methodology to support and enhance the research outcomes. The plethora of research data is subjected to mixed-methods, parallel layered, non-scientific analysis which is performed to provide exploratory empirical evidence supporting the research findings and insights (Johnston 2014 p620). Moreover, this empirical research examines the foundations of FTSE 350 NEDs’ strategic oversight role and responsibilities SCIE (2012). Accordingly, the empirical research design encompasses procedures and an approach which encapsulates a rigorous investigation into FTSE 350 NEDs and CS. The use of existing data provides a viable option for investigating this exploratory research. The wide-ranging data sources include professional bodies, FTSE stock exchange and FTSE 350 NEDs, legal and regulatory. The specific research scope is tightly defined, and specific items are selected based upon perceived need and/or valuable activities supporting FTSE 350 companies’ CS activities (Mantzoukas 2007 p372). It is important to stress the aims and objectives of this research are to present a clear unambiguous examination of NEDs’ involvement with their company’s CS. Building upon the outcomes of the McNulty and Pettigrew (1999) study, the context of this research builds bridging points by splitting NEDs’ strategic oversight role into three parts:

- Shaping: including leadership, planning, and development
- Conducting: including participation and involvement in strategy,
- Deciding: strategic approval and monitoring, and re-evaluation.

These key elements of CS provide insights as to the type of observable evidence to be identified within the data collection exercise. Antwi and Hamza (2015, p218) propose the use of such a research paradigm to supply context, structure, and framework to the research processes. This research may uncover situations where deviation from compliance has occurred and how this is handled. Of interest is, whether the treatment supported the CS or acted to its detriment – referring to FTSE 350 Company failures and failings. On an individual RQ basis, this section enables one to appreciate important aspects of the research data sets and its scrutiny. The most important of these features are the nature of the individual data elements, their source and how they are analysed as classified within the data

repository extracts. The extensive data collection and examination explores explicit outcomes which lead to developing implicit understandings to each of the research questions.

#### 4.3.1 Nature of the research questions and examination

**TABLE 9 OVERVIEW OF INDIVIDUAL RESEARCH QUESTION METHOD MAPPING**

Overview of individual RQ method mapping	Data collection and method mapping
<b>RQ 1:</b> Do the two identified theories i.e., Institutional Theory with Instrumental Stakeholder Theory, contain potential explanatory power regarding possible explications for potential contextual empirical evidence and phenomena?	In-depth literature review into IT in conjunction with IST providing the theoretical coding showing the relationship with each other: and applied to Shaping, Conducting and Deciding - RQ 2-4.
<b>RQ 2:</b> Are NEDs expected to contribute to corporate strategy and if so, in what form and to what extent?	Content Analysis of CA (2006 s171, s172 and s4), Corporate Governance issuances since 1992 to UK CGC (2018), Descriptive Analysis of FTSE 350: index, FTSE 350 constituents Financial Statements in terms of profitability, and liquidity. FTSE 350 Company financial success and links to NEDs strategic oversight provision.
<b>RQ 3:</b> Does the publicly available evidence regarding the involvement / engagement of NEDs suggest a greater emphasis on Corporate Governance compliance, with a somewhat lesser focus on corporate strategy?	Content Analysis of perceived criteria for CS within professional body NED proforma Letter of Appointment, Terms of Engagement, Reference etc... and applied to Shaping, Conducting and Deciding - RQ 2-4.
<b>RQ 4:</b> How, and to what extent are NEDs expected to contribute to corporate strategic oversight and so help deliver long-term successful and sustainable companies?	Review of FTSE 350 NEDs' and CS explicit findings from which implicit understandings can be inferred. The possibility may exist for the findings to be relevant to other large organisations.

Source Lisson (2022).

The principles of archival material and secondary data analysis is the use of existing material to seek answers to the research questions which is very different from the original purpose of the data. RQ 1 is fundamentally theory-centric in nature. The question seeks to throw significant light on the two identified research Organisational Theories – i.e., IT (Solomons (2019), Collins and Stockton (2018), Scott, (2005), and McNulty and Pettigrew (1999), in conjunction with IST (Jones and Harrison, (2019), Egels & Sandberg (2009), and Kaler, (2003), and Jones (1995), particularly as to their critical nature and key theoretical strands and is mindful Weitzner and Deutsch (2019) have initiated a challenge to retire IST. The question also seeks a resolution whether these two theories have inherent potential explanatory power regarding the relevant empirical data sets and, if so, how? Addressing RQ 1 in relation to the above two theories, the research extensively examines and categorises

relevant research literature, and goes on to provide a considered evaluation (Bacharach, 1989) of the same. The evaluation assesses the suitability of the two theories to see if they illuminate or are of explanatory value within the research setting. So, in part, the response to RQ 1 is undertaken to “*find the theory*” in the research data (Salmons, 2019).

Understandably, given the nature of RQ 1, the location and origins of its data are a ‘mix’ of literature (theoretical) from a range of electronic sources (mainly academic journals) on IT in conjunction with IST. Thus, the systematic review of relevant literature within an array of publications adheres to a set of pre-established publication criteria as follows: time span 1992 – 2020, focused on NEDs, and CS (Kasperuniene & Zydziunaite, 2019, and Rahi, 2017) in relation to the literary aspects of its data. While drawing significantly, but not exclusively, on references from the literary items, a resolution to RQ 1 is provided – fundamentally within Chapter 5. This is achieved through the provision of an appropriately comprehensive exposition and scrutiny of both IT in conjunction with IST. The exposition identifies critical strands within both theories and, abductively, within the identified research setting suggests possible theoretical linkages and/or explanations in relation to the identified research context and setting. RQ 2 and 3 are both exploratory and empirical in their nature. These questions call for an examination of relevant and appropriate publications drawn from within the purpose-built data repository. Thus, taking regard for key aspects of the research setting i.e., FTSE 350 NEDs and CS.

In the context of the professional theoretical pronouncements, RQ 2 poses the question whether, or not, NEDs are being expected to contribute to CS? And, if so, in what direction is that contribution to be made and, drawing on the relevant pronouncements, what inferences can be made regarding the two selected research theories. Thus, to respond to RQ 2, the research first identifies several relevant items from the theoretical professional pronouncements and then conducts an NVivo software textual examination on the documents within the data repository. The scrutiny ought to facilitate the identification of themes latently inherent within the analysed literature (Bryan 2021, Braun and Clarke 2006). In relation to NEDs and CS, the themes particularly sought are those of ‘Shaping’, ‘Conducting’ and ‘Deciding’. Finally, in relation to RQ 2, while drawing on the same professional evidence and other literary offerings culled in relation to RQ 1, the research goes on to determine what inferences (if any) can be inferred or interpreted from an IT in conjunction with IST perspective.

The intention of RQ 3, emphasises CG compliance versus CS. The research effort for this question is accomplished by a NVivo textual examination and evaluation of the relative public professional body suggested efforts of NEDs regarding CG compliance versus concern with CS. Addressing this question and accomplishing the associated objective, the research examines the text of:

- Published proforma (non-empirical) professional statements
  - Letter of Appointment
  - Terms of Engagement
  - Terms of Reference
  - Other NED contractual documents
- A sample conveniently downloaded FTSE 350 published NED biographies.

Whilst determining CS is appropriately present within the above documents, the extent to which attention or emphasis is placed regarding CG compliance versus CS is noted. Evaluates and provides associated insights, from the above determination, the overall professional body corporate concentration and draw related conclusions.

RQ 4's essential quest is to determine what extent FTSE 350 NEDs are expected to contribute to their company's strategy with regard to sustainable CS. In accomplishing this, the research presents empirical FTSE 350 insights whether the role of NEDs requires them to, and has the overt potential for them to, contribute towards CS and long-term sustainability.

A first stage classification of the sources from which relevant theoretical pronouncements emerge, determines three main classifications and sub-classifications emerge as follows:

**TABLE 10 KEY SOURCES OF THEORETICAL PRONOUNCEMENTS**

Professional (bodies and associations)	Statutory / legal promulgations	Regulatory agency issuances
Professional codes: proforma contractual documentation.	Corporate statutes: CA (2006, s171, s172, s4).	Regulatory codes: UK CGC (2018).
Reports: FRC Board Effectiveness (2018).	Financial services sector legislations: BoE Financial Services Act (2016).	Guidance statements: LSE Rules 2018.
Reviews: Grant Thornton review of FTSE 350 companies.		Required regulatory practice: GC 100, Guidance on Directors Duties.
Recommended professional practice: The Stakeholder Voice in Decision Making – ICSA (2017).		Guidance statements: Higgs (2003), Walker (2006).

Source: Lisson (2022).

#### 4.3.2 Relevance, reliability, validity, and confirmation supporting this research

Abd El-Rahman (2019) and Punch (2013) describe the benefits of having a well-structured research design in advance of undertaking the empirical data collection and examination to significantly increase the probability and validity of the research outcomes and contribution to knowledge. Sutton and Austin (2015, p230) indicate there are many ways of conducting qualitative research and each researcher needs to clearly specify how their research is conducted. Moreover, Guba and Lincoln (1994 p106), indicate “*qualitative data can redress that imbalance by providing contextual information*” thus grounding the research which is otherwise missing from quantitative techniques alone. According to Vaismoradi *et al* (2013 p403) “*scientific qualitative research must yield valid results, ... to be upheld in the face of independently available evidence.*” Comprehensive statements on research reliability, validity and relevance are furnished and further supported within Appendix D.2.2 Research design contemplations. Throughout the delivery of the thesis a sophisticated research design and reviews are undertaken to ensure appropriateness.

Ganiyu and Madanayake (2018) acknowledge an acceptable way of advancing knowledge in the field is through undertaking research into one’s chosen topic. The research design and methodology must ensure rigour to strengthen the research outcomes as a major element in research design procedures underlying this thesis (Daniel 2019 p118). According to Farquhar (2012 p27 and p43), findings are shaped via iterative tabulations of observable evidence which in turn sharpen construct definition, allowing for enhanced validity and measurability. Ledolter and VanderVelde (2019 p4) suggest “*text mining can do more than confirm or refute validity*” ...rather “*text mining, is about getting to know the text*”. To enhance empirical validity of this research, large-scale mixed-method parallel-layered data collection is envisaged. Pye and Pettigrew (2005) recognise the difficulties of collecting and analysing qualitative data within the board environment described by McNulty and Styles (2005). Ryan and Bernard (2003, p71) state “*there is no single set of categories [themes] waiting to be discovered. There are as many ways of seeing data as one can invent.*” Maher *et al* (2018, p3) implies “*Trustworthiness is considered a more appropriate criterion for evaluating qualitative studies.*” Elements of credibility, transferability, dependability, and confirmability along with relevance, reliability and validity are specifically cultivated throughout the delivery phase of this thesis (Daniel 2019 p118). The research design is mindful of the rigour of research challenges in this thesis.

Johnston (2014 p620), contends that “*The key to secondary data analysis is to apply theoretical knowledge and conceptual skills to utilize existing data to address the research questions.*” According to Reid and Gough (2000 p70) “*thorough documentation of procedures to leave a paper trail audit strengthens qualitative validity*”. Mindful of Ledolter and Van der Velde (2019), this research deploys an iterative approach, carefully interpreting the explicit outcomes before drawing inferences and identifying potential implications. This exploratory research purposefully analyses FTSE 350 NEDs’ strategic involvement against the research criteria identified in the theoretical review i.e., IT: coercive, mimetic, and normative pressures alongside IST which emphasises the need for each company to be commercially successful, i.e., profitability and liquidity, as this influences the company’s ability to deliver its CS. All FTSE 350 companies have the legal obligation to remain financially liquid as all times – not to do so can result in forced dissolution if receivership cannot turnaround the company. Maher *et al* (2018 p11) and Farquhar (2012 p45) confirm data examination combined with consultation with other researchers as being beneficial to validity and providing greater insights.

Farquhar (2012 p44) and Rindfleisch *et al* (2008, p261) illuminate the need to enhance validity of research and raise concerns i.e., systematic method error due to single source, and or causal inference. They promulgate cross-sectional data as most appropriate for studies examining “*highly educated respondents*” including those studies “*strongly rooted in theory*” (p276). Reid and Gough (2000 p66) advocate the “*reflexive management of the research process as part of the pursuit of the qualitative validity of the study under scrutiny*”. Bleijenberg *et al* (2018) acknowledge research sometimes needs creative imagination. Saldana (2011 p160) contends that “*pragmatic parameters*” are required in the selection to support the research. These comments are relevant to this research analysis and its target audience.

#### 4.3.3 Ethical guidelines underpinning this research

FTSE 350 NEDs’ strategic oversight needs to observe ethical perspectives of law, care and logic when discharging their duties. Ethical considerations are incorporated within the overall integrity of the research design (Bryman and Bell 2011). This research conducts primary research on archival and secondary data. The data employed is publicly available, so no ethical concerns are anticipated. Directly sourced are FTSE 350 Strategic Reports and NED biographies from their company’s website, FTSE 350 Stock Exchange Index from

London Stock Exchange, ICSA and IoD proforma NED documentation, UK CA 2006 and UK CGC and Reviews from the Financial Reporting Council. Secondary data includes FAME download of FTSE 350 company's financial data.

Guidance offered inside UK Research and Innovation (2021) as well as the Chartered Association of Business Schools ethics guide (2015), IoD Chartered Director code of professional conduct is read, adopted and adhered to. This research is conducted in accordance with best practice for social science research (UKRI 2021), and these guidelines supplement rather than replace LSBU's ethical requirements. Mindful of UKRI's principles of ethical research, this thesis aims to "*maximise the benefits for individuals and society and minimise risk and harm*". The "*rights and dignity of individuals and groups are respected,*" ... "*research should be conducted with integrity and transparency*". This researcher is mindful to ensure neither the FTSE 350 Companies nor LSBU is brought into disrepute. Nonetheless, this researcher abides by the LSBU code of ethics and is mindful of the absence of physical contact between researcher and FTSE 350 Companies. According to Steare *et al* (2014 p9), "*The ethic of care is based upon our experience and expectation that well-being, both for the individual and for the group, will result from making decisions based on empathy. We argue that Ethic of Care is crucial to sustainability... and is widely suppressed or ignored in the corporate workplace.*" This researcher is mindful that the participants i.e., FTSE 350 Companies are identifiable, their NEDs' names and profiles are published, however both company and NEDs are unaware that they are the subject of this research. According to The British Psychological Society 2007 p3 "*observation of public behaviour needs to take place only where people would reasonably expect to be observed by strangers*" which this research falls within. Any ethical issues which may arise during this thesis will be declared and appropriate actions are taken to ensure ethical presentation and avoid misleading statements. Note: no specific action arose during the execution of this thesis.

Careful consideration of the design, collection and dissemination phase is acknowledged. No specific data access limitations are encountered – one can simply "*Google*" for the data albeit this research methods made use of FAME database for ease of collecting FTSE 350 Company's financial data. The data is deemed not sensitive as it is open access and GDPR compliant and in the public domain. Minimal, if any, reference is made to specific individuals. FTSE 350 companies are not regarded as vulnerable. The data collected and analysed is done so having adhered to ethical guidelines and obligations. No unnecessary dissemination of results is provided adhering to normal levels of security and confidentiality.

Ethical issues are considered throughout the lifespan of this research. This includes knowledge exchange and dissemination processes at academic conferences, wider research community as well as publications. Archival material and secondary data collected consists of 30 years of UK Corporate Governance Codes and various Guidelines, Professional body published proforma NED contractual documentation is considered suitable as it has proximity to formal contractual documentation. FTSE 350 companies published strategic and financial reports. Every effort is made to eliminate conflicts of interest. This thesis is electronically stored within the British Library and LSBU library and is subject to their retention and re-use of data.

#### 4.3.4 Sourcing and gathering – Data needed to advance knowledge

This research acquires an abundance of published documentation and financial data, which is systematically captured, coded, categorised, as best observable evidence available for review and examination thus aiming to overcome potential lack of depth or over-reliance on one specific document (Daniel 2019 p121). Johnson (2014 p621) contends that *“original survey research rarely uses all of the data collected”*, which is true in this research. Therefore, the data gathering commences with discovery and description and may involve the research methods in *“piecing together seemingly disparate historical fragments”* (Allen 2017, p3). The data already exists because of past administrative procedures (Community ToolBox 2020, Ch. 37, S.7) and it proves useful within this research. The RQs and ROs determine the aspects of *“textual material taken into account”*, along with *“prior formulated, theoretical determined aspects of analysis”* (Mayring 2000 pp5-6) archival material and secondary data scrutiny involves choices and *“those choices always conceal and reveal different aspects of the past”* (Allen 2017, p2).

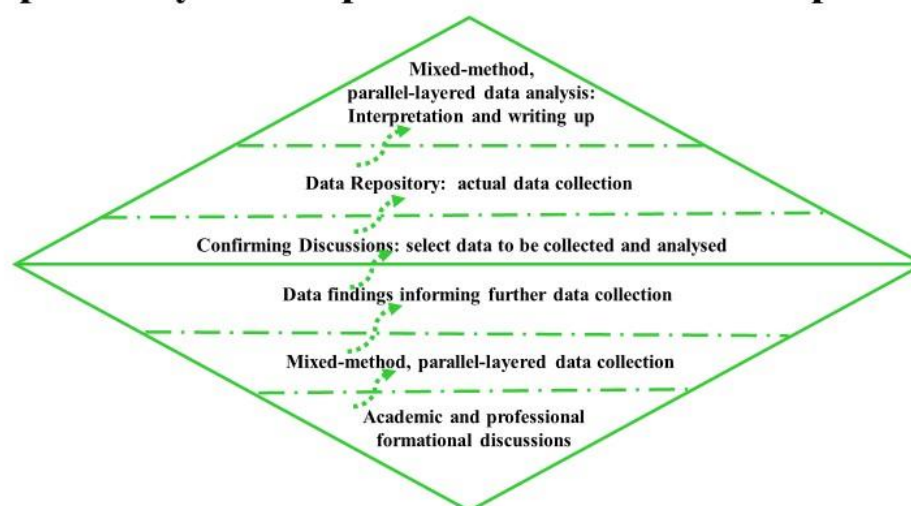
FTSE 350 companies represent a list of companies ranked in descending order of capitalization, i.e., largest being 1<sup>st</sup> and smallest being 350<sup>th</sup>, trading on the London Stock Exchange and are subject to the same legal rules and regulations. The data subjects (NEDs) for this research are drawn from this group. These data constituents are drawn from FTSE 350 Companies conveniently accessed and are not meant to emphasise a specific industry, company or NED. Additionally, professional, legal, and regulatory data is used to support this research examination. Evered and Louis (1981 p385), contends that *“Inquiry from the outside calls for detachment on the part of the researcher who typically gathers data according to priori analytical categories and aims to uncover knowledge that can be*



*generalised to many situations.*” This investigation acknowledges such motivation. A crucial step for this research is to understand what data to collect to robustly justify the research outcomes. Dalpiaz *et al* (2010, pp180-181) pinpoint researchers of strategy must recognise the inter-relationships between sets of resources. They emphasise “*meaning-making depends upon perception, cognition and knowledge.*” According to Maher *et al* (2018, p2), they indicate there is “*constant interplay between data collection and analysis with the data analysis directing the subsequent data collection toward the emerging analytic issues.*” This research is best described as “*an exploratory nature thus a bottom-up approach to gain information on patterns and relationships*” is deployed Ledolter and VanderVelde (2019 p3). The selected data is subject to Content Analysis and supported by Descriptive Analysis of FTSE 350 company liquidity and profitability leading to explicit findings and through eyeballing further implicit understandings.

**FIGURE 10 CONCEPTUAL DESIGN TAXONOMY - DATA COMPILATION**

### **Exploratory and empirical research data compilation**



Source: Lisson (2022).

Diagrams and maps are developed and offer a clear structured approach and audit trail to deliver this research (Mantzoukas 2007 p372), deploying Content Analysis of all documents within this data repository (Mayring 2000 p2). The diamond above pictorially depicts the roadmap of selected exploratory empirical data collection and examination processes. This research primarily, but not exclusively, centres upon the UK and specifically FTSE 350 company’s post-implementation of UK CGC (2018).

#### 4.3.4.1 Data quality issues

Avenier and Thomas (2015) and Vaismoradi *et al* (2013 p399) acknowledge “*the value of qualitative description lies not only in the knowledge that can originate from it*” but through its scrutiny. Purposeful Content Analysis is undertaken and where fruitful is followed up with a flexible Thematic Analysis in a bid to recognise patterns within the data. Limitations on collectable data for examination are disclosed and any influence on the analysis and findings is fully explained. Roberts *et al* (2005) recognised the level of openness as a key determinant to quality. Here they recognise the choice of words contributes to the importance as ‘opinion’, ‘debate’, ‘dialogue’, and ‘shared concern’ contribute directly to decision making. Additionally, they recognise different skills and perspectives amongst board members. This research is mindful not all NEDs must possess the same strategic oversight knowledge, level and ability; rather a quorum of NEDs should have.

Fetters (2019) suggests having conducted the quantitative and qualitative data-based examination and identified the findings of both data sets, the research methods should continue layering the examination from the emerging consequences to explore further concepts, potential themes, and patterns. He continues and suggests the insights gleaned help to answer the RQs and ROs thus providing a comprehensive and balanced viewpoint. Moreover, honing the multiple perspectives is likely to improve sense-making and enable companies to put in place enduring strategies. Farquhar (2012 p40) indicates surveying a sample is particularly suitable for “*illuminating, extending the relationships of the constructs*”. This research advances knowledge through “*good practice in referencing and following accepted protocols*” with a sequenced follow-up phase to optimise understanding (Farquhar (2012 p46). A procedure which strategically examines the company’s needs is indispensable when seeking to improve FTSE 350 NEDs’ strategic oversight responsibilities. Each FTSE 350 NED needs to understand their company’s delicate set of strategic issues and share collective responsibility for delivering on same. NEDs’ ability to recognise the building blocks with links to strategic challenges and of opportunities may lead to a more unified approach which forms part of the outcomes of this thesis. Reflecting upon the lack of overt evidence governing strategy and leadership, the research investigations continue and perform further mixed-method parallel-layered examination of key NED documentation and linking financial performance of FTSE 350 stock market and component company financial performance during 2019 to 2020.

#### 4.3.4.2 Purpose-built data repository of documents and financial performance

Data integrity is fundamental and any missing data components are acknowledged. The data repository is held on the researcher's computer as well as within LSBU's repository. The data properties and datasets held in the purpose-built data repository corroborate the observable evidence i.e., proformas of NED contractual documentation, FTSE 350 stock market movement 2019-20, as well as FTSE 350 company profitability and liquidity, extracted from FAME database, is examined for movements. A full register of delimitations and exclusions is provided in Appendix A.3, page 305. In relation to identified components of the data repository, the qualitative textual examination is initially directed towards an overt explicit search for words 'strategy', 'leadership', and 'values' (layer 1), this is followed through by classifying the phrases as 'Shaping, Conducting or Deciding (layer 2) which is consistent with McNulty and Pettigrew (1999). A further activity (level 3) inspection is conducted investigating implicit understandings. Much benefit is expected in undertaking scrutiny of the substantive gamut of archival material and secondary documents, extracted from source within this purpose-built data repository. The CA (2006 s171.1 and s172) is the cornerstone of the research documentation as NEDs have a legal responsibility to provide strategic oversight. In addition to CA (2006), UK CG reports and guidelines add further credence to NEDs and CS.

Table 11, page 148, provides a specific data roadmap providing a careful preparation and thorough explanation of each phase of the selected research methods employed including methods of access to the data. A purpose-built data repository is constructed which captures the details, nature and form of individual components of written records and their data sources selected to answer the RQs and ROs raised in this thesis.

**TABLE 11 KEY EXTRACTS FROM THE PURPOSE-BUILT DATA REPOSITORY**

<b>‘Key Extracts’ from the Data Repository</b>				
<b>Nature of Evaluation:</b> <b>Qualitative</b> / explicit / documents / websites examined for specific references to NEDs’ strategic leadership involvement. Quantitative and Abductive, ratio analysis and graphical outputs.				
<b>Evaluation:</b> <b>Interpretive</b> review mentions of strategy and leadership regarding: ‘Shaping’, ‘Conducting’ and ‘Deciding’. Seek out NEDs’ involvement in strategy.				
<b>Form of analysis:</b> <b>Content Analysis</b> searched for words referring to ‘Strategy’, ‘Leadership’ and ‘Values’ documents are analysed using NVivo software. This is followed by <b>Thematic Analysis: explicit outcomes and implicit insights</b> interpreted and their implications.				
No.	Archival and secondary data	Year(s)	Source and nature of sample	Pages
<b>Professional bodies published NED proforma documentation</b>				
1	ICSA Proforma NED Letter of Appointment	2019	ICSA document downloaded 7/Aug/2020, <a href="https://www.icsa.org.uk/my_cg/download-resources/download?fileId=5268">https://www.icsa.org.uk/my_cg/download-resources/download?fileId=5268</a>	17e
<b>Legislation</b>				
12	Companies Act (and amendments)	2006	<a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a> downloaded on 13 March 2019. This is a cornerstone document.	761
<b>UK Corporate Governance Codes, included selected Reports and Reviews</b>				
14	The Cadbury Report	1992	Gee, London, downloaded on 13 March 2019. This is a cornerstone document.	90
22	The Higgs Report	2003	NED Review of the role and effectiveness of NEDs, <a href="http://www.dti.gov.uk/cld/non_exec_review">www.dti.gov.uk/cld/non_exec_review</a> , downloaded on 14-3-19.	126
32	The Walker Review	2009	A review of corporate governance in UK banks and other financial industry entities. <a href="http://www.hm-treasury.gov.uk/walker_review_information.htm">http://www.hm-treasury.gov.uk/walker_review_information.htm</a> , downloaded 14 March 2019.	184
51	UK CGC	2018	<a href="http://www.frc.org.uk">www.frc.org.uk</a> , downloaded 13 March 2019.	20
<b>London Stock Exchange (LSE) Listings, Regulations, and Indices</b>				
65	LSE Listing Regulations	2018	LSE: Rules of the LSE, downloaded 13 March 2019.	99
<b>FTSE 350 Company Websites</b>				
70	FTSE 350 NED Biographies	2019-20	A sample of FTSE 350 Company Websites conveniently accessed, seeking NED published profiles, downloaded on various dates during 2019/20.	77
74	FTSE 350 company constituent listing	2019	Extracted list of FTSE 350 Companies from FAME database downloaded 23 April 2019. List of all board member names, attributes such as No. of directorships held, appointment date, etc. see extracts for further details. Identified areas for exclusion from this specific research.	FAME excel download:85 00-page

Source: Lisson (2022) – see Table 44 and Table 45 for full 8-page data repository listings on pages 335 and 343 respectfully.

#### 4.3.5 Operationalisation of research propositions, theoretical and methodological constructs as well as empirical methods

Collins and Stockton (2018, p4) noted the selected theory informs “*the development of research questions, discerning methodological choices, identifying threats to validity, and demonstrating the relevance of the research.*” Farquhar (2012 p80), and Snyder (2012, p4) point out the need for triangulation in qualitative research. Snyder (2012, p4) quoting Creswell (1998, p202) defines the “*use of multiple and different sources, methods, investigations, and theories to provide corroborating evidence*”. As such, Cassell and Bishop (2019) emphasise how the adoption of mixed-methods allowed them to unearth unanticipated findings through the qualitative inspection process. Bacharach (1989 p507) contends that “*constructs with broader scope allow propositions to have greater overall explanatory power*”.

Hasan Ibrahim (2022) and Rahl (2017 p2) deploys a systematic review aiding clarity within the research methods. Johnston (2014 p245) contends that “*secondary data analysis offers methodological benefits and can contribute to research through generating new knowledge.... while ... relying on existing data*”. Adopting D’Silva’s (2019 and 2016) methods supplies this research with general data criteria: *Data – research evidence from relevant cases and variables in appropriate amounts, to enable the research objectives to be achieved.* Key documents are qualitatively examined for emphasis upon NEDs’ strategic oversight provision such as: professional bodies proforma contractual agreements, a sample of FTSE 350 NED biographies. FTSE 350 stock exchange index movements between 2019-20, as well as its constituent companies are quantitatively analysed for emphasis on sustainable companies i.e., profitability and liquidity.

Table 12, page 150, provides a map between research methods and research propositions.

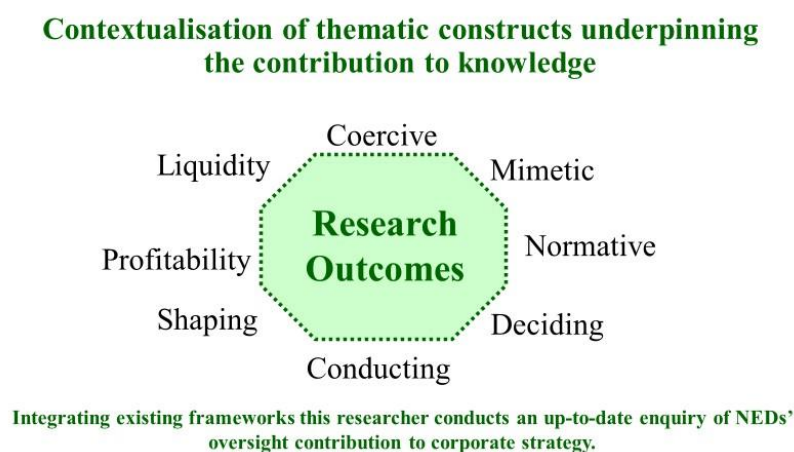
**TABLE 12 RESEARCH METHODS LINKED TO RESEARCH PROPOSITIONS VISUALISATION**

Research Question (RQ)	Research Objective (RO)	Proposition	Actual Research Outcome (ARO)	Methods and Data Sets	Data resources for RQs
<b>RQ 1:</b> Do the two identified theories i.e., Institutional Theory with Instrumental Stakeholder Theory, contain potential explanatory power regarding possible explications for potential contextual empirical evidence and phenomena?	<b>RO 1:</b> To provide possible theoretical explications for the domain related empirical evidence and phenomena.	....theory helps define and understand NEDs' involvement in corporate strategy.	<b>ARO 1:</b> A presentation and expose of a meaningful selection of, and appropriate consideration of key academic, professional, and empirical literature, an aptly comprehensive exposition of Institutional Theory and Instrumental Stakeholder Theory.	Adoption of theoretical lenses and application within this specific research.	Extensive, in-depth theoretical literature review. Adoption and application of IT in conjunction with IST with specified application within this research.
<b>RQ 2:</b> Are NEDs expected to contribute to corporate strategy and if so, in what form and to what extent?	<b>RO 2:</b> To reveal NEDs' potential contributions to corporate strategy within FTSE 350 companies.	....NEDs offer strategic contributions within various board-level interactions.	<b>ARO 2:</b> A revelation of prevailing insights regarding the expected involvements of NEDs in corporate strategy is considered, particularly as interpreted from Institutional Theory and Instrumental Stakeholder Theory perspectives.	Qualitative and quantitative data using mixed-method parallel-layered NVivo/Excel, Content and Descriptive Analysis, leading to the identification and scrutiny of themes: S/C/D.	Document Search Terms of Reference, Strategic Report, FTSE 350 companies, LSE Listing Rules, NED names.
<b>RQ 3:</b> Does the publicly available evidence regarding the involvement/engagement of NEDs suggest a greater emphasis on Corporate Governance compliance, with a somewhat lesser focus on corporate strategy?	<b>RO 3:</b> To determine whether the current NEDs' role has the potential to contribute to corporate strategy.	...professional bodies proforma NED Letter of Appointment, Terms of Engagement and Reference have very limited mention of ' <i>Strategy</i> '.	<b>ARO 3:</b> A presentation of insights into NEDs' expected contribution to relevant corporate strategy.	<b>Data Repository</b> Up-to-date professional proforma document investigated: <ul style="list-style-type: none"><li>• IoD, ICSA: NED LoA,/ToE/ToR.</li><li>• FTSE 350 Published NED Biography,</li><li>• CA (2006)</li><li>• UK CGC (2018), And other CG Reports,</li><li>• LSE regulations</li><li>• FTSE 350 Comp,any Strategic Reports,</li><li>• FAME DB extracts.</li></ul>	Purpose built tables centred on gathering mixed-method parallel-layered data sets.  Mapping purpose-built tables to both IT in conjunction with IST linked with methodological characteristics.
<b>RQ 4:</b> How, and to what extent are NEDs expected to contribute to strategic oversight and so help deliver long-term successful and sustainable companies?	<b>RO 4:</b> To determine, in an explorative manner, whether the role expectations of NEDs have the potential to contribute to corporate strategy particularly long-term sustainable corporate strategy.	...NEDs' role in corporate strategy is under resourced, and heavy compliance contributions lessens their corporate strategy input.	<b>ARO 4:</b> A presentation of insights made possible from the findings of a systematic consideration and exploration as to whether the current NEDs' role has the potential to contribute to corporate strategy.		Re-analyse findings within RQ1-3/RO1-3 to establish potential further inferences.

Four ex-ante research propositions confirmed from the lacunae in the literature shape the emerging research design adopted so as to specify the relations amongst constructs whilst conducting a unique exploratory and empirical research. These are inductive and interpretivist in nature and bounded by access and timing (Bacharch 1989 p498 and p500). According to Farquhar (2012), following the pathway of “*observation*” through to “*pattern*” facilitates “*theory*” to emerge. Utilising the research propositions within this theoretical and empirical examination supports the multidimensional procedures, identifying potential emergent themes within the data examination. Recognition of key insights into recent FTSE 350 NED involvement in CS is envisaged. Table 12, page 150, visualises how the RQs are linked to the research propositions

The next step in progressing the research is mapping the methods to be employed to deliver the thesis (Crossley and Jansen 2021 p17). Initially, Content Analysis is employed to recognise critical issues, yielding either an abundance of observations or merely the lack of observations regarding NEDs’ strategic oversight. Deploying a layered procedure to investigate underlying causes and actual NED participant trends, the research outcomes expect to uncover current FTSE 350 NED and CS trends. The secondary data search performed during 2019-2020 for NEDs’ active involvement in three facets of CS initially recognised by McNulty and Pettigrew (1999) i.e., Shaping, Conducting and Deciding is scheduled. Recognition of key insights into recent FTSE 350 NED strategic oversight involvement and challenges is envisaged. This research transforms these theoretical concepts into practical methods with clearly defined processes to aid the data collection and selected data examination methods. This research concentrates upon FTSE 350 companies’ post-implementation of UK CGC (2018). The image below depicts the contextualisation of the constructs fulfilling the contribution to knowledge.

**FIGURE 11 UNDERPINNING THEORETICAL CONSTRUCTS AND EMPIRICAL METHODS**



Source: Lisson (2022).

Some eight interlinked theoretical and empirical areas depicted within Figure 11, page 151 which are symbiotic, are selected and deployed to academically analyse NEDs' strategic matrix of interactions. Accordingly, this research makes use of all available opportunities to enhance understanding of NEDs' strategic oversight responsibilities and deliberations through attending a multitude of external courses targeted at NEDs. Employing this knowledge aids understanding of how NEDs' strategic oversight can potentially lead to enhanced design mechanisms to aid better strategic decision-making processes. The analytical methods employed are specifically designed to observe and perceptually process the context in which to enhance understanding of how NEDs' strategic oversight is discharged. Each of the RQs are addressed in turn. This sequence tries to deliver greater explicit and implicit insights into the nature of FTSE 350 NEDs' present strategic thinking within their company. This is achieved by exploratory application of theoretical, methodological, and empirical methods to a multitude of data and allowing for a collection of outcomes to emerge (Carr *et al* 2018 p36) and (Bacharach 1989 p496).

NEDs use of specific strategic oversight knowledge and skills is actively defined as NEDs ability to activate, mobilise and employ their existing knowledge and skills to discharge their strategic oversight responsibilities. The research methods are concentrated upon the processes by which strategic contributions by NEDs are coordinated not the specific contents of the contributions. Understandably, and acknowledging the research methods deployed have individual data sources which may have their own restrictions and potential flaws; however, this research aims to overcome these potential drawbacks by mixed-method parallel-layered data collection and examination. Appropriately, the theoretical constructs identified from a review of pertinent literature are explicitly defined and operationalised within assessment criteria. This research design is logically applied regarding ample observable evidence to derive deep empirical insights into the world of FTSE 350 NEDs and CS in RQ/RO 2-4.

#### 4.3.6 Data examination mechanisms to fulfil interpretation of findings

Content Analysis is achieved through an examination of a multitude of authoritative and credible document sources, building an understanding of FTSE 350 NEDs' role and responsibilities in CS. Commencing with IoD and ICSA professional proforma NED documents which form the basis of company secretary's letters deployed in appointments. NEDA links with London Stock Exchange for the provision of a master class establishing



professional and training for the role of the NED. Notably, NEDA omits publishing on its website proforma NED contractual templates. Other professional bodies of knowledge websites are reviewed and leveraged for their potential contribution. Professional bodies websites include Bank of England, Institute of Internal Auditors, Institute of Chartered Accountants England and Wales, The Governance Institute, Chartered Institute of Management Accountants, Association of Chartered Certified Accountants. Moreover, Descriptive Analysis of FTSE 350 Company accounts is performed on their profitability and liquidity positions during 2019 – 2020.

Having identified a viable dataset, the next step is processing and evaluation (Johnston 2014 p621). Whilst mindful that the data collected was prepared for an alternative purpose (Johnston 2014 p622), its very nature and existence is deemed key to this research. A sample of FTSE 350 company data is downloaded: FTSE 350 companies NEDs' published biography, CS statements, as well as seeking out the potential existence of a CS Committee. To overcome the barriers of accessing individual FTSE 350 NEDs, board members and professional body personnel, this research engaged with a set of data conveniently accessed. FTSE 350 company websites are reviewed and until a point of saturation is reached, i.e., need for further data is exhausted within published NED profiles and biographies (see Appendix E10. FTSE 350 Published NED Biographies). Implementing a dataset extraction procedure for this research is achieved using a sequenced structure as follows:

- Iterative review – leading to identification and extraction of parallel-layered data is reviewed several times and discussed with the supervisory team and others.
- Data examination – evaluation of key Content and Descriptive Analysis and subsequent potential themes emerging from the iterative reviews are explicitly extracted.
- Theme extraction - evidence is grouped into complementary themes and examined both explicitly and subsequently implicitly.

The unique set of unstructured data is subjected to replicable Content Analysis, and via repeated re-reading and scrutiny to allow the research analysis to develop a deeper understanding of NEDs' strategy and leadership descriptions. Examples within this data repository recognise the importance of NEDs' strategic oversight role, but actual effort afforded specifically to strategy is low as indicated by Walker Review (2009) i.e., 2/3<sup>rd</sup> of NED time should be spent on strategy. From repeated exposure it is envisaged potential themes emerge to aid further data coding and elucidate findings (Braun and Clarke 2009 p4). The data repository documents are subjected to further replicable Content Analysis for

*“textual information for data insights”*, the findings are then thematically analysed within RQ 4 for both explicit and potential implicit interaction, interplay, and inter-relationships (Ledolter and VanderVelde 2019 p3). Ultimately this research is forced to look beyond first impressions via observable evidence obtained through the deployment of multiple lenses (Farquhar 2012 p27). Acknowledging the data categorisation, scrutiny, and interpretation of data flows through many iterations whilst refining the processes facilitates the outcomes (Wohlfart 2020 p4) and (Farquhar 2012 p27). The data inspection commences with explicit documentary reviews and Descriptive Analysis of FTSE 350 company profitability and liquidity. The subjectivity of the outcomes leads the research findings to implicit contextual reviews and discussions leading to theory building (Farquhar 2012 p27).

#### 4.3.7 Integration of mixed-method, parallel-layered data strategy

According to D'Silva (2019), theories are the abstract explanation of reality. Therefore, theory offers the linkages between concepts, constructs, and outcomes. Moreover, empirical evidence is subservient to theory. Merkl-Davies *et al* (2014, p12) state *“In content analysis the analytical categories tend to be derived deductively from underlying theory.”* The selected research methodology concentrates upon fostering theory from sequenced layering of data and assembling using issues encountered to attempt to provide empirical insights into NEDs and CS. Specifically, the interpretivism element is concerned to understand NEDs' strategic oversight responsibilities, observing the meanings that are attached to norms, rules, and values which regulate their interactions as evidenced within the Content and Descriptive Analysis. Ryan (2018 p41), and Antwi and Hamza (2015 p218) and SCIE (2012) identify the need to link current short-term performance with long-term sustainable strategy. This point is incorporated in the structured purpose-built data and analysis. The quality of the outcomes and insights is derived from the solid research design (Farquhar 2012 p46).

Auston and Sutton (2014) and Frels and Onwuegbusie (2013, p184) recognised mixed research offers *“the most informative, complete, balanced, and useful research results”*. Frels and Onwuegbusie (p185) support the use of mixed-method research to support broad research objectives which are best tackled using both quantitative and qualitative procedures. Plano Clark and Creswell (2008 p 23), contends that mixed-method studies *“are studies that are products of pragmatist paradigm and that combine the qualitative and quantitative approaches within different phases of the research process.”* This thesis finds reassurance in applying this method of research design.

Evaluating various quantitative and qualitative methods available, this investigation selects to conduct mixed-methods parallel-layered archival and secondary data analysis, performed during 2019-2020, targeting materials covering FTSE 350 NEDs’ strategic oversight (Farquhar 2012 p22). As such, a self-constructed multi-step procedure to, mixed-method, parallel-layered data collection and examination is designed which includes a desktop review and scrutiny of numerous documents within this data repository for disclosure of ‘strategy and its derivatives’ as well as ‘leadership’ and ‘values’ in the documents. Therefore, by building a repository of NEDs’ strategic oversight from what can be described as loosely-coupled systems, showing what is currently recorded in the UK is key to delivering potentially new and up-to-date insights. Teti *et al* (2020) acknowledge qualitative methods can play a pivotal role in exploring and uncovering the reasons behind events and outcomes.

Snyder (2012), quoting Maxwell (1996), observes in qualitative research the goal of coding is not to produce counts of things, but to rearrange the data into categories, aid comparison of data within and between categories, and to aid in the development of theoretical concepts. Branco and Rodrigues (2007) indicate Content Analysis is a commonly used method for analysing disclosed information. Joseph and Taplin (2011) note Content Analysis allows the user to quantify disclosed material and transform the data into numerical values. According to Vaismoradi *et al* (2013 p402), the researcher is encouraged to present “*the results in terms of a story line, map or model*” which is delivered within this thesis.

**FIGURE 12 CONSTRUCTS OF NEDS’ STRATEGIC OVERSIGHT RESPONSIBILITIES**

### **3 constructs of NEDs’ strategic oversight responsibilities**

<b>Shaping</b>	<b>Conducting</b>	<b>Deciding</b>
<ul style="list-style-type: none"> <li>• Evidence of strategic leadership oversight requirements</li> <li>• Evidence of directing corporate strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Evidence of participating in the creation of corporate strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Evidence of deciding, approving and controlling corporate strategy</li> </ul>

Source: utilising wording from McNulty and Pettigrew (1999) and Cadbury (1992), application - Lisson (2022).

Written observable evidence of the three accepted constructs of NEDs' CS oversight responsibilities are sought within the documents held in the data repository. For instance, professional body proforma contractual documentation, i.e., specific NEDs' strategic leadership oversight provision (Shaping). Exploring a conveniently accessed set of FTSE 350 NED published biographies for observable evidence of NEDs' participation in CS (Conducting and Deciding). Application of the empirical inter-related constructs of CS supporting this research are illustrated and empirical findings analysed.

#### 4.3.7.1 Assembling the coding framework

Maher *et al* (2018, p6) suggest academic rigour is enhanced by *“the provision of a coding paradigm to structure the affinity mapping process and provide a frame for focused coding.”* Ryan and Bernard (2003, pp 54-55) observe themes become visible through manifestations of expressions within the data. They indicate there are five complex steps involved in analysing text: *“(1) discovering themes and subthemes; (2) describing the core and peripheral elements of themes; (3) building hierarchies of themes or codebooks; (4) applying themes – that is attaching them to chunks of actual text; and (5) linking themes into theoretical models.”* Furthermore, they recognise there are many different terms in common use to express the linkage between themes such as: *“categories”, “codes”, “labels”, “expressions”, “incidents”, “segments”, “thematic units”, “data-bits” and “chunks”*. Qureshi and Unlu (2020 p2) suggest *“conducting simultaneous data collection and data analysis”*. According to Mayring (2000 p10), systematic text analysis includes *“theory reference, step models and models of communication”* within the inductive category and summarising of context analysis. Moreover, Farquhar (2012 p35) indicates the inductive *“structure tends to be based upon emerging patterns”*. The research methods are mindful of these steps when coding expressions and offers replicable content analytical units for **‘strategy’**, **‘leadership’** and **‘values’** within the multitude of data repository documents as well as a possible link to the financial implications of FTSE 350 companies.

Maher *et al* (2018, p6) and Oppenheim (1998, pp263-266) recommend the establishment of a *“code book”* to help mapping and labelling of the research aspects and variables. They highlight this as an important communication tool between the researcher and their audience. He establishes the pilot phase enables the products of tentative drafts which require further reviews once all data is collected. This research clearly maps and describes the data handling process for this thesis in the purpose-built data repository listings. Ryan and Bernard (2003,

p56) recognise priori themes come from already-agreed-on professional definitions found in literature reviews. In this instance, McNulty and Pettigrew (1999), researching in a similar area define the methodological themes which are summarised as: Shaping, Conducting, Deciding. Moreover, applying the IT isomorphic frameworks of “*Coercive*” i.e., laws, “*Mimetic*” i.e., copying other FTSE 350 constituents, and “*Normative*” facilitates initial coding structures for this research and analysis.

#### 4.3.7.2 Purpose built colour code mapping of theoretical and research design frameworks

This research design uses a deep desk-top study of datasets (Gabriel *et al* 2015, p69), from various resources stored within the data repository which are comprised of both qualitative and quantitative data which undergo high levels of analysis (Farquhar 2012 p68). Moreover, Gabriel *et al* (2015, p72) recommend “*research output must be inclusive through the adoption and adaption of research procedures from other fields.*” Mindful of the research design foundations being in Interpretivism, and as such must adapt as the research evolves to identify potential new directions from existing data sets (Farquhar 2018 p79).

On completion of the initial desktop review of published data, potential complementary themes emerge to inform the next step of the research examination (Braun and Clarke 2006 p10). A multitude of documents are subjected to this purpose-built set of theoretical and empirical filters and the research design supports discourse and decisions in their holistic context. An important element of the exploratory and empirical design of the process of Content and Descriptive Analysis is in deciding upon the coding categories which is guided by existing theory and research design. The unified framework of theoretical and research design includes quantitative and qualitative methods, categories, and themes within strategy as assessment criteria. To advance knowledge, and to deliver the aim of this thesis requires rational decisions through legitimatisation with respect to theoretical, empirical, and research design facets as examined within the literature.

Employing IT in conjunction with IST along with the conceptual framework presented by McNulty and Pettigrew (1999) of Shaping, Conducting, and Deciding underpins this rigorous research investigation. A colour coded framework is specifically developed for this unique research investigation to aid understanding and follow through (Qureshi and Unlu 2020 p5). The purpose-built colour coded description instrument is presented in Table 13.

**TABLE 13 PURPOSE-BUILT COLOUR CODING ANALYSIS TOOL**

**Categorised themes within Institutional Theory perspectives:**

**C: Coercive** - refers to the need for FTSE 350 companies to “*comply or explain*” specifically seeks out NEDs’ strategic and leadership oversight responsibilities.

**M: Mimetic** - refers to FTSE 350 companies’ emulation of other companies, specifically seeks out NEDs’ potential strategic oversight contributions.

**N: Normative** - refers to company peer pressure to adopt norms and values, specifically seeks out NEDs’ involvement in CS matters.

**Categorised themes within Instrumental Stakeholder Theory perspectives**

**P: Profitability** – Profitability percentages per most recent published annual statement of accounts, specifically seeks to establish potential for a sustainable company.

**L: Liquidity** – The company’s liquidity per recent published annual statement of accounts, 2019-2020, specifically links each company’s ability to survive, thrive and deliver its preferred sustainable strategy.

**Categorised themes within strategy perspectives steering an empirical contribution to knowledge:**

**S: Shaping** - includes leadership and directing of CS, specifically links to NEDs’ strategic oversight and leadership responsibilities.

**C: Conducting** - includes participation in the formulation of CS, specifically links to when and where NEDs participate in strategic oversight.

**D: Deciding** - includes reviewing, approving, and monitoring CS, specifically links to NEDs’ responsibilities in monitoring and approving their company’s CS.

Finally, the purpose-built colour-coded key is operationalised as follows:

C	M	N	P	L	S	C	D
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The purpose-built colour coded mapping tool ticks the components which are explicitly present in the data being examined as follows:

**TABLE 14 ASSESSMENT CRITERIA: COLOUR CODED CONTENT MAPPING**

Content Analysis	C	M	N	P	L	S	C	D
NEDs' oversight responsibilities	✓	✓	✓	✓	✓	✓	✓	✓

Source: Lisson (2022), purpose-built colour coded analysis framework.

The multitude of data informs the research of what is published and expected of NEDs' strategic oversight responsibilities, uncovering existing key leadership and strategy features whilst aiding and supporting the robustness of research evidence collected and evaluated (Vaismoradi *et al* 2013 p399). Notwithstanding the quality of the research findings are dependent upon the observable evidence supplied. The methods deployed are both repeatable and sustainable, thus increasing the validity standard of evidence delivered.

#### 4.3.7.3 Methods - Content Analysis and potential for Thematic Analysis

The processes of comprehending text and assimilating knowledge are complex and any data issues arising are considered prior to data scrutiny. Appropriate protocols for each data set must be identified to afford the researcher a holistic evaluation (Farquhar 2012 p95). Through prolonged engagement, this researcher enhances the research credibility (Lincoln and Guba 1985). Bacharach (1989 p498), contends that "*researchers can define a theory as a statement of relationships between units observed or approximated in the empirical world.*" For this thesis, the data collection methods are defined fields and method layering. Ledolter and VanderVelde (2019 p3), contends that "*any successful analysis of information (text or numeric data) relies on an iterative learning process.*" NEDs may unconsciously be performing strategic oversight but not categorising these explicitly as a strategic activity.

The analysis phase commences with a review employing Content Analysis of published data using an internet search of the FTSE 350 companies' published documentation referring to their NEDs' biographies and strategic capabilities see Table 63, page 448. This desk-top examination aims to uncover the emphasis placed on NEDs' responsibilities in CS. Merkl-Davies *et al* (2014, p21) specifies the need to understand "*defining context units*" and "*reflect the purposes of the research*". Once the data is gathered, Content Analysis commences to discover the frequency of the word **'strateg\*'**, **'leadership'** and **'values'** in the documentation, per Walsh (2020 p2) descriptions of "*bag of words*". For this research, specific documents are searched inductively for evidence, or lack of evidence linking FTSE 350 NEDs and CS using NVivo. This information is summarised within tables and word clouds for future reference (Daniel 2019 p126).

Tusa (2020) recognises "*people are recruited to boards for a particular skill*", and according to Sneader *et al* (2020 p1), "*long-term companies identify strategic moves that will keep them ahead in the long run and commit ample resources to strategic initiatives*". This research investigation acknowledges the possibility of discontinuity through the explicit data analysis whilst being mindful of implicit unobserved collective responsibilities of FTSE 350 NEDs. This point provides further impetus propelling a shift from NEDs' strategic oversight from being implicit to formalised explicit via the proposed set up and provision of a formal CS Committee. This research recognises such action requires the support of government to influence procedural change across all FTSE 350 companies. The research investigation relies upon archival material and secondary datasets and acknowledges 'perfect' data/information is not available. This does not detract from the outcomes of this research as having the potential to inform general CG policies and the capability to underpin specific CG guidelines. Further research may explore the aptitude for a new theory and or further longitudinal research examination.

#### 4.3.7.4 Assessment criteria - 'key-words-in-context' and 'numeric data analysis'

According to Vaismoradi and Snelgrove (2019 p6), insights should be "*truly representative of participants' experiences*". To aid scoping, this research commenced with unstructured examination and observation of all documents within the data repository and later performed an in-depth Content Analysis of word frequencies of 'strategy', 'leadership' and 'values' as a key-word-in-context to illuminate whether there is a need to further investigate this topic. Patterns of 'usage' or 'non-usage' emerge from this examination (Braun and Clarke 2006



p10). Creating a theoretical and empirical hierarchical framework the qualitative data outcome supports latent themes being analysed. Techniques to uncover themes within qualitative data include quick word counts, in this case of ‘strategy’, ‘leadership’ and ‘values’ and their derivatives, to in-depth, line-by-line scrutiny. In this research, it is envisaged an opportunity for a variety of methods is employed. Each method is selected dependent upon the circumstance and clearly stated. Moreover, the research analysis is open to Saldana’s (2011 p129) proposition of *“poetic inquiry takes note of what words and phrases seem to stand out”*.

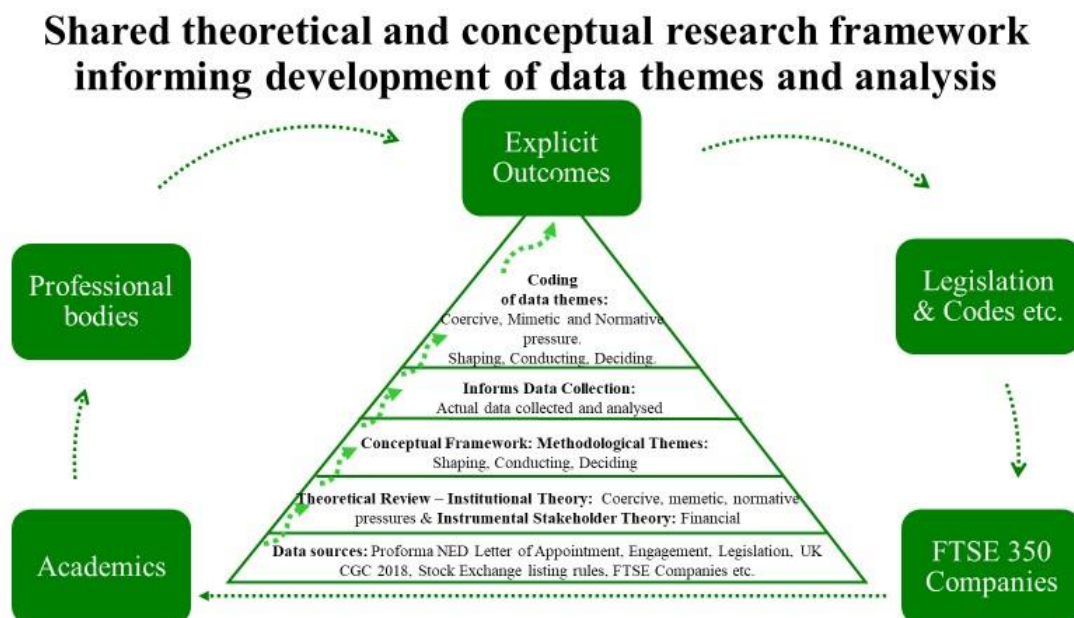
Full disclosure of methods deployed, data captured, and examined is maintained throughout this thesis. As described by Fetters (2019), mixed-methods require iterative inspection to assist in understanding the fuller range of implications. Content Analysis contextualises the data and the immersion within the iterative process allows for the refining of the strategic awareness characteristics reviewed. Significant data depth and breadth is achieved via mixed-method analysis of qualitative and financial data stored in the data repository. The research acknowledges from the outset it is not feasible to review and annotate all FTSE 350 company NED documentation within the time permitted. Likewise, volume, whilst substantive, is not the aim of this research. The outcomes are presented clearly stating any obstacles encountered.

Content analytical units with the potential for further Thematic Analysis of scripted documentation within the data repository can illuminate the perceived experience of NEDs and CS. Further and complementary themes are may emerge from the data requiring additional scrutiny to illuminate latent sub-themes within the actual data collected. The capture of *“thick description”* explicit data is sequenced and lessons learned are taken on board prior to proceeding to the next stage (Lincoln and Guba 1985).

All scripted documents in the purpose-built data repository are subjected to NVivo analysis, and where unusual returns emerge, the researcher will eyeball for increased clarity. The inspection includes simple NVivo word searches in order to perform an extensive investigation into formative text documentation within the purpose-built data repository, comprising of 282MB of text files, predominantly text, equivalent to in the region of 250,000 A4 sheets. Additionally, Descriptive Analysis for profitability and liquidity ratios employing Excel software is performed on FTSE 350 Companies financial data. The

research strategy adopted supports the possibility for open coding, i.e., potentially inducing themes from the text under review so as to uncover meanings in the data.

**FIGURE 13 OVERVIEW OF THEORETICAL AND CONCEPTUAL FRAMEWORK LEADING TO THE DEVELOPMENT OF DATA THEMES AND ANALYSIS MAPPING**



Source: Lisson (2022).

#### 4.3.7.5 FTSE 350 Index and constituent's quantitative data examination

Aram and Cowen (1986 p118) utilising quantitative measures of corporate performance when evaluating directors' role, included "*return on net worth and cash flow*" measures. An appraisal of FTSE stock exchange movement during 2019-2020 is reflected upon. A Descriptive Analysis of FTSE 350 companies financial performance data such as 'profit before interest and tax' and 'profit after interest and tax' along with liquidity position i.e., 'current assets divided by current liabilities' is performed. Therefore, this inspection is aimed at corroborating FTSE 350 company's ability to deliver both short-term and enduring financial stability. In addition to individual company financial data collected on 7 September 2020, the FTSE 350 index during 2019 and 2020 was collected on 17 November 2020, in an attempt to provide an overview of the overall London Stock Exchange financial status position. IST is deployed within the quantitative data analysis. The exploratory quantitative assessments are undertaken deploying Descriptive Analysis to identify and corroborate the need for NEDs and greater CS oversight provision.

#### 4.3.7.6 Triangulation via mixed-methods, parallel-layered data sources and analysis

Tobi and Kampen (2018 p1215) specify a multi/mixed-method procedure is suitable for interdisciplinary research. Silverman (2020 p40) support the use of “*both qualitative and quantitative research methods to improve understanding and workarounds*”. Moreover, Saldana (2011 p76) supports “*data gathered from different sources will better guarantee a spectrum of diverse perspectives for analysis and representation*”.

Multiple reflexive practice is deployed to examine critically the assumptions underlying the exploratory research outcomes which are clearly provided and linked to the theoretical and empirical findings and insights. Diverse triangulated data sets are sourced, analysed and the aggregate findings inform the research outcomes. These suggestions are timely and appropriate for this research and enhancing the overall credibility and reliability of the findings through triangulation (Farquhar, Michels and Robson 2020 p160).

Bryman (2006, p105) defines triangulation as the “*convergence, corroboration, correspondence of results from different methods*”. He continues, coding triangulation happens when seeking corroboration between quantitative and qualitative data. He goes on to underline (p110) “*that triangulation may be an unanticipated consequence of conducting multi-strategy research*”. The research is mindful of same and deems being explicit in the procedures deployed i.e., a mixed-method, parallel-layered approach to both quantitative and qualitative analysis, brings richer understandings to the exploratory outcomes than the use of either method on its own. Triangulation via multiple data sources is seen to be beneficial to aid the validity of this research (Farquhar 2012 p43). Moreover, Farquhar (2012 p45) indicates “*findings from different data sources saying the same thing provides the researcher with a basis for arguing that the research is credible.*” To reduce weaknesses of a single method, this is remediated by combining various methods, sources of data, and analysis, thus increasing FTSE 350 companies’ confidence through improved rigorous sampling to achieve representativeness and precision (Farquhar 2012 p71).

This research appreciates generalisations are a cause for concern, however the specifically acknowledged data samples are drawn from a multitude of published sources which in turn minimises the effect. This research is systematically structured and rolled out, and assumptions are acknowledged to establish a credible coherent research philosophy, as well as an iterative data examination process (Vaismoradi and Snelgrove 2019 p6). The research

encompasses what the prevailing situation is, as well as somewhat relational, i.e., seeking to understand the link between NEDs' oversight responsibilities in CG and those specifically in CS. Lessons gleaned from the pilot phase influence selected data methods. Moreover, Vaismoradi and Snelgrove (2019 p5) point to, "*encouraging creativity in findings is a common aspect of data analysis in both qualitative content analysis and thematic analysis*". This research may uncover issues surrounding noncompliance with statutes and CG guidelines which are to the detriment of developing a sustainable CS in FTSE 350 companies. It is conceivable this research uncovers a gap between theory and practice and a recommendation to reunite the two is part of the research outcomes. This research is mindful of such needs. Moreover, by grounding the selected interpretative philosophy, attempts to provide new and unique theoretical, exploratory, and empirical insights into FTSE 350 NEDs' strategic oversight responsibilities and provision. The challenge for FTSE 350 NEDs is to fulfil all their strategic oversight obligations, i.e., Shaping, Conducting, and Deciding and each RQ is comprehensively investigated.

#### 4.3.8 Confirming discussions, set-up pilot investigation and overcoming obstacles

This research aligns with Oppenheim's (1998, p12) suggestion of "*commencing with descriptive, enumerative, census-type survey and moving towards the analytical, relational type survey*", and initiated within the pilot and reflected in this research methods. Adopting and deploying a mixed-method parallel-layered data collection design and commencing with a pilot affords this researcher the ability to plan, review and refine the data collection methods and tools as the research progresses (Tobi and Kampen 2018 p1211), (Avenier and Thomas 2015, p6) and (Plano Clark and Creswell 2008, p9). De Jong *et al* (2014 p263), contends that "*several studies employ a questionnaire to investigate director's opinions*" which was adopted for this pilot see Appendix D.10 Pilot Research Methods for questionnaire and semi-structured interview templates and analysis tools. The pilot research philosophy included aspects of Grounded Theory. This pilot is practice-led and employs prototype, purpose-built investigation tools. Oppenheim (1998, p83) emphasises the underlying principle governing data collection is "*no harm should come to the respondents as a result of their participation in the research*". A full ethical application was adhered to and submitted to LSBU Ethics Committee and approval was granted and notified on 26 December 2019. Data gathering tools and templates along with a template letter of consent are supplied in Appendix D.10.2 Pilot Ethical Application. Primary data was collected from a semi-captured audience during the pilot phase only. The pilot data tools were tested late

January through February 2020 see Appendix D.10.17 Pilot questionnaire, semi-structured interview templates and analysis methods.

This research initially developed primary data collection tools to support the research investigation into when and where NEDs contribute to CS. This involves the preparation, mapping and testing of a questionnaire, followed by devising and mapping a semi-structured interview. Additionally, the content and layouts of the sample instruments were discussed to ensure clarity and gain further insights prior to distribution. As such, accessing academic and professional contacts the data tools were reviewed, and suggestions taken on board. Specific content analytical units are deployed to uncover inter-related relationships and support the findings. Consequently, lessons learned from the pilot phase and subsequently, are followed by a full deployment of selected data methods. These piloted questionnaires and semi-structured interview questions are available for post-doctoral research.

To overcome obstacles as a result of the prevailing COVID-19 restrictions, this research refocused and amended the design to concentrate on a mixed-method, parallel-layered data collection, and analysis, performed during 2019-2020, targeting historical UKCGC and reviews of documents covering FTSE 350 NEDs' oversight role. Roberts *et al* (2021 p10) recognise the innovative actions of qualitative researchers during this unsettled period. Databases such as Bloomberg and certain LSBU 'on-site' and library only access were unavailable for many months until offsite access was enabled. To compensate for the lack of primary data and empirical analysis initially envisaged, this research has enhanced the theoretical contribution by offering a unique examination, utilising two different theoretical lenses, IT in conjunction with IST to gain greater insights. Subsequently, on achieving the findings from this exploratory theoretical and empirical analysis this research seeks and acquires validation for the empirical outcomes by performing "confirming discussions" (Abd El-Rahman 2019, p245). The confirming discussions were held with many academics, practitioners and other interested parties and the centre of the discussions were around when and where NEDs are involved in CS. See Appendix D 8 for fuller listing.

The research concepts were presented at five external/international academic conferences and is beneficial both during and after successfully completing the thesis. Prior to PhD submission feedback is an important element in gaining confidence for the viva. Once successful in completing the PhD, disseminating the findings and recommendations

commences. Simpson (2012) suggests presenting at conferences is key to successfully communicating this research and specifically includes the use of visual aids.

## 4.4 Research Design and Methodology Summary

This chapter presents the research design and selects a unique theoretical and methodological framework to deliver the research aim, problem, questions, and objectives. Adopting and deploying the methodological norms of Saunders *et al* (2019) design sequence, the research is structured as follows: philosophy, approach, strategy, choices, timeframe and specifies the data collection and analysis. Visualisation of research methods are linked to the RQs/ROs/RPs/ARO's and data sets. Moreover, a self-constructed, mixed-method, parallel-layered data analysis is designed and supported by an extensive purpose-built data repository. A summary of key research design literature is in Table 53 page 400. As a final point the research outcomes from both the qualitative and quantitative analysis are abductively evaluated to tease out further implicit insights. This research is not about 'naming and shaming' individual NEDs or their companies, but rather discovering current and prevailing strategic oversight practices compared to what constitutes best practice for long-term sustainable business.

The next chapter reveals the actual data sourced and stored in the purpose-built data repository, which includes data origins, and any data loss or gain. The data evidence commences with the accumulation of theoretical research perspectives and proceeds by delivering a mixed-method, parallel-layered exploratory and empirical qualitative and quantitative analysis. An assessment and considered response to each of the four RQs /ROs is provided in terms of findings and insights, the actual scrutiny phase may further illuminate a lacuna in FTSE 350 NEDs' provision in CS oversight.

## **5 Empirical Findings: Analysis and related theoretical insights**

### **5.1 Chapter Introduction**

The previous chapter carefully plans and prepares the selection and employment of research design for this research evaluating NEDs' strategic oversight involvement. The search phase being steered by IT in conjunction with IST along with the methodological considerations of 'Shaping', 'Conducting' and 'Deciding' uncovers the nature of NEDs and CS. This research is founded upon a purpose-built data repository which houses 76 different data components. Notwithstanding the potential differences in the levels of examination between the various aspects under investigation, the in-depth, in-context and predominantly qualitative investigation outcomes depict NEDs' conscious and unconscious participation in CS and uncovers a potential gap in knowledge.

This chapter unfolds delivering the theoretical, professional regulatory and governance sequenced outcomes. Commencing with examining the effectiveness of collaborating elements of both theories and methodological considerations through reflexive management. This enhances the validity of this research outcomes by facilitating a sharper focus and sharing new understandings within interconnected areas of NEDs' strategic oversight which are bounded in the period 2019-20. Extensive data sets are collected and held in the purpose-built data repository, which is sourced from multiple published archive databases. The data repository documents, supported by descriptive analysis are subjected to a sequence of context-based framework of iterative scrutiny targeting FTSE 350 NEDs' strategic oversight role during 2019-2020. A thorough assessment and response to each RQ/RO is undertaken through analytic examination of narrations and establishing potential themes. The evidence provides further credible findings and insights to elaborate on specific points thus enhancing our understanding of NEDs and CS whilst ensuring comprehensive and balanced assessment and response to the RQs. Furthermore, the evidence arising from this thesis needs to be shared with the research beneficiaries and community of interest.

## 5.2 Accumulated Theoretical Research Perspectives

Understandably, theories are formulated to explain, predict, and understand the phenomena under investigation. There are many instances, they challenge and extend existing knowledge with the limits of critical boundary assumptions. Specifically having regard to the theoretical foundations of this research i.e., the interplay between IT in conjunction with IST perspectives, provides invaluable insights for evaluation of strategic oversight interactions among NEDs. FTSE 350 NEDs' strategic oversight response to the unexpected events of 2019-2020 faces increased scrutiny by stakeholders thus NEDs' strategic oversight needs to innovate, support, and stay strong whilst delivering both formal and informal accountability. The IT lens underpins the UK government's role in stimulating continuing economic growth and encouraging business investment. Institutional shareholders such as pension funds and insurance companies must be mindful of their investment strategies as these have a direct impact on FTSE 350 companies' financial strategy. The secondary market for share investment is outside the direct control of the individual FTSE 350 company but the impact of the investor is not. FTSE 350 company long-term CS needs to attract and develop a continuing relationship with the preferred investor to provide financial resilience.

As such, the outcomes of theory development and formulation informing our understanding from this thesis employing a unique blend of IT in conjunction with IST provides a logical and grounded contribution to knowledge. This research provides fresh insights into FTSE 350 NEDs and CS by providing explanations informed by actual data collected from a multitude of archival and cross-sectional secondary data appraisals. The outcomes of the investigation into NEDs' legal and regulatory contracts can support proposals for changes to policy ensuring FTSE 350 NEDs can exert influence on their company's CS. The research outcomes both inform and extend extant understandings of NEDs and CS. The assessment of current FTSE 350 NEDs' oversight supervision of their company's CS regarding leadership, strategic development, decision making and monitoring strategic implementation is uncovered.

Expanding the constructs and depicting CS relationships within NEDs' distinct settings aids a contribution to theory. The application of IT lens partially explains how and why FTSE 350 NEDs and their companies have similar approaches to strategic oversight provision, which may not be a good situation. The deployment of IST illuminates the overall liquidity and profitability of FTSE 350 companies, facilitating NEDs' provision of strategic oversight



involvement. FTSE 350 NEDs must be open to informal learnings, not all NEDs come with the same level of CS knowledge. This research initiates a taxonomy to facilitate a more rigorous theoretical contribution. A balance between NEDs' governance and strategic oversight provision is sought.

#### 5.2.1 Theorising: IT in conjunction with IST

Alvesson and Karrenman (2011 p2) confirm, through empirical settings and observation one can develop and advance theory by encouraging, challenging, and rethinking established theory and "*inspire novel lines of theory development*" which is consistent with this research. Underpinning this theory development is the need to clearly describe the situation, in this instance using non-numerical data and understanding the situation. Within this research, developing theory is achieved by active mobilisation and explaining the complexities and intricacies of FTSE 350 NEDs' strategic oversight practices and processes. This research captures something important, by isolating NED strategic oversight practices, as against their substantial CG oversight provisions, through compelling examples of patterned responses to strategic themes raised and illuminated via systematic use of pre-existing theories, and research design.

In 2020, UK Government is supporting businesses (science and technology superpower, green industrial revolution etc.) and encouraging continuing strategic thinking and supporting various environmental changes (Johnson and Sunak 2021). The UK Government statements are promoting and encouraging business to stretch their imagination regarding sustainable and regenerative growth to build better more resilient companies. Whilst UK Government provides advice, it is up to each individual FTSE 350 company to strategically direct and embrace the various initiatives suitable for their business circumstances whilst balancing the transition to the future. Linking the prevailing financial performance of FTSE 350 companies to uncertain and volatile economic and business conditions has encouraged many boards to retrench and restructure underperforming business areas (EY 2020). Having and maintaining a CS is key to emphasising and creating new value within the company's sphere of influence. NEDs' contribution to strategic oversight is a key component.

Through the IST lens, FTSE 350 NEDs' strategic oversight must demonstrate items of financial and commercial value to their company, whilst accepting they influence restructuring and realigning their company's strategy. This requires NEDs to stretch their

imagination and bolster their collaborations to survive in the short-term. FTSE 350 NEDs' oversight needs to emphasise and encompass their company's short and long-term commercial viability.

This research is argued through a defined research aim, problem, supported by a series of propositions, questions, and objectives as well as an extensive literature review delivered by a mixed-method, parallel-layered theoretical and logical empirical analysis. This scrutiny raises cause for concern regarding FTSE 350 NEDs discharging their strategic duties. This research accomplishes a thorough, systematic examination and interpretation of four RQs and advances a deeper knowledge of NEDs' involvement in CS and its importance within their company. Corroborating Wilkins *et al* (2019 p3), "*theory is never free from assumptions or empirical observations*" this research analysis having uniquely amalgamated IT in conjunction with IST along with interweaving methodological considerations of 'Shaping, Conducting and Deciding' to cumulatively enrich and extract new understandings, potentially illustrates a need and opportunity for yet another theory to emerge and evolve consistent with (Alvesson and Karrenman 2011, p4). Theorising the empirical findings acknowledges NEDs' responsibilities are constantly evolving; this research builds upon this earlier knowledge and investigates NEDs' strategic leadership role as it appears this is currently overlooked. The research evidence points to actual CS provision being missing from NEDs oversight practices, potentially as they are immersed by other important governance functions.

Theorising why there is the absence of a CS Committee leads this research to uncover the lacunae supporting the need for long-term sustainable CS intertwined with operational and financial strategy. Appraising the structural FTSE 350 board settings, Sub-Committees and settings captures something important in NED practices, i.e., a greater importance is afforded to CG compliance over that of CS delivering long-term resilient businesses. The research commences with an inspection of a representative case to capture the specific circumstances of FTSE 350 NEDs and their strategic oversight provision. This research has illuminated a gap in formal reports relating to FTSE 350 NEDs' strategic oversight which leads one to recommend the establishment of a formal CS Committee.

**TABLE 15 SPECIFIC CONTRIBUTIONS TO THE THEORY CONTINUUM**

<b>Data Repository</b>	<b>Authenticity of NEDs' 'Strategy and Leadership' Oversight</b>	<b>Empirical Generalisability Gaps and holes</b>	<b>Research Quality Criteria</b>	<b>Theories accounting for phenomenon and / or anomalies</b>
Professional Proforma NED documentation	Minimal mention of 'strategy and leadership' within the NED documentation. Strategy away days are mentioned.	Limited to the adoption of professional proforma documentation.	Conformability.	There is a lack of clearly defined NEDs' strategic oversight responsibilities. This may contribute to the observation directing and participating in CS is not specifically recorded.
FTSE NED Biographies	Thorough listing of CG Committee assignments. Minimal, if any, mention of CS.	Limited to the web published FTSE 350 NED biographies.	Credibility.	NEDs' biographies emphasise their CG practices over and above provision of their strategic oversight.
FTSE 350 Index: 2019-20	All FTSE 350 companies faced unprecedented challenges; the FTSE stock market took a major hit in 2020. Further research post COVID-19 is needed to gain further understanding.	Limited to FTSE 350 Companies and the period 2019 – 2020.	Generalisability.	It is unlikely any system could have predicted the timing and impact of BREXIT and COVID-19 on FTSE 350 company share price with any degree of accuracy.
Financial Implications	All FTSE 350 companies took a significant profitability and liquidity hit as published within their financial statements during 2019 and early 2020.	Limited to the FTSE 350 company published financial statements during 2019-20.	Criticality.	Each FTSE 350 company is uniquely impacted and subject to its own organisational lifecycle development. There is no known theoretical system to predict such events surrounding the years 2019-20.
CA 2006 s171 and s172	Legally all NEDs have a duty to promote the long-term success of their company. This is in potential conflict with their short-term contractual assignments.	Applies to all UK companies and is subject to legal modifications and updates.	Transferability.	The CA (2006 s171 and s172) may reflect and refine the need for 'directors' i.e., Executive and Non-Executive to be accountable for CS.
UK CGC codes and reports up until CGC 2018	NEDs' performance is evaluated against good corporate governance provisions. Strategic oversight is secondary and lacks specific monitoring.	Applies to all FTSE 350 companies and is subject to regulatory modifications and updates.	Transferability.	The UK CGC (2018) maybe refine the need for 'directors' i.e., Executive and Non-Executive to be accountable for CS.
Overseas CG influences	The South African King IV Code of 'Comply and Explain' is considered a step above the UK standard.	Applies to South African companies.	Objectivity.	The need for clear, unambiguous corporate reporting.
FTSE 350 Strategic Reports	In 2018, CA 2006 s4 is amended requiring FTSE 350 Companies publish their Strategic Report. This Report is in its infancy, it is too soon in the process to ensure company strategy statements are verifiable commitments i.e., full disclosures, publish defaults and any renegeing of contracts.	Applies to all FTSE 350 companies and is subject to legal modifications and updates.	Generalisability.	The purpose of the Strategic Report is to inform shareholders of the company and assess the directors have discharged their duty to promote the success of the company as required under CA 2006 s172.

Source: Lisson (2022), data repository observations, analysis, and robustness of findings.

Corporate strategy does not happen in a vacuum rather, strategy development and oversight require the following features present: internal and external partnerships with recognition of the wider environmental conditions. CS requires continuous monitoring to ensure it is agile and sustainable as well as integrated into the annual reporting cycle for the company. Explicit outcomes are observed within the extensive data repository analysis whilst implicit reflections and conclusions are as a result of non-attributable reassessments. The empirically adequate theory is one where the research propositions can be operationalised and are observable; following this theory, thus the prospective need for a CS Committee is reinforced.

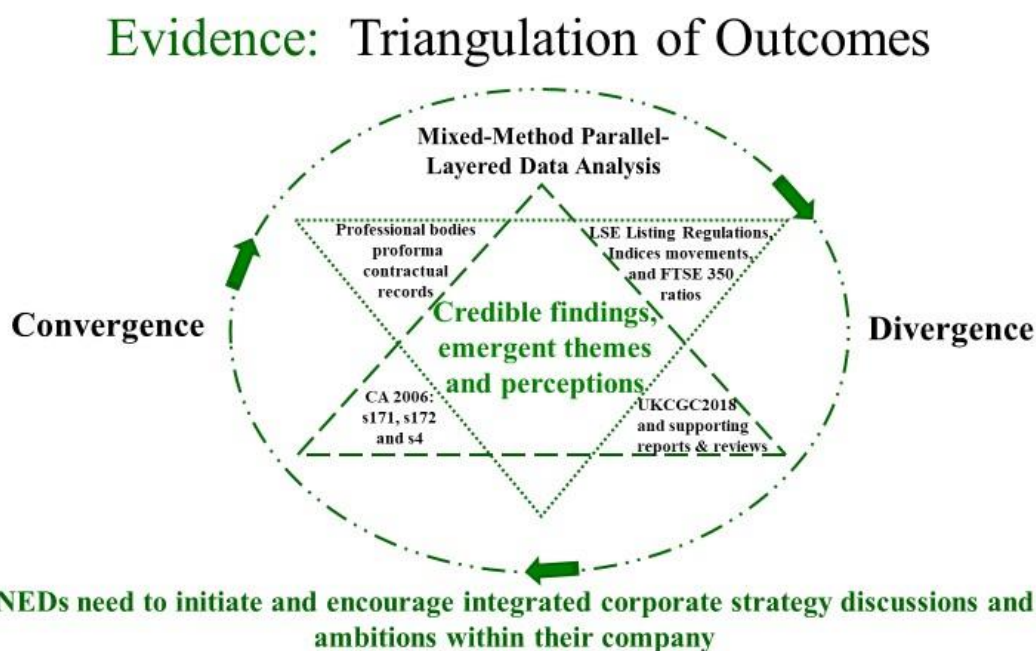
An imbalance of FTSE 350 NED oversight provision appears to exist in favour of regulatory components such as Audit, Nomination, Remuneration, and Risk etc. as uncovered within proforma NEDs' formal contractual documents i.e., Letter of Appointment, Terms of Engagement and Terms of Reference as well as published biographies. This probably stems from FTSE 350 NEDs being assigned to one or more of the regulatory Committees at the time of their appointment. Formal Board agenda and minutes of meetings may point to some element of strategic control albeit within a tightly time-constrained environment. Clear lines of responsibility are an ongoing board concern. Away day(s) provide greater time and space for NEDs to meet and informally discuss items which may include CS. It is also possible the timing for strategic discussions is tabled subordinate to mandatory CG issues. This potential scheduling at the end of board meetings, or time permitting, or when NEDs must depart promptly to catch transport that evening, may account for a potential lack of longer-term strategic oversight practices. Clearly board agenda and minutes provide a list of what is done 'Deciding', nevertheless regarding CS leadership i.e., Shaping and Conducting much less, if anything, is publicly recorded.

The series of textual and observable analysis establishes the construct validity and is further argued through the application of multiple data sets analysed which also serves to increase confidence in the outcomes. The critical investigation of the data investigated, and its scrutiny supports the internal validity of this research that NEDs' provision of strategic oversight is imperfect as the analysis of textual and financial implications expose. Transparency is established via assiduous referencing, which in turn supports the reliability of the findings. This exploratory research analysis spawns a substantial quantity of future research thus supporting a basis for generalisability.

Similarly, producing formal documents for board discussion contrasted with discussing strategic concepts in person, may present further challenges. Perhaps companies can anticipate seeing fewer new business ideas being conducted and agreed because of communication barriers, thus financial positions of their company are eroded as a result. Companies need people capabilities, of which NEDs are an element of this community. The board, including NEDs, must try to provide strategic direction and get the balance right between short and long-term strategic objectives.

With all the effort placed upon good CG at board level, one would have expected CS to have got better but this research analysis uncovers this is not the case. Perhaps the ‘values’ agenda of ‘Boards’ including NEDs, has been self-serving and not sufficiently concerned with values driven sense of strategic responsibilities.

**FIGURE 14 OBSERVABLE EVIDENCE: TRIANGULATION OF OUTCOMES**



Source: Lisson (2022).

Farquhar (2012 p80) confirms the concept of triangulation as “*converging lines of enquiry*” within a qualitative investigation which is instigated within this research so as to “*cross-validate*” the research findings. This increases the thesis transparency and credibility of findings (Daniel 2019 p120). This research analysis delivers exploratory and empirical findings on FTSE 350 NEDs’ provision of strategic oversight. This in turn facilitates the emergent theoretical constructs i.e., theory generation to occur.

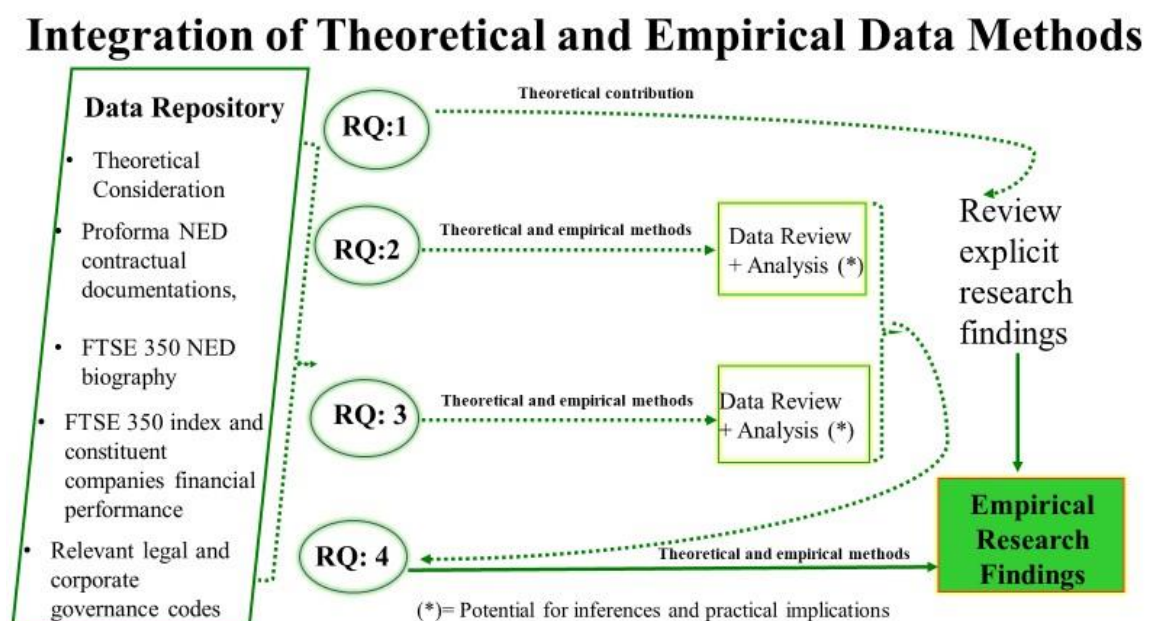
## 5.3 Mixed-method, Parallel-layered Data Analysis and Findings

### 5.3.1 Capturing actual data - data gain or loss and limitations

This research examines a multitude of contractual documentation for observable evidence of NEDs' provision of strategic oversight performed during 2019-2020. It becomes clear merely observing interrelated processes involved in legal, regulatory, and CG guidelines along with ticking the boxes of NED obligations, does not fulfil NEDs' strategic oversight role. FTSE 350 NEDs must exercise good judgement and be able to act in concert with other board members to bring out the best in the company. By inductive reasoning, textual examination of NEDs' contractual documentation, supported by scrutiny of legal, compliance datasets and professional body proforma documents, is achieved by employing a prerequisite variety of data sources as are included within this extensive data repository.

This research recognises within CS, NEDs' practical contribution to strategizing influences the execution and potentially is one expression of good CG. This research maximised the impact of archival and secondary data available via the internet. Each of the multitude of credible data sets is examined and presented in such a manner as to inform the RQs. Overall, the data collected concentrates upon the emphasis placed upon 'strategy' and 'leadership' within key documents for NEDs including various Sub-Committees.

**FIGURE 15 OVERVIEW DEPICTING INTEGRATION OF EMPIRICAL DATA METHODS**



Source: Lisson (2022).

Accepting FTSE 350 NEDs' oversight plays a powerful role in guiding their company, this segment describes the application of carefully selected theoretical, empirical, and methodological frameworks through mixed-method parallel-layered data processing steps deploying and extracting the various datasets to support potential further Thematic Analysis as may be necessary. Observations are garnered from a complex series of representative empirical material examinations. A multitude and combination of cross-data procedures is aimed at enhancing the validity of the content and minimising the potential subjectivity of the findings and subsequent discussion.

This research supposes words occurring often and are explicit are more likely to be significant in the minds of NEDs than those missing or less mentioned and are potentially perceived as outside of the FTSE 350 NEDs' core oversight provision. A bundle of techniques for systematically determining FTSE 350 NEDs' provision of strategic oversight is deployed. Specific data relating to each method is clearly described within the diverse data set collection including, NEDs' proforma contractual documentation, FTSE 350 NED biographies, FTSE 350 financial performance, as well as UK legal and regulatory requirements in support of the theoretical discovery. This data is colour coded and is explicitly analysed which lends itself to be implicitly reviewed and evaluated.

Documentary data set collection is via multiple sources and a significant series of parallel-layered data capture which is appropriately sourced and fully disclosed. The iterative nature of the data collection and examination and multiple cycles renders this process an iterative procedure. User-friendly images, tables and diagrams depicting the research field are produced to aid understanding. The data repository documents provide substance for this research which is grounded in the literature. This research is exploratory and empirically driven, supported by leading professional body documentation providing the foundation stones. Having collected the archival and secondary data, it is now time to subject this data to both qualitative and quantitative analysis.

Abiding by basic guidelines ensuring all data is traceable, reliable, and complete presents a useful starting point (Farquhar 2012 p91). Data gathering and measuring on FTSE 350 companies commences with a download via Financial Analysis Made Easy (FAME) database on 23 April 2019, available electronically. This includes the following attributes: Company Name, Market Capitalisation as at 31 March 2019: SIC codes, main activity of the

company, names and numbers of directors and a brief profile, the number of directorships and duration, roles e.g. Chair, NED, Executive, Company Secretary etc. Subsequently on 7 September 2020, a second data grab from FAME was made, collecting the latest published audited financial values supporting FTSE 350 company profitability and liquidity positions during 2019 (where available 2020) as they entered quarter one of 2020. Records for some 344 companies were downloaded. There are many possible reasons why some 6 companies are missing such as 'in administration' and being temporarily withdrawn from the stock exchange for exceptional circumstances. Although six companies' information was unaccounted for, the researcher acknowledges there is no specific consequence resulting from this as there is ample data available to draw insightful and meaningful conclusions from the data available on the 344 companies' information available. Throughout the period May 2019 to December 2020, various websites are accessed in search of data. Published data input is deemed both helpful and meaningful, however, being limited to archival and secondary data collection may be less precise and generalisable in its overall findings. This research acknowledges the data availability problems encountered on route. The professional body data, annual reports and NED biographies is considered robust, reliable, unbiased, and suitable for Content and Thematic Analysis as it forms part of numerous organisations externally presented materials.

Post dataset extraction and detection commences with a systematic review centring on the extent to which key components of CS are adopted across FTSE 350 companies. Enumerated is the series of documentary data gathering and layering supporting this research analysis. A corner stone foundation for this research is the legal (CA 2006 s171 and s172), regulatory and compliance framework (UK CGC 2018) which clearly states FTSE 350 NEDs' strategic and performance oversight responsibilities. The documents and financial data contained within the data repository structures the groundwork which articulates the nature, scope and underpins this research analysis. Deploying additional and combinations of cross-data set procedures aimed at enhancing the validity of the content analytical units and potential subjectivity of the findings and discussion within this thesis. The research notes any additions or omissions to this data as follows: textual examination of professional proforma NED contractual documents, a set of FTSE 350 NED biographies conveniently accessed, FTSE Stock Exchange Index for the period 2019-2020, full FTSE 350 company profitability and liquidity is best suited to this analysis, CA (2006 s171 - s172 and s4), UK CGC (2018) and supporting guidelines, London Stock Exchange Listing regulations, and overseas CG influence.



Appendix E, Theoretical and Empirical Outcomes are appropriately sourced data held in the data repository and subjected to exploratory, non-scientific analysis supporting the quality of this research outcomes. Meticulous and rigorous Content Analysis is operationalised within the rich context setting of the data repository seeking various CS perspectives.

### 5.3.2 Textual examination and observational reality of NEDs' proforma contracts

NED proforma Letter of Appointment, Terms of Engagement, Terms of Reference, and Board Terms of Engagement are not synonymous with each other, though there is potential overlap. Aspects of the Terms of Reference can be included with the Letter of Appointment. The "*Letter of Appointment*" might include terms such as remuneration, length of tenures etc. In particular, the "*Terms of Reference*" contain details of duties expected of a FTSE 350 NED e.g., to oversee Risk etc. and are likely to specifically name the Committees to which the NED is assigned to monitor, such as Audit, Nomination, Remuneration, and Risk etc. The "*Terms of Engagement*" are similar in form to a job specification and or person specification and include a role profile. This research acknowledges each company adopts and uses documentation to suit its company policy and procedures. This research accepts the professional body proforma documents are a foundation to understanding what, if any, NEDs' strategic oversight is typically specified.

On commencement of each NED position, the NED typically receives communications from the company secretary. The documents can include any of the following: Letter of Appointment, Terms of Engagement, or a Terms of Reference. This analysis treats each of these documents as being synonymous in uncovering the strategic oversight content within a NED's position. The content analytical units of professional bodies proforma documents are examined to see whether they support a foundation for NEDs' strategic oversight role and responsibilities. These formal agreements underpin the principle of 'holding to account', NEDs' actual performance.

Accepting from the outset it is impractical to review every document relating to each individual FTSE 350 NEDs' oversight role and responsibilities, professional bodies proforma documentation is selected and reviewed for its authoritative coverage of CS. Observable evidence for each of the documents analysed is available within electronic data repository is summarised:

**TABLE 16 PROFESSIONAL BODY PROFORMA NED DOCUMENTATION ANALYSIS**

Professional body published proforma NED documentation analysis				
Proforma Letter of Appointment, Terms of Engagement, and/or boards terms of reference				
Institution	Proforma Document	No. of pages	# Instance's strategy mentioned	# Instances leadership mentioned
ICSA (2019)	Proforma NED Letter of Appointment	17	4 – “ <i>Strategy away days, ... Proposals on Strategy, ... Values and Strategy, ... Sets a Strategy.</i> ”	1 – “ <i>Footnote: Board Effectiveness ... Leadership and Purpose.</i> ”
IoD (2019)	Proforma NED Terms of Appointment	11	0 – mentions.	0 – mentions.
IoD (2018)	Proforma NED Letter of Appointment	6	1 – “ <i>strategic guidance.</i> ”	0 – mentions.
IoD (2018)	Proforma role of NED	7	5 – “ <i>Independent judgement, ... Guidance, ... Direction, ... Formation, ... Objectives.</i> ”	2 – “ <i>Distinguish between Leadership of the Board and executive leadership.</i> ”
IoD (2018)	Proforma What is the role of the Board?	7	6 – “ <i>Determine, ... Set, ... Implement, ... Evaluate, ... Options, ... Tasks.</i> ”	0 – mentions.
IoD (2018)	Proforma role of the Chair	5	1 – “ <i>implementing the company's direction and strategy.</i> ”	1- “ <i>providing leadership to the board.</i> ”
ICSA (2020)	Proforma ToR for Nomination Committee	13	2 – “ <i>strategic issues, ... linking diversity with strategy.</i> ”	2 – “ <i>review leadership needs, ...</i> ” Back cover: - “ <i>thought leadership.</i> ”
ICSA (2020)	Proforma ToR for Remuneration Committee	12	3 – “ <i>Support strategy, ... successful delivery of long-term strategy, ... Strategic measures.</i> ”	1 – Back cover: - “ <i>thought leadership.</i> ”
ICSA (2020)	Proforma ToR for Audit Committee	19	2 – “ <i>Strategic Report, ... Review annual strategic report.</i> ”	1 – Back cover: - “ <i>thought leadership.</i> ”
ICSA (2020)	Proforma ToR for Risk Committee	15	7 – “ <i>members, ... appetite, tolerance, ... objectives, change, ... implications, ... transactions.</i> ”	1 – Back cover: - “ <i>thought leadership.</i> ”

Source: compilation of various named professional bodies’ factsheets and proformas downloaded from named institutions during September 2020, Lisson (2022).

Analysing ICSA and IoD proforma NED written records as presented in Table 16 one observes mentions of “*strategy away-day*”. Clearly this is intended to involve NEDs, however ‘away-days’ are one-off scheduled events and frequently involve team-building exercises and other matters where strategy may be discussed as part of the agenda. The various proforma Terms of Reference for Committees appear to be primarily involved with compliance and perhaps not concerned with CS setting. This analysis fails to unearth specific ‘**published**’ strategic statements re ‘away-day’ events to determine the potential to

contribute to CS awareness. Nevertheless, this research supports the need for team building and informal discussions. Rahl (2017 p1) reaffirms during the research scrutiny phase, there is a need to “*induce or inference your thoughts*” which is necessary from the investigated observations as is the case in this research. Exploring “*gigantic datasets*” per Walsh (2007 p3) affords this research “*the ability to measure this nebulous thing*” called ‘strategy and leadership’.

Deploying Qureshi and Unlu (2020 p2), four-step coding i.e., Code, Concept, Category and Themes, the proforma NED documents are analysed for their ‘strategy’ and ‘leadership’ word and ‘word sense’ content.

**FIGURE 16 APPLICATION OF THEMATIC ANALYSIS**

### **Application of Thematic Analysis**

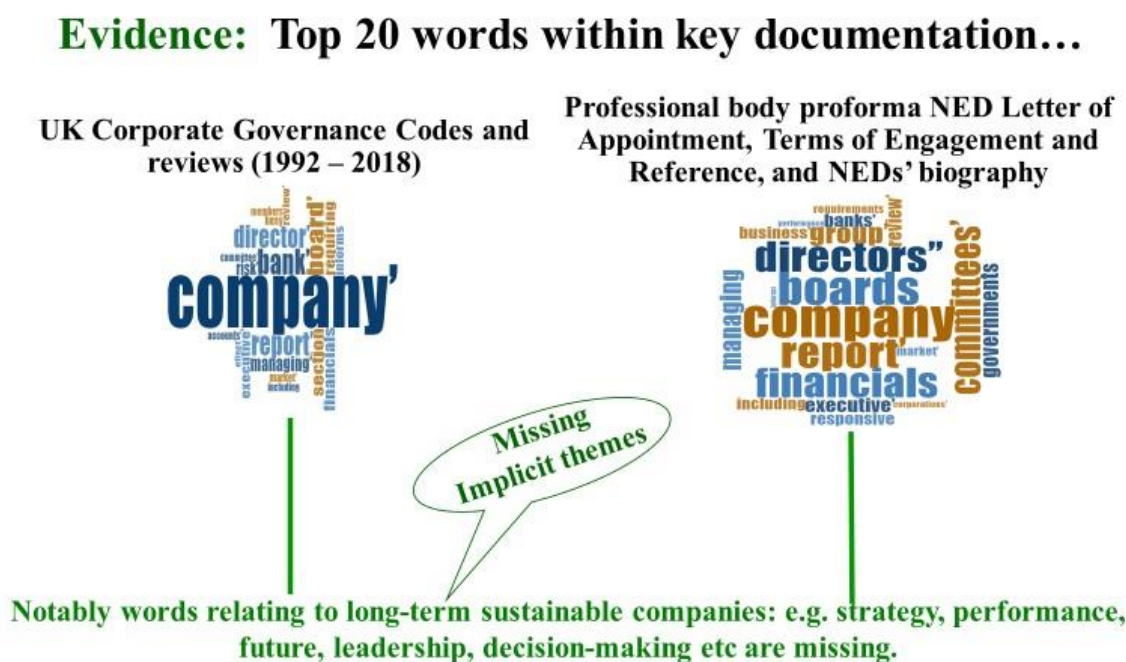
- **Code:** NEDs and corporate strategy
- **Concept:** NEDs’ strategic leadership oversight
- **Categories:** Documentary observation requiring strategic provision ‘Shaping’, ‘Conducting’ and ‘Deciding’
- **Themes:** Pattern of explicit and implicit reflections of strategic oversight practices

Source: Qureshi and Unlu (2020 p2) application to this research Lisson (2022).

A word investigation of the most frequent words, initiates the Thematic Analysis and is depicted within the word-clouds Figure 17, page 180. For ease of reading the pictorial representations of the top 20 words of seven characters or more within key CG literature and empirical NED legal documents. These word-clouds form part of the explicit data analysis supporting the preponderance of observable evidence, while a deeper investigation unearthed further missing words, such as ‘value’, which underpin the implicit understandings.

The purpose of collecting and analysing the corporate governance codes and FTSE 350 Company data including NED biographies etc., is to understand what is expected of NEDs and CS as well as gain insights into NEDs' actual CS oversight. This data is analysed to seek evidence of 'strategy', 'leadership' and 'values' which provide explicit outcomes which are further examined to appreciate what is expected from NEDs strategic oversight provision.

**FIGURE 17 SCRUTINY OF CORPORATE GOVERNANCE CODES AND PROFESSIONAL BODY PROFORMA NED CONTRACTUAL DOCUMENTATION FOR EMPHASIS ON STRATEGY**



Source: Application to this research - Lisson (2022). See Appendix E.3 FTSE 350 Company search of NED Biographies, and contractual documents

Unexpectedly, the outcomes expose neither 'strategy nor leadership' are in the top 20 words, and a further inspection discloses they are not in the top 50 frequently used words either. This required a rethink of what ancillary Thematic Analysis is feasible. A deficiency in the word appearances is of concern as this prohibits the planned Thematic Analysis. Reflecting on the implications of lack of explicit strategic terminology i.e., that available for coding meant that further NVivo sub-theme analysis was not feasible (Byrne 2021) i.e., traditional NVivo analysis were unsuccessful and alternative themes needed to be deliberated. To surmount this obstacle i.e., lack of explicit words, implicit understandings are recognised and investigated further.

### 5.3.3 Proforma NED contracts and FTSE 350 NED biographies linked to board committees

The definition and contextualisation of this research examination is founded on eight thematic areas described in chapter 4 pages 157-158. Applying the theoretical and methodological colour coding analysis, as introduced on Table 13 Purpose-built colour coding analysis tool on page 158 the outcomes of proforma NED contractual documentation show the following components are present:

**TABLE 17 MAPPING OF PROFESSIONAL BODIES PROFORMA NED DOCUMENTATION**

Proforma NED Letter of Appointment Proforma NED Terms of Engagement Proforma NED Terms of Reference (ToR): Sub-Committees	C	M	N	P	L	S	C	D
Written NED strategic responsibilities			✓					✓
Written NED leadership responsibilities			✓					✓
General statements including leadership and/or strategy	✓	✓						✓

Source: Lisson (2022).

It is fair to presume in the absence of observable evidence of a CS Committee recording individual NED CS activity, FTSE 350 NEDs do not explicitly dedicate specific time and effort on a continuous and regular basis to their company's CS commensurable with their other CG advisory and monitoring activities. Implicitly there is potential for conversational accountability within Sub-Committees to include reference to CS but is not specifically recorded as such and could form the basis of future research. Likewise, the annual board away day is likely to cover strategy albeit in a time-constrained manner. The value creation from strategic discussions is potentially lost as there is no specific route to present the ideas to enable value creation.

**TABLE 18 MAPPING FTSE 350 NED PUBLISHED BIOGRAPHY**

<b>FTSE 350 NED Biographies</b>	<b>C</b>	<b>M</b>	<b>N</b>	<b>P</b>	<b>L</b>	<b>S</b>	<b>C</b>	<b>D</b>
NED strategic responsibilities		✓						✓
NED leadership responsibilities								✓
General statements including leadership and/or strategy		✓						✓

Source: Lisson (2022).

The set of conveniently accessed FTSE 350 NED biographies is examined for their strategic and leadership oversight mentions and patterns. It is conceivable NEDs possess strategic and leadership talent but just do not prioritise its publication. Moreover, strategic and leadership skill sets may be lower ranked than their CG ones such as recent audit experience per un-ascribed NED presentation and head-hunter conversations. The research scrutiny uncovers a gap in up-to-date, fundamental board-level strategic knowledge sets within FTSE 350 NEDs published biographies.

FTSE 350 NED biographies conveniently accessed from their relevant companies' website are analysed. Participants have not been approached nor has the data been verified as to its timeliness and accuracy. Scrutiny of these explicit written records forms part of the desktop research underpinning this research outcomes. Published FTSE 350 NEDs' biographies are tagged for their references and instances of 'strategy' disclosures to illuminate the emphasis FTSE 350 NEDs' place on strategy. A sub-set of FTSE 350 companies conveniently accessed are explicitly analysed for reference to 'strategy' is provided in Table 19, page 183, and saturation was reached at a sample size of 76 observations. Scrutiny of NED biographies, once more supports a pattern depicting the lack of emphasis placed upon strategy clearly in favour of regulatory and procedural CG components. This inconsistency supports proceeding with further research. Provided below is an extract of a set of FTSE 350 published NED Biographies and contractual documents conveniently accessed via: (Google search of published information April 2019 – December 2020).

**TABLE 19 SUB-SET OF FTSE 350 COMPANY NED BIOGRAPHIES AND CONTRACTUAL DOCUMENTS**

<b>FTSE 350 Companies published NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># Instances strategy mentioned</b>
HSBC	ToE are linked to the board not specific to NEDs. Strategy is mentioned regarding delivering strategic objectives and link to risk profile. Downloaded 1 May 2019.	5-Page	3 instances within one paragraph.
BP	ToE for NEDs are linked to the Sub-Committees e.g. Remuneration is accessible via google search. Downloaded 1 May 2019.	Web extract	Not available.
AstraZeneca	LoA for NEDs – strategy linked to annual review and performance of company. Downloaded 1 May 2019.	7-page	1 instance.
Glaxo SmithKline	ToR are linked to Sub-Committees e.g., Audit, Nomination and Remuneration Committees – with zero mentions of strategy. Downloaded 1 May 2019.	Web extract	Not available.
Diageo	Board of Directors named. No Terms of Engagement/Reference available on their website. NED Appointment announcement. Downloaded 12 November 2019.	2-page	None.
British American Tobacco	Board of Directors named. No terms of engagement/reference available on their website. Audit, Nomination and Remuneration, Committees' terms of reference published. "The Main Board is responsible to the shareholders for the success of the Group and for its overall strategic direction and governance". Downloaded on 31 December 2019 from <a href="https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOBB9HYM">https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOBB9HYM</a>	2-page	1 instance in responsibility statement.
Rio Tinto	Board of Directors named. No mention of CS Committee. Senior Independent Director does not list 'Strategy' within his skills and experience. ToR are available at Sub-Committee level only. Audit, Nomination, Remuneration, and Sustainability Committees' Terms of Reference downloaded 31 December 2019 <a href="https://www.riotinto.com/aboutus/corporate-governance-22039.aspx#faq-3">https://www.riotinto.com/aboutus/corporate-governance-22039.aspx#faq-3</a> .	9-Page	None.
Vodafone Group	Board role is published which clearly states "the likely consequences of any decision in the long-term;" as one of its duties. The instances of strategy are somewhat procedural in context. Downloaded 3 May 2019.	9-page	8 instances.
Tesco	NEDs are named, biographies provided as well as naming the Committees they are assigned to. ToE for the Sub-Committees e.g., Audit, Nomination, Remuneration etc... Downloaded 31 December 2019. "Our Non-executive Directors have the wide range of skills and experience necessary to enable them to provide constructive challenge, scrutinise performance and help to develop our strategy."	1-page	1 instance.
BT Group	NEDs individual profiles are available as well as stating Sub-Committee appointments. 7 Sub-Committees of the board are listed including one named Executive Committee. The terms of reference for the Executive Committee clearly include focus on CS. Downloaded 5 May 2019.	4-page	8 instances.



FTSE 350 Companies published NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference			
FTSE 350 Company	Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:	No. of pages	# Instances strategy mentioned
Legal and General Group	NED names published along with brief profiles. NED involvement within 5 Sub-Committees stated supported with ToR. No CS Committee. A clear corporate governance statement is provided as downloaded on 31 December 2019 <a href="https://www.legalandgeneralgroup.com/about-us/corporate-governance/">https://www.legalandgeneralgroup.com/about-us/corporate-governance/</a> The Corporate Governance report mentions ‘Strategy’ 89 times in the context of Group operations and deliverance of strategy.	54-page	89 instances.
Rolls Royce Holdings	NEDs’ names and career history listed. Identifies Sub-Committee memberships. A 76-page NED Terms and Conditions published. <a href="https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/about/terms-and-conditions-of-non-exe-dir-01-03-2019.pdf">https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/about/terms-and-conditions-of-non-exe-dir-01-03-2019.pdf</a> Extract from NED appointment letter p2: “ <i>In addition to these requirements of all directors, your role may be expected to include the following key elements: • Strategy – to constructively challenge and help develop proposals on strategy alongside the executive directors;</i> ”. Corporate governance documents published <a href="https://www.rolls-royce.com/about/leadership/corporate-governance.aspx">https://www.rolls-royce.com/about/leadership/corporate-governance.aspx</a> Downloaded 31 December 2019.	76-page	39 instances of strategy within various NED Letters of Appointment.
Ferguson	NED biographies listed. States membership of 4-Sub-Committees. Interestingly they state a further 4 Committees for strategy matters. <ul style="list-style-type: none"> <li>Executive – linked directly to strategy. Treasury, Disclosure, Ad-hoc</li> </ul> <i>The Executive Committee meets at least 10 times each year. These meetings usually take place prior to Board meetings,</i> ” which do not have NEDs present. “ <i>The Executive Committee addresses operational business issues and is responsible for implementing Group strategy and policies, day-to-day management and monitoring business performance</i> ”. Downloaded 1 January 2020 <a href="https://www.fergusonplc.com/en/who-we-are/corporate-governance.html">https://www.fergusonplc.com/en/who-we-are/corporate-governance.html</a>	1-page	1 instance of strategy.
Pearson	NED names listed with biography and assigned Sub-Committees, which have a ‘ <b>Nomination and Governance Committee</b> ’ which oversees strategy. Notably Pearson’s have a <b>Chief Strategy Officer</b> within the Executive Leadership Team supporting the Board. Downloaded 10 December 2019.	9-page	Zero instances.
EasyJet	Terms of Appointment mention bi-annual Board strategy away-day. Downloaded 19 November 2019.	5-page	1 instance.
Royal Mail	Brief NED biographies published. <a href="https://www.royalmailgroup.com/en/about-us/management-and-committees/royal-mail-group-board/">https://www.royalmailgroup.com/en/about-us/management-and-committees/royal-mail-group-board/</a> No Terms of Engagement published. Some NED’s profiles have strategy and leadership skills backgrounds. No specific CS Committee. <a href="https://www.royalmailgroup.com/media/10225/matters-reserved-for-the-board-march-2019.pdf">https://www.royalmailgroup.com/media/10225/matters-reserved-for-the-board-march-2019.pdf</a> Downloaded 1 January 2020	5-page	10 instances.

Source: Lisson (2022), extracted from FTSE 350 listing downloaded from FAME on 23 April 2019. NED Letter of Appointment, Terms of Engagement, Terms of Reference: Google web searches of published information April 2019 - Jan 2020 provide a single set of NED documentation download.

See Table 55, page 403, for fuller analysis. Note: **No board-level CS Committee unearthed within the 76 FTSE 350 Companies evaluated.**



#### 5.3.4 FTSE 350 Company Financial Data Analysis

CS informs sub-strategies such as financial strategy thus the need to recognise the IST lens and it emphasises on the need for commercial success. Successful CS increases the likelihood of delivering strategic financial outcomes for companies. FTSE 350 company profitability and liquidity year end positions are one result of corporate vision, execution of corporate strategy as well as prevailing market conditions. The large sample size i.e., FTSE 350 Stock Exchange constituent financial performance data are initially appraised and analysed to further understand potential links between FTSE 350 company financial performance and NEDs' strategic responsibilities and potential interactions with their company's financial strategy. Moreover, the statutory and regulatory factors require the company to publish an annual Strategic Report. This includes the financial and regulatory elements as well as guidance on 'materiality'. The London Stock Market values focus upon the potential (continuing) shareholder value a key element of sustainable finance strategy. In undertaking a strategic financial appraisal, this research analyses the profitability and liquidity positions of FTSE 350 companies to assess their future financial position and capabilities, i.e., join the dots between the numbers and potential to deliver its CS.

A composite set of financial data is explored to seek greater understanding and any potential pattern within the evidence which is auditable (Daniel 2019 p120). The financial analysis provides an additional dimension to the many reflections upon FTSE 350 NEDs strategic oversight provision and is implemented using repeatable data methods and forms part of the descriptive research. FTSE 350 companies' capital, profitability and liquidity positions are delivered via their company's unique leadership and CS which is a key element to its FTSE 350 ranking position. Initial exploration and background analysis is contained in Appendix E which may be relevant in post-doctoral research. Exploratory inspection of empirical financial data offers observations into the profitability and liquidity environment in which FTSE 350 NEDs' strategic oversight provision is being delivered. Bearing in mind investors/shareholders require financial returns (capital and/or dividends, interest) and this is of importance to the board which includes NEDs. Profitability ratio analysis reflects the present financial year end outcomes and are subject to the chosen reporting policies of each individual FTSE 350 company. Likewise, the opportunity to capitalise on disruption is a CS opportunity. Generalisations of non-scientific observations in this instance, indicate an overall a lack of a pattern is observed which raises further lines of investigation.

#### 5.3.4.1 FTSE 350 Index depicting stock market price movement during 2019-2020

The FTSE 350 index is a weighted average of all FTSE 350 companies share prices. FTSE 350 company share prices are volatile to both financial market and company circumstances. FTSE 350 company share price reflects both market and individual company strategic and economic conditions. Presented below is a chart depicting the FTSE 350 index covering the period 1 January 2019 to 17 November 2020. BREXIT (31 January 2020) is a previously known and acknowledged factor. However, no transition agreement was in place before 31 December 2020. Clearly visible is the significant external impact of the pandemic commencing in late February 2020 and the pattern persisting through to November 2020 onward. The cause and timing of external events is outside the control of FTSE 350 companies and their NEDs' strategic oversight, however dealing with the financial and business consequences is not. NEDs' leadership and provision of strategic oversight is key to ensuring their company survives and in time flourishes once more. The FTSE 350 index shows a steep depression in March and April 2020 the like of such has not been seen since World Wars I and II and the 'great frost in 1709' (Giles 2020).

**FIGURE 18 FTSE 350 INDEX DEPICTING STOCK MARKET MOVEMENT DURING 2019- 2020**



Source: London Stock Exchange 350 index downloaded on 17 November 2020.

The FTSE 350 index clearly depicts a highly volatile year with significant freefall in share price value during the height of the financial crisis in spring 2020. Whilst the FTSE 350 index has commenced recovery, following a period of restoration in the UK economy, the chart depicts the volatility, and the subsequent rise mid-November 2020 due predominantly

to a successful COVID-19 vaccine trials and deployment being rolled out December 2020 onward. Implicit in this observation is market liquidity is acceptable and fluid as not every company has been impacted equally by the prevailing market conditions. Such instability makes delivering long-term CS difficult.

#### 5.3.4.2 FTSE 350 Stock Exchange constituent financial performance

It is important that each FTSE 350 company establishes and monitors specific and measurable financial strategic targets to ensure strategic success. The intention is to detect and be mindful of any impending strategic gaps in FTSE 350 companies being able to deliver upon their long term sustainable strategic growth. Empirical analysis utilising the financial data extracted from FAME database, and stock exchange indices and FTSE 350 company financial performance during the period 2019-20 is performed. Financial performance extracts conveniently gathered depicting the highest and lowest performers is displayed. This is supported by extended abstracts of FTSE 350 company financial performance within the appendix. Electronically stored are the calculations relating to each FTSE 350 constituent. Recognising financial information and performance is a potential reflection of a company's CS and incorporates the impact of the prevailing environment in which they operate, a performance review of the movements of FTSE 350 index during 2019-20 is provides context for further individual FTSE 350 company examination undertaken later.

During the global pandemic where *“UK GDP has contracted by 20% the worst since world war I and II”* Stewart (2020) concurs with the UK economy being in a defensive stance with survival mode uppermost. This has resulted in FTSE 350 companies building up cash balances and extending periods before capital expenditure (Steward 2020). The pandemic triggers a requirement for faster structural change and this needs to be undertaken in line with FTSE 350 company strategic plans. The need for FTSE 350 NEDs' strategic oversight has never been more prominent within their companies. Huber *et al* (2020 p2) confirm the *“growing importance of purpose and ESG”* which is consistent with FTSE 350 companies during the repositioning phase of their company battling with uncertainties.

The financial performance analysis which follows is not intended as a name and shame specific companies nor their NEDs rather provide context for this exploratory enquiry. The financial analysis determines the funds generated and available for future strategic

investment so as to deliver long-term sustainable future for the company. Depicted below are a sample of FTSE 350 companies which suffer the greatest and least movement in stock values during 2019-20, i.e., trading in periods of uncertainty. It is worth noting all FTSE 350 company share prices disclosed a negative stock price movement, clearly some suffered more than others. Volatility in share price is likely to continue as this research analysis concludes, with liquidity and profitability issues emerging. Outside the scope of this research is whether FTSE 350 companies are financially over-stretched. This research would have liked to explore strategic opportunities to assist NEDs of FTSE 350 companies to move towards a pattern of abiding sustainability which takes into account “ESG” including “cost benefit analysis”, “...transparently and in a globally consistent way.” (HM Treasury, Dept. of Work & Pensions, BEIS, 2021, pages 1, 34, 46 and 39, HM Government 2019) but unfortunately it is not within the scope or detailed approach. The ever-fluctuating financial performance of FTSE 350 companies during 2019-2020 is a constant cause of concern for the board including NEDs. This research outcomes do not seek consensus on profitability and liquidity matters, rather a rational dialogue to build understanding of the links between short-term and long-term decision making.

**TABLE 20 EXTRACT OF FTSE 350 COMPANIES’ MOVEMENT IN SHARE PRICE 2019-2020**  
An extract of FTSE 350 companies suffering the greatest fall in share price 2019-2020

	Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	Market price - Current GBP	Market price - Year to date - High GBP	Market price - Year to date - Low GBP	Stock price movement Low - High : Relative %
88.	CINEWORLD GROUP PLC	05212407	59140	31/12/2019	0.58	2.23	0.18	<b>-91.81</b>
167.	PREMIER OIL PLC	SC234781	06100	31/12/2019	0.19	1.21	0.10	<b>-91.70</b>
203.	ELEMENTIS PLC	03299608	20140	31/12/2019	0.73	1.86	0.18	<b>-90.27</b>
83.	CAPITA PLC	02081330	70229	31/12/2019	0.31	1.77	0.20	<b>-88.76</b>
164.	TULLOW OIL PLC	03919249	09100	31/12/2019	0.20	0.63	0.07	<b>-88.69</b>
117.	SIG PLC	00998314	43290	31/12/2019	0.33	1.26	0.15	<b>-88.15</b>

.....An extract of FTSE 350 companies suffering the least fall in share price 2019-2020

27.	WM MORRISON SUPERMARKETS P L C	00358949	47110	02/02/2020	1.91	2.04	1.58	<b>-22.62</b>
5.	TESCO PLC	00445790	47110	29/02/2020	2.16	2.59	2.04	<b>-21.41</b>
127.	GREENE KING LIMITED	00024511	56302	26/04/2020	8.42	8.42	6.65	<b>-20.98</b>
332.	PERSONAL ASSETS TRUST PUBLIC LIMITED COMPANY	SC074582	64301	30/04/2019	450.00	470.00	376.50	<b>-19.89</b>
196.	EI GROUP LIMITED	02562808	56302	30/09/2019	1.65	1.65	1.42	<b>-13.95</b>
105.	GALLIFORD TRY LIMITED	00836539	41201	30/06/2019	8.86	8.87	8.46	<b>-4.68</b>
213.	SOPHOS GROUP LIMITED	09608658	62012	31/03/2019	5.80	5.82	5.56	<b>-4.54</b>

**Formula:** Stock price movement low – high relative % = Market Price YTD Low **less** Mkt Price YTD high **divided** by Mkt Price YTD Low **multiply** 100.

**Source:** Data extracted from FAME database downloaded on 7 September 2020. See Table 57, page 438, for a fuller listing of FTSE 350 Companies share price analysis.

Overall, one generalisation is that each FTSE 350 company's share price is negatively impacted in the period 2019-20 i.e., coinciding with Brexit and before Covid-19.

#### 5.3.4.3 Linking FTSE 350 Company profitability/liquidity analysis to strategic performance

The FTSE 350 company's profitability and liquidity quantitative analysis is further utilised to support the qualitative analysis thus linking and illuminating both short-term and long-term strategic consequences. FTSE 350 companies must always maintain liquidity, if not, the company can be forced into liquidation. For this research analysis, the financial performance is linked to corporate decisions on 'Shaping', 'Conducting' and 'Deciding'. An extract of actual FTSE 350 company profitability and liquidity analysis is presented in the discussion to come. Financial extracts presented showing the weak performance through to the better performing companies to illustrate the need for CS to be interlinked with overall financial performance is available for re-use in future research.

#### 5.3.4.4 Profitability ratio analysis - Profit/Earnings before interest and tax %

Earnings before interest and tax (EBIT) divided by Sales Revenue represents a widely used industry ratio for valuing what the board and their management of a FTSE 350 company can generate. The company's board is charged with making continuing profits. Profits are one element for which FTSE 350 boards' (including NEDs) performance are constantly being evaluated by its stakeholders. Sneader *et al* (2020 p22) reaffirm "*companies create long-term value only when their returns on invested capital exceeds their cost of capital*" which is consistent with a company building long-term economic sustainability. The pattern in the data shows accounting year ending 2019, which takes the initial BREXIT impact into account but is prior to COVID-19. It is predictable for most FTSE 350 companies EBIT will deteriorate even further in the subsequent year(s) due to the consequences of global pandemic.

**TABLE 21 MAPPING PROFITABILITY RATIO TO ASSESSMENT CRITERIA**

Profitability Ratio	C	M	N	P	L	S	C	D
NEDs' oversight responsibilities	✓			✓		✓	✓	✓

Source: Lisson (2022).

Short-term profitability is of interest to FTSE 350 company boards to attract and maintain investors longstanding confidence and is linked to long-term strategic direction. High street names such as Arcadia, strategically struggling before the pandemic hit, formally went into administration on 30 November 2020 placing 13,000 jobs at risk (Ely and Cumbo 2020). Overall FTSE 350 companies depicted a pattern of significantly reduced earnings/profitability for the financial year ending 2019/20. An extract of FTSE 350 company's profitability ratios is presented within the EBIT margins see Table 22, which show those companies with the greatest movement either positive or negative values for their year-end reporting values at or just before global pandemic period.

**TABLE 22 EXTRACT OF FTSE 350 COMPANIES' EBIT MARGIN SHOWN AS A %**

	Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	EBIT margin (%) Last avail. yr
164.	TULLOW OIL PLC	03919249	09100	31/12/2019	<b>-82.32</b>
292.	CAPITAL & COUNTIES PROPERTIES PLC	07145051	41100	31/12/2019	<b>-73.32</b>
264.	NEWRIVER REIT PLC	10221027	68100	31/03/2020	<b>-67.27</b>
327.	PANTHEON INTERNATIONAL PLC	02147984	64301	31/05/2019	<b>-34.76</b>
328.	POLAR CAPITAL TECHNOLOGY TRUST PLC	03224867	64301	30/04/2019	<b>-26.10</b>
.....					
285.	THE MERCANTILE INVESTMENT TRUST PLC	00020537	64999	31/01/2020	<b>95.11</b>
291.	THE EDINBURGH INVESTMENT TRUST PUBLIC LIMITED COMPANY	SC001836	64999	31/03/2019	<b>95.24</b>
317.	JPMORGAN AMERICAN INVESTMENT TRUST PLC	00015543	64999	31/12/2019	<b>95.36</b>
298.	HICL INFRASTRUCTURE PLC	11738373	64301	31/03/2020	<b>95.93</b>
281.	THE CITY OF LONDON INVESTMENT TRUST PLC	00034871	64301	30/06/2019	<b>97.11</b>

EBIT margin % values are extracted at data source – no further calculation undertaken.

Source: Data extracted from FAME database downloaded on 7 September 2020. See Table 58 Extended list of FTSE 350 companies' EBIT margin shown as a % .

The EBIT % depicts what each FTSE company has earned or in this case, for many, the loss of earnings, during the past 12 months as a direct result of implementing the Boards strategy. Long-term survival emanates from the company's internal earnings being able to support future CS.

#### 5.3.4.5 Profit margin %

**Profit after interest and tax** represents what the board and their management of a FTSE 350 company retains once external stakeholders, the government and banks are paid. This value represents what is available to reinvest into future CS directions or distribute to shareholders.

**TABLE 23 EXTRACTS OF FTSE 350 COMPANIES DEPICTING PROFIT % (+/- MOVEMENT) IN 2019–20**

	Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	Profit margin (%) Last avail. yr
164.	TULLOW OIL PLC	03919249	09100	31/12/2019	<b>-98.26</b>
264.	NEWRIVER REIT PLC	10221027	68100	31/03/2020	<b>-83.98</b>
260.	THE UNITE GROUP PLC	03199160	68209	31/12/2019	<b>-64.79</b>
269.	PRIMARY HEALTH PROPERTIES PLC	03033634	68209	31/12/2019	<b>-57.87</b>
327.	PANTHEON INTERNATIONAL PLC	02147984	64301	31/05/2019	<b>-52.81</b>

.....

281.	THE CITY OF LONDON INVESTMENT TRUST PLC	00034871	64301	30/06/2019	<b>94.18</b>
263.	TRITAX BIG BOX REIT PLC	08215888	68100	31/12/2019	<b>95.08</b>
317.	JPMORGAN AMERICAN INVESTMENT TRUST PLC	00015543	64999	31/12/2019	<b>95.09</b>
298.	HICL INFRASTRUCTURE PLC	11738373	64301	31/03/2020	<b>95.93</b>
262.	SAFESTORE HOLDINGS PLC	04726380	52103	31/10/2019	<b>97.04</b>

Profit margin % values are extracted at data source – no additional calculation undertaken.

Source: Data extracted from FAME database downloaded on 7 September 2020.  
See Table 59 Extended extract of FTSE 350 company profit margin analysis, page 440.

As the global pandemic recedes, the board including NEDs, must adapt their company with renewed financial stimuli linked with environmental, social and governance activity to ideally drive innovation to harness the profit motive to support financial resilience (Hoggett 2021). NEDs' leadership needs to ensure good alignment with strategic targets and ensure the proper balance of frameworks are in place for their company to deliver abiding shareholder value.

#### 5.3.4.6 Liquidity ratio analysis

Exploratory analysis of liquidity evidence offers empirical insights into the environment in which FTSE 350 NEDs' oversight provision is delivered. A sample of FTSE 350 company liquidity ratios are presented which show those companies with the greatest movement either positive or negative at or just before the global pandemic period. This is of interest as all companies must have liquidity to continue trading. The overall pattern is significantly decreasing liquidity positions for FTSE 350 companies which is of great concern. Delivering long-term sustainable CS needs long-term stable funding. FTSE 350 company access to cash i.e., liquidity is a must to remain operational. Loss of liquidity position is serious and can lead to inability to pay obligations and worst-case insolvency leading to closure of the business. Poor liquidity positions stunt FTSE 350 companies' ability to delivery long-term sustainable CS.

**TABLE 24 EXTRACTS OF FTSE 350 COMPANIES DEPICTING LIQUIDITY IN GB£ - MOVEMENT 2019-20**

	Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	Increase(Decrease) Cash & Equiv. th GBP Last avail. yr
14.	BARCLAYS PLC	00048839	64110	31/12/2019	-24,431,000
24.	STANDARD CHARTERED PLC	00966425	64191	31/12/2019	-14,923,877
33.	NATWEST GROUP PLC	SC045551	64110	31/12/2019	-8,348,000
1.	ROYAL DUTCH SHELL PLC	04366849	06100	31/12/2019	-6,640,000
41.	LEGAL & GENERAL GROUP PLC	01417162	65120	31/12/2019	-3,839,000
13.	IMPERIAL BRANDS PLC	03236483	12000	30/09/2019	1,540,000
40.	DIAGEO PLC	00023307	11010	30/06/2020	2,552,000
6.	LLOYDS BANKING GROUP PLC	SC095000	64110	31/12/2019	2,587,000
106.	VIRGIN MONEY UK PLC	09595911	66110	30/09/2019	3,577,000
16.	AVIVA PLC	02468686	65120	31/12/2019	3,628,000

**Increase/Decrease Cash & Equivalents.** values are extracted at source – no additional calculation undertaken.

Source: Data extracted from FAME database downloaded on 7 September 2020. See Table 60 Extended extract of FTSE 350 company liquidity analysis, page 441.



**TABLE 25 MAPPING LIQUIDITY RATIO ANALYSIS TO ASSESSMENT CRITERIA**

Liquidity / Current Ratio	C	M	N	P	L	S	C	D
NEDs' oversight responsibilities	✓	✓	✓		✓	✓	✓	✓

Source: Lisson (2022).

FTSE 350 companies' liquidity position for the year ending 2019-20 point to many companies experiencing poor positions prior to the unprecedented global pandemic in 2020-21. Shareholders are likely to switch investment to companies which are in a position to deliver long-term CS. Linked to liquidity position is the current ratio which shows all FTSE 350 companies are negative for their year ending 2019. No doubt this too is under significant pressure in the year ending 2020.

**TABLE 26 EXTRACTS OF FTSE 350 COMPANIES DEPICTING CURRENT RATIO IN 2019-20**

Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	Current Assets th GBP Last avail. yr	Current Liabilities th GBP Last avail. yr	CA / CL Ratio
323. HGCAPITAL TRUST PLC	01525583	64999	31/12/2019	252,516	-1,231	<b>1: 205.13</b>
333. JPMORGAN INDIAN INVESTMENT TRUST PLC	02915926	64999	30/09/2019	25,384	-225	<b>1: 112.82</b>
312. THE SCOTTISH INVESTMENT TRUST PLC	SC001651	64301	31/10/2019	74,837	-664	<b>1: 112.71</b>
330. HERALD INVESTMENT TRUST PLC	02879728	64301	31/12/2019	90,838	-1,215	<b>1: 74.76</b>
317. JPMORGAN AMERICAN INVESTMENT TRUST PLC	00015543	64999	31/12/2019	9,187	-290	<b>1: 31.68</b>
Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	Current Assets th GBP Last avail. yr	Current Liabilities th GBP Last avail. yr	CA / CL Ratio
320. WORLDWIDE HEALTHCARE TRUST PLC	03023689	64301	31/03/2020	18,440	-164,726	<b>1: 0.11</b>
11. PRUDENTIAL PUBLIC LIMITED COMPANY	01397169	66190	31/12/2019	20,819,264	-311,985,981	<b>1: 0.07</b>
51. QUILTER PLC	06404270	64205	31/12/2019	3,365,000	-53,823,000	<b>1: 0.06</b>
75. PHOENIX GROUP HOLDINGS PLC	11606773	64205	31/12/2019	13,461,000	-231,669,000	<b>1: 0.06</b>
340. JOHN LAING GROUP PLC	05975300	70229	31/12/2019	8,000	-251,000	<b>1: 0.03</b>

**Formula:** Current Assets last year available divided by Current Liabilities last year available.

Source: Data extracted from FAME database downloaded on 7 September 2020. See Table 61 extended extract of FTSE Company current ratio analysis, page 442.

#### 5.3.4.7 CA (2006) and Financial Services Act (2016) - promoting the success of companies

FTSE 350 companies must comply with the minimum standards as laid out in the CA (2006 and amendments). Failure to do so ensues in fines and potential dissolution of the company. An important observation is CA (2006 s171 and s172) does not mention stakeholders. Thus, this research can safely assert the CA 2006 alone does not require the directors to promote sustainable companies for the benefit of all. Furthermore, the Financial Services Act 2016, concentrates on the procedural aspects of regulating the financial sector. This Act imposes de facto involvement imposing strategic thinking by all board members. Both Acts are legal and binding and do provide specific guidance to enhance or enrich NEDs' roles and responsibilities. The specific function and influence of UK government is outside the scope of this research rather the implications of legislation have long-term consequences.

**TABLE 27 CA (2006) AND FINANCIAL SERVICES ACT (2016) STRATEGIC ANALYSIS**

Year	Act	Section	Pages	Corporate Governance Emphasis	# Instances	
					Strategy	Leadership
2006 plus annual reports to 2016	CA (2006)	s172.1-172.2, and s4.	761 pages	Explicit statement of the Duties of Directors regarding “ <i>promoting the success of the company</i> ” for the benefit of members.	0	0
2016	Financial Services Act (2016)	Ref. to Sect. E of Financial Services Act 2000.	72 pages	Overall procedural document. Senior managers who are guilty of contravening the law may be fined and disqualified.	17	0

Compiled by: Lisson (2022).

**TABLE 28 MAPPING COMPANIES ACT (2006) TO ASSESSMENT CRITERIA**

CA (2006)	C	M	N	P	L	S	C	D
NEDs' oversight responsibilities	✓			✓	✓			✓

Source: Lisson (2022).

Concentrating on the IT lens to review the legal components, the legislation presents FTSE 350 NEDs with the impetus on ‘coercion’ i.e., for their company to maintain specific

practices to meet minimum legal standards. Good CG promotes better than minimum legal standards and aims at overall improvement in company effectiveness and transparency. In particular, CA (2006 s171 and s172) legally requires the board (which includes NEDs), to ensure the financial accounts are prepared annually which includes a Strategic Report. The Act does not state who prepares the report, customarily it is the audit company, however the board must approve same. In the case of the annual report, this is presented ‘Coercive’, and subsequently accepted ‘Deciding’ by the board annually thus this confirms the pattern of NEDs’ involvement.

#### 5.3.4.8 CA (2006 s171.1) promotes long-term sustainable business

**TABLE 29 MAPPING CA (2006) s171.1 ANALYSIS TO ASSESSMENT CRITERIA**

CA (2006 s171.1)	C	M	N	P	L	S	C	D
NEDs’ strategic responsibilities	✓					✓	✓	✓

Source: Lisson (2022).

Consistent with the CA (2006 s171.1) requires **all** directors “*to act within their powers*” this is consistent with promoting the long-term sustainable business. Moreover, all board members must abide by the terms of the company’s memorandum and articles of association and decisions made by shareholders including those relating to their company’s strategy. Uncovering an absence of specific legislation and governance requirements, unlike Audit, Nomination and Remuneration, which have specific Committees, may help to explain the apparent deficiency in the specific provision of strategic oversight by FTSE 350 NEDs. This research accepts FTSE 350 companies are meeting the **minimum legal requirements**. There is insufficient published data available to recognise specific patterns of NEDs’ strategic oversight contributions. The evidence points to the need for NEDs involvement in CS to be regulated similar to Audit, Nomination and Remuneration i.e., have its own specific Committee with detailed Terms of Reference.

#### 5.3.4.9 CA (2006 s171.2) promoting long-term decision making

**TABLE 30 MAPPING CA (2006) s171.2 ANALYSIS TO ASSESSMENT CRITERIA**

CA (2006 s171.2)	C	M	N	P	L	S	C	D
NEDs’ strategic responsibilities	✓							✓

Source: Lisson (2022).

Ratifying the CA (2006 s171.2) requires all directors “*to promote the success of their company for the benefit of its members as a whole*”. Within this clause, the CA (2006 s171.2) clearly identifies all board members having a responsibility to consider “*the likely consequences of any decision in the long term*”. As board meetings are procedural events, minutes rarely, if ever, point to the depth of discussion surrounding agenda items but rather the outcomes of such discussions. For this reason, patterns of strategic **‘Shaping’ and ‘Conducting’ dimensions are obscured**. Institutional investors signal their investment portfolios are steering towards ESG conscious FTSE 350 companies in support of their greener and longer-term sustainable investment portfolios. This continuing survival depends on FTSE 350 company’s defining and demonstrating positive societal impacts.

#### 5.3.5 UK corporate governance guidelines on matters of strategy and leadership

Commencing with the Cadbury Report (1992) leading to the current UK CGC (2018), the governance guidelines present important direction for companies and their leadership. NEDs’ oversight provision is evaluated against ensuring good governance and being a critical friend supporting FTSE 350 boards. Whilst much progress in NEDs’ regulatory infrastructure promoting positive CG impacts is acknowledged, little progress in NEDs’ strategic collaboration and networking is evident. Key codes and reports specifically providing greater clarity to the extent of NEDs’ strategic oversight responsibilities discussed within the analysis, are provided.

This document search has uncovered a pattern depicting a lack of specific emphasis on strategy until 2018. In 2018 various reports and reviews show a significant rise in the volume of occurrences in which strategy and its derivatives are narrated albeit in a somewhat formulaic manner, potentially due to the change in reporting regulations requiring each company produce a Strategy Report. Specifically, the Strategic Report emphasises the need for the board which includes NEDs to continuously appraise and report on CS. A precis of key UK CG codes is presented on Table 31, page 197.

**TABLE 31 PRECIS OF KEY UK CGC OBSERVING INSTANCES OF STRATEGY AND LEADERSHIP**

UK Corporate Governance Codes observing instance of ‘strategy’ and ‘leadership’						
Year	Report Name	Focus	Possibly provoked by:	Pages	# Instances	
					Strategy	Leadership
1992	The Cadbury Report	Financial Aspects of Corporate Governance.	Mirror Group Scandal 1987, Robert Maxwell, Polly Peck and BCCI.	90-page	6	3
2003	The Higgs Report	Review of the role and effectiveness of NEDs.	Aiming at improving and strengthening Combined Code.	126- page	32	13
2009	The Walker Review	A CG review of Banks and Financial investments.	Focuses particularly on risk within Banks. However, NEDs to spend 50% more time on the job.	184-page	144	60
2010, 2012 / 2016 See separately 2018	The UK Corporate Governance Code: Lays out 5 principles of “Comply and Explain”	NEDs’ role is to assist company’s leadership.  The Chairman’s role is to lead and manage the board, and to play a role in facilitating the discussion of the Company’s strategy by the board.	S. (A1) ... <i>“boards to provide entrepreneurial leadership...”</i>  S.(A4) ... <i>“Non-Executive Directors should constructively challenge and help develop proposals on strategy”.</i>  S.(B) ... <i>“The board should have the required balance of skills to effectively discharge their duties”.</i>	37-page	19	0
2018	UK CGC	Consolidation of earlier UK CGCs and brevity of expression.	Every increasing and widening board responsibilities – earlier versions became unwieldy.	20-page	18	4
2018	Guidance on the Strategic Report	An annual statement addressing s172.1 CA (2006) clearly stating how well the directors are performing and “enlightened shareholder value”.	The need to present a fair, balanced, and understandable report to the shareholders for them to assess ... the business model and strategy.	104- page	546	0
2018	Corporate Governance Review	Compliance with prevailing corporate governance code.	FTSE 350 organisations lack of compliance. <i>“All but two companies now include a strategic report in their annual report; <b>60% comply</b> with all strategic report requirements”.</i>	65-page	95	15

Source: Data extracted from named company reports and analysed by Lisson (2022). For fuller listing see Table 64, page 461.

The selected strategic examination framework allows this research to recognise the complexity of the governance arrangements in place and to segregate the different aspects of strategic oversight to ensure an enlightened, comprehensive oversight coverage by NEDs (Eadkin and Gladstone 2020). The grid below depicts NEDs' strategic oversight responsibilities and their observable contributions to their company's CG. Observable strategic oversight involvement is low key. What is not detectable is NEDs' informal strategic oversight i.e., oversight which is not necessarily recorded.

**TABLE 32 MAPPING CG REPORTING ILLUMINATING NEDS' STRATEGIC RESPONSIBILITIES**

<b>Corporate Governance:</b> NEDs' strategic responsibilities	<b>C</b>	<b>M</b>	<b>N</b>	<b>P</b>	<b>L</b>	<b>S</b>	<b>C</b>	<b>D</b>
UK CGC (2018)	✓							✓
LSE Rule Book (2018)	✓							✓
South African: King IV Report (2016)	✓							✓
Walker: Review (2009)	✓							✓
Higgs Report (2003)	✓							✓

Source: Lisson (2022).

FTSE 350 company compliance with UK CGC (2018) is observed within the annual audited financial reports. There is a coercive element of legal and London Stock Exchange regulations (2018) requiring compliance or risk potential suspension from the FTSE 350 listing. Explicitly, the board meeting minutes required to record items which are on the agenda, their discussion and any decisions made by the board collectively. Within the written records researched; it is difficult to decipher patterns of specific NED strategic oversight involvement.

Ever mindful Cadbury (1992) and Hempel (1998) warn of the dangers of over-emphasising the control role of NEDs at the expense of their strategic role, which is borne out by the powerful pattern of insights resulting from this research analysis. Faced with NEDs' ever-growing regulatory compliance workload, board evaluations etc. it is understandable how strategic oversight is relegated (<https://www.effectivegovernance.com.au/page/knowledge->

[centre/news-articles/does-your-board-need-a-strategy-committee](#) 2021). This research concedes FTSE 350 NEDs' strategic oversight constraints in action and muses over what can be reasonably expected from NEDs' practices without adding additional resources in the form of a supporting CS Committee. Some FTSE 350 NEDs' CG activities require specific recent knowledge and experience e.g., be a qualified auditor with recent experience – yet no such technical, professional, and personal skills requirements are linked with NEDs' strategic capabilities and deliverance. Presently, one recognises the strategic oversight contribution is influenced by individual NED's motivation rather than coercive obligation.

### 5.3.6 London Stock Exchange listing regulations (2018) on matters of strategy and leadership

The LSE listing regulations provide comprehensive structure on the trading environment and stock exchange strategies that FTSE 350 companies must observe. This research notes the LSE does not impose any specific 'Coercive' requirement for FTSE 350 companies to have a published CS. Moreover, NEDs participating in board decisions explicitly corroborate the 'Deciding' component whilst a pattern of implicit understanding of oversight for 'Shaping and Conducting' other CS dimensions.

**TABLE 33 LONDON STOCK EXCHANGE LISTING REGULATIONS (2018) OBSERVING STRATEGY AND LEADERSHIP**

Year	LSE Regulations	Pages	Corporate Governance Focus	# Instances	
				Strategy	Leadership
2018	LSE Listing Rule Book	99-Page	Requirements to list and trade on London Stock Exchange. Listed companies must disclose extent of compliance with Cadbury Code and subsequent amendments and UK CGC updates. Strategy mentions are directly related to trading environment not specifically concentrating on the individual company's strategy.	20	0

Source: LSE Listing Rule Book (2018), application Lisson (2022).

FTSE 350 companies having a CS Committee may provide increased investor confidence in its long-term sustainable governance practices.

### 5.3.7 Overseas corporate governance influences

Recognising the King IV Report (2016) sets out the underlying principles of “*Comply AND Explain*”, the idea being to bring stability to the capital markets and aid integrated reporting. South Africa is unique and leading the global stakes for its requirement to “*Comply and Explain*”. Knowing the LSE is “*Comply OR Explain*” potentially facilitates lack of transparency, thus potentially less confidence in FTSE 350 companies. This research has more empathy with “*Comply AND Explain*” as it provides greater transparency, thus building confidence. Contrasted with “*Comply OR Explain*” aids areas for hiding elements that erode confidence which are exposed within corporate failings and failures. Furthermore, FTSE 350 companies’ governance principles, as implemented by their boards, are recognised as underperforming when promoting companies publishing meaningful strategic statements (O’Neil *et al* 2020).

### African Governance

African countries have a process enabling statistical monitoring via the Ibrahim Index of African Governance (2018) which focuses upon law, human rights, human development, and sustainable economic opportunity. Missing is any form of direction on strategy. Summarised below are key overseas CG guidelines on Table 34.



**TABLE 34 EXTRACTS OF OVERSEAS CG GUIDELINES OBSERVING STRATEGY AND LEADERSHIP**

EXTRACTS OF OVERSEAS CORPORATE GOVERNANCE GUIDELINES OBSERVING STRATEGY AND LEADERSHIP EXTRACTS								
Year	Location	Report Name	Focus	Possibly provoked by:	Pages	# Instances		
						Strategy	Leadership	
1999	Commonwealth Association of CG	Towards Global Competitiveness	Good CG practices within commonwealth countries.	An endorsement of good corporate governance principles within commonwealth countries. Focuses upon strategic implementation and practice. Links Chairman's leadership to strategy.	100	34	17	
2016	South Africa	King IV Report	Corporate Governance for South Africa.	<b><i>"Comply and Explain"</i></b> Financial instability and crises; move towards inclusive capitalism; long-term, sustainable capital markets and integrated reporting.	128	109	41	
2016	Mauritius	The National Code of CG for Mauritius	Long-term prosperity and for creating sustainable value for shareholders.	Establishes 8 basic principles and includes <b><i>"Comply and Explain"</i></b> . Additionally, <i>"Non-Executive Directors should constructively challenge and contribute to the development of strategy"</i> .	124	35	8	
2017	47 OECD Jurisdictions	OECD CG Fact Book	OECD member countries CG Code. Clear links and alignment with UK CGC.	Focuses upon the NEDs' role of review of CG, Audit, Nomination, Remuneration, Risk, etc. Omits mention of strategy within NED context!	144	8	0	
2018	International CG Network	Global CG Principles	Inform through education.	Desire to influence, connect and inform CG and stewardship practices.	36	25	7	

Source: Lisson (2022) analysis, data extracted from named reports, See Table 42, page 316 for fuller listing.

### 5.3.8 FTSE 350 companies and Strategic Reporting

FTSE 350 companies must develop cordial relationships with many stakeholders and their CS needs to integrate with society. CS aims to embrace and contribute to the overall company's resilience. Whilst a company's Strategic Report may meet some stakeholders' needs and is in the public domain, the Strategic Report is not the only or optimum tool for FTSE 350 NEDs' strategic oversight provision as it tries to address a multitude of audiences. FTSE 350 companies must purposefully think carefully about when and how they release communications on strategic initiatives. Each company is responsible for securing its own individual strategy and confidentiality is frequently key to its success.

#### 5.3.8.1 CA (2006 s4) Strategic Reporting

**TABLE 35 MAPPING CA (2006) s4 STRATEGIC REPORTING ANALYSIS**

Strategic Reporting	C	M	N	P	L	S	C	D
NEDs' oversight responsibilities	✓	✓	✓	✓	✓	✓	✓	✓

Source: Lisson (2022).

In 2018, it became compulsory for all FTSE 350 companies to annually publish the Strategic Report, and initial observations point to a somewhat prescriptive repertoire of strategic responses and antecedents has been adopted and published. Prior to this time, it is recommended to publish a Strategic Report, however it is not a specific requirement. Being a relatively new report and not fully bedded in within the company's annual reporting requirement, surprisingly the strategic information presented appears somewhat formulaic and in keeping with the form of the audit report. This research acknowledges individual FTSE 350 company strategy is not expected to be consistent nor comparable, rather, it should be tailored to the business it serves thus shaping the next five years and preferably more. Integrated Reporting needs to be driven by enduring CS, sustainability and the value creation processes. Presently, it is too early in the development of the Strategic Reporting process to require that company strategy published statements are verifiable commitments i.e., full disclosures, publish defaults in expectations etc...

#### 5.3.8.2 FTSE 350 companies Strategic Reporting insights

Searching for the existence of a CS Committee including insights into sustainable CS, Table 36 summarises the key statements from a sample of FTSE 350 companies, page 203.

**TABLE 36 FTSE 350 COMPANIES - OBSERVATIONS INTO LONG-TERM SUSTAINABLE CORPORATE STRATEGY**

FTSE 350 Companies Strategic Report insights into long-term sustainable corporate strategy			
FTSE 350 Company	Strategic Report	No. of pages	# Instances strategy
Barclays	<i>“Our strategy is to deliver strong returns, by building on our strengths as a transatlantic consumer and wholesale bank, with global reach. This strategy is designed to ensure that we are resilient across the economic cycle, by being well diversified both in our business, and in our geographic footprint”.</i> Source: Barclays (2018) annual report downloaded 5 May 2019. Strategic Report 2019.	12-page	124 Instances which includes the instances within the footnote within Barclays Strategy Report.
Imperial Brands	<i>“Our strategy is aligned to our purpose of creating something better for the world’s smokers and focuses on driving results in three key areas. In Tobacco we are maximising opportunities for our Growth Brands in priority markets. Through our growing portfolio of Next Generation Products, we are providing adult smokers with a range of less harmful alternatives to cigarettes, with a particular focus on the vapour category.”</i>  <i>Downloaded 5 May 19 <a href="https://www.imperialbrandsplc.com/About-us/Our-strategy.html">https://www.imperialbrandsplc.com/About-us/Our-strategy.html</a></i>	6-page	1 instance.  Key statement focuses on the here and now!
Standard Chartered	<i>“Our Board is collectively responsible for our long-term success, and for ensuring that the Group is led within a framework of effective controls. The Board sets our strategic direction, approves our strategy and takes appropriate action to ensure that we have the resources we need to achieve our strategic aspirations”.</i> Downloaded on 5 May 19 source: <a href="https://www.sc.com/en/about/our-people/">https://www.sc.com/en/about/our-people/</a>  2018 Strategic Report is published. <a href="https://av.sc.com/corp-en/content/docs/our-strategy-2018.pdf">https://av.sc.com/corp-en/content/docs/our-strategy-2018.pdf</a>	4-page strategic review	Focus on what has been achieved since 2015 strategy review. Reports actual achievements and current strategic deliverables. Low on specifics for long-term sustainable business. 14 instances of strategy and its derivatives.
CRH	<i>“CRH’s strategy is to continue to grow and improve our business and in doing so to maximise long-term value and deliver superior returns for our shareholders and for society. Since the Group’s foundation in 1970, CRH has successfully refined and honed its strategy, in continuously evolving market environments. We have implemented this strategy by strengthening existing positions and developing new platforms for growth. While the Group continues to grow in scale, we remain resolutely focused on serving the unique needs of our customers in local and regional markets around the world. We provide a world class service with the personal touch of a local supplier. This focus on delivery for customers through strong local businesses is a key factor in enabling CRH to realise its vision of becoming the global leader in building materials.</i>  <i>Each day, millions of people around the world come into contact with our materials and products. From the roads we drive on, to the pavements we walk down, the buildings we work in, the schools our children attend, the restaurants and theatres we are entertained in, to the fitting out of the homes we live in, CRH supplies materials and products that build our world. We are committed to improving the built environment and we understand the wider impact our businesses can have in supporting human activity, through the delivery of superior building materials and products for use in the construction industry. Delivery of the Group’s strategy is centred on: Maximising performance and returns in our business.</i>  <i>Conducting our business responsibly and sustainably.</i>  <i>Expanding our balanced portfolio of diversified products and geographies”.</i> Downloaded 5 May 19 <a href="https://www.crh.com/our-group/strategy">https://www.crh.com/our-group/strategy</a>	4-page	9 instances of strategy.

FTSE 350 Companies Strategic Report insights into long-term sustainable corporate strategy			
FTSE 350 Company	Strategic Report	No. of pages	# Instances strategy
Associated British Foods	Strategic Report 2015 is published on their website. Clearly this is 4 years out of date in 2019.  Downloaded 31 December 2019.	59-page	120 instances of 'Strategy' mentioned, this includes the header repeats and the thumbnail repeats (59x2 = 118-120).
Legal and General Group	No Strategic Report publicly available via google search.		
LSE Group	2018 Regulatory Strategy Report is published. No mention of strategy!	4-page	
Rolls Royce Holdings	The Strategic Report focuses on past performance, financial information, and reports from the Sub-Committees of the board. No CS Committee. Downloaded 6 May 2019.	55-page	110 instances of 'Strategy' mentioned, this includes the header repeats and the thumbnail repeats (55x2 = 110-147) thus 37 instances within the text.
Aviva	The Strategic Report is just one section of the company's annual report. Downloaded 6 May 2019.		Regulatory focus. Lacks long-term sustainably element.
BAE Systems	5 Bullet Point Strategic Plan available on website. Downloaded 6 May 2019.	3-page	5 instances – all headings.
Smith and Nephew	5 strategic imperatives listed within vision and values. Downloaded 6 May 2019.	2-page	5 instances – 4 are headings. 5 <sup>th</sup> is a medium-term strategic statement.
Ferguson	<i>"We have four key priorities for the Group which are defined below. To achieve our key priorities, we must drive profitable growth across our regions through three areas of focus which set out how we will win in our local markets, outperform our competitors and drive strong financial results. Our businesses are not homogeneous, and they require customised strategies and each of our business units are prioritising them appropriately, depending on their local market and competitive environment."</i> Downloaded 6 May 2019.	2-page	Strategy focuses upon the here and now, prioritising financial returns. No mention of how it aims to attain a long-term sustainable future.

Source: Compilation Lisson (2022). Data extracted from named company website downloaded on various dates 2019-2020.

See Table 62, page 443, for extended extracts of FTSE 350 Company Strategic Report insights.

### 5.3.9 General non attributable feedback from NEDs

Accepting FTSE 350 NED responsibilities are different in each company and a degree of fluidity surrounding critical business imperatives and the person is noted. Frequently taking up a NEDs' position is the second part a person's career, due to the competences required, and the added value they bring is within their individual transferable skill sets. Intuitively, some NEDs do contribute on many levels to their company's CS, leading this research to understand one rule does not fit all. FTSE 350 NEDs must have the skill and ability to ask uncomfortable questions. Such perceptions and insights underpin the constructs and theoretical contributions arising from the research outcomes. Evidence gleaned from a multitude of sources within the data repository analysis all converge supporting the construct validity. NEDs are specifically assigned to Sub-Committees such as Audit, Nomination and Remuneration, etc., and may not feel the need, nor have the time to contribute to or participate in CS leadership. Notable by its absence within a NEDs' solid career experiences is a specific requirement to have corporate strategic knowledge, often designated as subordinate to knowledge required of the defined Committee in which the NED is to be assigned. This research supports the need for transitional roles and FTSE 350 NEDs being strategically literate in addition to their other skill sets e.g., current audit experience. Moreover, it is important to understand when and where NEDs actually discuss (board or sub-board meetings) and provide their contribution to CS.

### 5.3.10 Observable reality check - further thematic assessments across the data sets.

NEDs' strategic oversight practices need to be enhanced whilst delivering CS which is clearly connected to the company's leadership and vision. The strategic scrutiny of all forms of financial and non-financial material aids the sense-making of the prevailing unconscious provision of strategic oversight. The multitude of NED contractual documentation and their company's financial performance introduced and analysed, forms part of the observable evidence base of the research outcomes. The initial set of codes underpinning the theoretical and empirical generalisation affords an up-to-date view of FTSE 350 NED strategic oversight provisions which one can theorise and derive findings and insights.

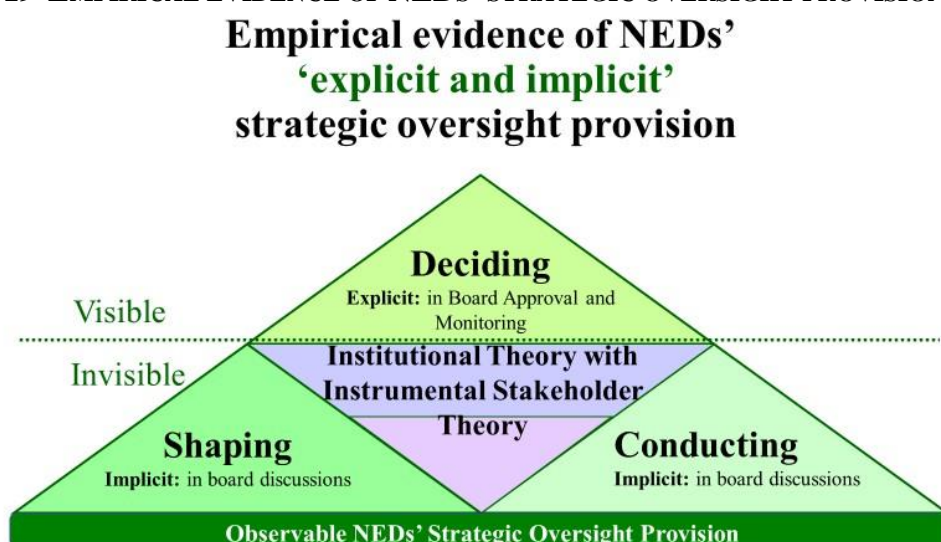
Employing archival material and secondary data analysis allows this research to categorise explicit analysis and helps identification of implicit understandings within the research. All documents add complications and complexity to the CG process potentially at the expense

of attention to the company's future CS. Consequently, reflecting on the nature and structure of board Committees and emphasis placed upon NEDs' strategic contributions, initial non-scientific rather systematically examined observations disclose:

- All FTSE 350 companies have Sub-Committees e.g., Audit, Nomination and Remuneration, and others as they see fit. Some mention 'strategy' within these sub-committees and others do not.
- A set of Terms of Reference specifying NEDs' specific input is not observed, rather applies to all constituents of the Sub-Committee many of whom are NEDs.
- Board compliance on legal and regulatory CG aspects leaves little time for NEDs on CS.
- The current low level of clarity emphasizing NEDs' role in CS leads to the proposal to set-up a specific committee to cover CS leadership, conducting, and deciding.

The logical chain of Content evidence is collated, analysed, and layered to portray an overall view of just how complex and challenging FTSE 350 NED strategic oversight practices truly is. Various cross-sector industry company listing data collected elaborates where CS is explicitly handled by FTSE 350 NEDs. This is evidenced and impacted by the regulatory and CG reports and guidelines in issue. Provision of CG oversight appears prioritised over NEDs' ability to participate in and deliver their company's CS. Part of FTSE 350 NEDs responsibilities is maintaining overall corporate health of the company. A CS Committee facilitates the forum where NEDs can discuss the many issues relating to the company's long-term sustainable future. A combination of Content Analysis and Descriptive Analysis supports the identification of explicit themes which are determined and discussed. Theoretical and empirical illustration depicted below show the diverse problems faced by FTSE 350 NEDs in strategic oversight provision.

**FIGURE 19 EMPIRICAL EVIDENCE OF NEDS' STRATEGIC OVERSIGHT PROVISION**



Source: Lisson (2022).

The invisible aspects of board discussions, implicit in this research, are informally discussed with various groups of academics and practitioners, many of whom hold NED or other Board positions. These confirming discussions are anonymised and are not wholly from FTSE 350 board members but include organisations listed on other major stock markets or of a similar level. The discussions checked understanding of what is visible i.e., explicit within board discussions/minutes – ‘Deciding’. Additionally, what CS is potentially discussed but is unrecorded i.e., in informal NED confirming discussions.

CS is projected to present the basis for all FTSE 350 company proceedings which is inherently a creative process combining company values and leadership values. Having determined NEDs’ strategic oversight is an overlooked issue within theoretical, methodological, and empirical expressions, this thesis aims to close that gap as well as recognising the need for even greater research in this area.

## 5.4 Assessment and Response to each Research Question / Objective

The primary objective of this ideographic research was to provide written representation harvesting the theoretical and data driven arguments both ‘seen and unseen’ for enhancing and strengthening awareness in FTSE 350 NEDs’ strategic oversight. Established protocols have improved the ability to comprehensively answer via findings-centric and findings structured each of the RQs/ROs presented in sequence. This is performed through critical investigation of ample theoretical and empirical evidence thus revealing a contribution to knowledge. This benefits the theoretical, professional, regulatory and governance findings and insights are presented in sequence. Reported below are balanced answers based upon the converging research evidence delivering ‘credible’ and thorough ‘findings’ and ‘insights’ offered for each of the RQs/ROs which are logical and traceable to the coherently aggregated parallel-layered data set analysed throughout this whole research process via a non-scientific, albeit documented, intellectual audit trail (Farquhar 2012 p81).

### 5.4.1 Theoretical integration, evaluation, findings, and insights for RQ / RO: 1

While IT in conjunction with IST theoretical integration explains the adoption, or not of particular practices, this research outcomes have unconsciously found the theoretical

underpinning that contributes to the overall knowledge emanating from this research. Accordingly, the RQ/RO's deploy the unique blend of IT in conjunction with IST to confront important and enduring questions of understanding, thereby providing an explanation of concepts and their interrelationships as to how and why FTSE 350 NEDs interact with their CS. Thus, through the use of theory in this research one can confirm and contribute to *"explaining the experience"* as well as *"attempt to address and solve perceived shortcomings"* through findings and insights (Aksom and Tymchenko 2020 p1227-1228). This research naturally draws implications for further theory building through the unique grouping of the selected theories to combine the isomorphic pressures with the potential economic impact of strategy. The exploratory and empirical research refers to knowledge gained through explicit observations and implicit interpretations and predictions. The research outcomes expand the understanding of NEDs' strategic oversight role understandably via the selection of theoretical lenses which determines what is specifically analysed and what is outside of scope this research enquiry. Moreover, a set of observable constructs are deployed in the formulation of theoretical propositions and empirical evidence. Within the literature review the theoretical, legal, regulatory as well as professional issues provides guidance on what is expected from FTSE 350 board members however no research is unearthed fostering the specific strategic oversight role of NEDs.

#### 5.4.1.1 RQ / RO: 1 Theoretically-linked findings

No.	Question	Objective
1	Do the two identified theories i.e., Institutional Theory with Instrumental Stakeholder Theory, contain potential explanatory power regarding possible explications for potential contextual empirical evidence and phenomena?	To provide possible theoretical explications for the domain related empirical evidence and phenomena.

The theoretically-linked findings from this RQ/RO are evidenced through the unique amalgamation of IT in conjunction with IST concurrent with the logical empirical research design concepts intuitive to this research. Grouping the prevailing regulatory requirements in addition to the FTSE 350 company motives of profitability and liquidity, they must conform to specific rules and regulations for legitimacy purposes, as well as provide an up-to-date, deep, empirical value-added understanding into FTSE 350 NEDs' strategic oversight contribution. Adopting and blending these lenses affords this research a new opportunity to address and explain the various interlinkages through thematic overarching perspectives. This research concedes normative pressure may provide either positive or



negative reinforcement that shapes professional bodies behaviour. IST gives prominence to the need for FTSE 350 companies to maintain and increase liquidity and profitability in both the short and longer-terms to deliver their company's strategic goals.

This research determines FTSE 350 NEDs' responsibilities are evenly spread within the Board however specifically FTSE 350 NEDs' activity in CS is not. These findings indicate there is a lack of explicit NED oversight in strategic leadership and support for long-term sustainable CS intertwined with financial strategy. Rather NEDs' strategic oversight is primarily recorded in the sphere of strategic monitoring and approvals. This research exposes the potential to change both FTSE 350 boards and their NEDs' mindset. This research reveals the disconnect between NEDs' CG provisions and of delivering sustainable strategic oversight continues despite the various observations within the Higgs (2006) and Walker (2009) Reports. The research evidence points to the practice of embedding meaningful CS provision being missed from NEDs oversight practices.

FTSE 350 companies must adopt and adhere to UK CGC (2018) as a direct requirement of LSE listing requirements. For this reason, UK CGC (2018) is seen as 'Coercive' as NEDs must discharge their CG and regulatory duties. Examples include Audit, Nomination and Remuneration Committee membership duties. This research is critical in illuminating the role NEDs played in over-emphasising 'best practice' of CG dimensions at the expense of providing strategic oversight. As part of formal board discussions, various business items are discussed and board approval sought, hence the tick in 'Deciding'. In the absence of a CS Committee for NEDs' direct involvement and discussions, 'Shaping and Conducting' within the CS arena are not explicitly monitored.

This thesis refers to the CA (2006) and subsequent amendments; Deegan (2009, p362) confirms normative isomorphic pressures could arise through *"less formal influences from a range of both formal and informal groups to which managers belong"*, which FTSE 350 NEDs are susceptible to such pressures. Furthermore, FTSE 350 company NEDs may develop such working practices and this research is mindful to unearth and disclose same if found. Moreover, this research reveals normative isomorphism arises through various factors including formal education levels, professional associations, and other well-informed networks. These factors are extracted from of the abundance of Content Analysis evidence.

The CA (2006 s4) amended in (2018) is a requirement to publish an annual Strategic Report i.e., ‘Coercive’. As the audit company prepares the Annual Report which include the Strategic Report, published comments regarding ‘Mimetic’ and ‘Normative’ stand. No published evidence of NEDs’ strategic oversight involvement in ‘Shaping’ and ‘Conducting’ is unearthed. Such evidence as there is, is assumed based on widespread acceptance by NEDs of the Strategic Report within the Annual Report for the company, is tabled and recorded in the minutes. Moreover, both the UKCGC (2018) similar to King IV Report (2016) is coercive and reported upon. This research is specifically looking for and acknowledges normative actions of NEDs’ strategic oversight which is undisclosed within the Strategic Report, and which falls outside the current legal and monitoring activities. To a greater or lesser extent, many companies within the same industry category imitate each other (i.e., mimetic) as well as having common business models (normative). Just because FTSE 350 companies do not appear to have a CS Committee, ‘mimetic’ action of copying professional peers is not a good reason for individual NEDs not to request their company to have such a Committee to overcome the inequalities between governance whilst discharging their strategic oversight duties. A lack of CS consistency in FTSE 350 companies does not in itself give rise for concern. Initial findings from the research outcomes show there is an apparent lack of common understanding as to what NEDs’ strategic oversight includes.

#### 5.4.1.2 RQ / RO: 1 Theoretically-linked insights

IT assists this research by revealing patterns of isomorphic pressures within FTSE 350 companies NEDs’ role and CS. Moreover, IST illuminates the need for FTSE 350 companies to have both short and long-term liquidity and profitability measures in place to remain long term economically viable. This is boosted by the absence of a universal approach to NEDs’ strategic oversight responsibilities and the apparent lack of explicit CS communication between the board members as indicated within the evidence of the ‘top 50’ frequently used words. The advancement of IT in conjunction with IST is seen in its ability to provide successful explanations and possible predictions by observing NEDs’ provision of strategic oversight. The most important point emanating from these theories is the ability to predict and generalise observable phenomena. Systematic, theoretically supported empirical analysis through non-scientific observable phenomena provides this research with empirically adequate evidence and theoretically-linked findings. Whilst there is some observable evidence of NED strategic oversight awareness in the arena of ‘Deciding’ as, well as ‘Coercive’ aspects emphasised by the recent requirement to publish the company’s

annual Strategic Report, the efforts of this cohesive research analysis point to a clear lacuna in understanding FTSE 350 NEDs' oversight role in their perceptions of strategic leadership.

IST insights indicate NEDs presently face an epic challenge whilst providing strategic oversight, thus contributing to rebuilding, redefining, and repositioning for growth of their company, thus delivering continuing sustainable business with positive social impacts. NEDs have a duty to promote abiding sustainable success of their company (CA 2006 s171-s172). FTSE 350 NEDs' oversight provision needs to seek an optimum stance whilst stimulating and perhaps innovating enduring strategy supporting a sustainable business. The short-term position is recoverable with fresh perspectives and good CS and a clear sustainable plan at the heart of each FTSE 350 company for future years.

This research implicitly determines CS appears to be ill-defined within the overall decision-making processes of the company. There is potential for a specific CS Committee to collaborate, record and enhance the strength and depth of CS provision within FTSE 350 companies. This research maintains the conceptual distinction between high level CS versus business, operating and product strategies which are outside the scope of this research enquiry. Ultimately, there is an opportunity for a new theory to emerge from the amalgamation of IT in conjunction with IST in the future. IT emphasises an internal focus unless coercion from outside the company prevails, whilst IST recognises the company is accountable to its stakeholders.

#### 5.4.2 Evaluation and consideration for RQ / RO: 2

No.	Question	Objective
2	Are NEDs expected to contribute to corporate strategy and if so, in what form and to what extent?	To reveal NEDs' potential contributions to corporate strategy within FTSE 350 companies.

##### 5.4.2.1 RQ / RO: 2 Empirical findings on NEDs' strategic oversight practices

The research outcomes elaborate on the nature of NEDs' strategic oversight practices whilst uncovering an important systematic observation i.e., a pattern showing the potential lack of strategic structure within NEDs' governance role. There are many potential causes for this happening, including the high level of requirements placed on particular governance matters

e.g., Audit, Nomination and Remuneration Committees. This may inadvertently distract NED attention resulting in a lower level of emphasis placed upon CS. This supports a propelling shift in NED mindsets to require leadership oversight of all dimensions of CS.

This research acknowledges FTSE 350 companies are constantly under pressure and have been for decades. The outcomes uncover the importance of the trading environment requires FTSE 350 NEDs' strategic oversight practices to seek out and support their company to compete and survive during the upheavals of 2019-20. This requires freedom for critical empirical examination as well as building upon accumulated knowledge. Observing the perceived need for a shift in CS practices may require a realignment in the company's strategic direction, personal shopping for example, is now an on-line experience which can be instantly copied by competitors potentially in low-cost areas i.e., without the high street retail premises and related cost structures. These pressures added to those currently prevailing may drive NEDs to 'cut-corners' on strategically sustainable oversight practices.

The Content Analysis evidence reveals NEDs are required to provide strategic oversight whilst discharging their services thus meeting the terms of CA (2006) and UK CGC (2018). As such, the 2018 Strategic Reporting process has not yet had time to bed-in, albeit the concentration is on annual reporting rather than forward looking abiding strategic direction. What is discovered during the empirical Strategic Reporting search is the published reporting of CS varies considerably from one company to another albeit the published annual Strategic Reporting statements have a strong correlation with the audit company provider's template. Moreover, the evidence exposes NEDs have both a legal and a positive obligation to promote and foster the lasting sustainable success of the company, NEDs' oversight leadership needs to strengthen strategic practice whilst pursuing and extending their strategic reach. This research systematically seeks out where NEDs' oversight provide 'Strategic, Monitoring and Wise-counsel' whilst advising the board. This involves continuously seeking out strategic opportunities to underpin their company's longevity which is a constant not merely an annual awayday event. Perhaps it could be FTSE 350 NEDs have not been engaging sufficiently with CS in a meaningful way. The exploratory empirical outcomes did not find a single FTSE 350 board level CS Committee, emphasising the reality CS is potentially low down when discharging NEDs' obligations. Thought is given to the prevailing pressures on FTSE 350 NEDs and how these pressures may impact their strategic oversight provision.

The empirically based descriptive quantitative research i.e., profitability and liquidity analysis evidence for FTSE 350 companies (in section 5.3.5) portray all FTSE 350 companies are negatively impacted from the 2020 stock market fallout. Nevertheless, this research accepts NEDs' leadership and CS oversight role is intensified because of these events and threatens individual FTSE 350 company survival. IST reinforces the need for commercially viable and strategically successful futures by FTSE 350 companies, thus emphasising their potential to enhance profitability and liquidity positions is a must.

CA (2006 s171 and s172) clearly states directors have a duty to promote the success of the company. The empirical evidence of actual NEDs' leadership and CS oversight responsibilities are somewhat opaque regarding the three components of CS examined i.e., Shaping, Conducting, and Deciding. This research acknowledges actual board decisions are explicitly recorded within the minutes. Rather opaque is NEDs' strategic oversight responsibilities within Shaping and Conducting. The research concedes NEDs' strategic oversight practices is heavily impacted by their CG commitments i.e., Audit, Nomination and Remuneration Committee meetings as well as their board meetings. Additionally, it is conceivable NEDs' strategic capabilities must be enhanced as is evidenced.

Each FTSE 350 company Strategic Report publishes aggregated data disclosures, with embedded expectations and indications as to what is driving progress, what measurements are in progress, board-level change conversations, and what is outside of their scope. In 2020, FTSE 350 company's Strategic Reports are still in the transition phase and this research finds their Strategic Reports are not yet fully developed. Clear strategy statements on present and published information are made, but few, if any, specific strategy statements are reported for the longer-term future of the company. The findings challenge the potential assumption FTSE 350 NEDs' strategic oversight leadership and performance is automatic: especially in times of pressure it is thin on the ground (Fildes and Steer 2021) and (Valeur 2020). This research reveals NEDs' contributions regarding setting direction, taking decisions, gaining, and providing strategic support, making strategic improvements as well as overseeing the delivery of CS, and ability to bring out the best in the board, e.g., empathy and integrity. This requires NEDs' formal requirements to strike a balance of positivity and productivity delivering a robust and resilient CS as well as their CG role. A balance between strategic presence and effectiveness requires a shift away from the NEDs sequential strategic agenda to a more pervasive one. Key extracts of NEDs' responsibility and corporate strategy literature are provided in Table 37, page 214.

**TABLE 37 KEY EXTRACTS OF NEDs' STRATEGIC RESPONSIBILITIES**

<b>Key Extracts: NEDs' strategic responsibilities</b>								
#	Year	Author(s)	Geographic Context	Title: Research Focus	Theoretical Framework	Design / sample / instruments	Illustrative examples between publication and this research	Source of Publication
3	1999	McNulty and Pettigrew	UK	Strategists on the board.	Institutional Theory.	Interviews.	NEDs interviewed stated they rarely initiate the substantive content of strategy.	Organisational Studies, 20/1, pp. 47-74 EGOS.
8	2004	Hendry and Kiel	UK	The role of the board in strategy.	Agency and organisational control.	Acknowledges research of others.	Potential for integrating more than one theory to explain a richer understanding of relationships, i.e., theory development.	Corporate Governance: Blackwell Publishing Ltd.
10	2005	Roberts, McNulty & Stiles	UK	Beyond Agency Conceptions of the Work of NED: Creating Accountability in the Boardroom.	Agency Theory, Stewardship Theory, and need for <i>"theoretical pluralism"</i> .	40 in-depth interviews focusing upon NED effectiveness	Observed the need for the board to possess <i>"balance of skills, knowledge and experience"</i> . Specifically evaluated NED contributions to strategy.	British Journal of Management
14	2007	Long	UK	The evolution of FTSE 250 boards of directors: key factors influencing board performance and effectiveness.	Undisclosed, does mention <i>"isomorphic pressure"</i> which is a component of IT.	Interpretative approach based upon 25 respondents.	Effective development of strategy is vital to the enduring sustainable success of every company. Strategic development can be improved. The content and quality of board papers.	Journal of General Management
24	2015	Tricker	UK	Role of governance: recognising the link with strategy.	Undisclosed.	Nuffield College, Oxford.	The board's performance roles: strategy formulation and policy making.	CG: Principles, policies and Practices, 3 <sup>rd</sup> Ed. 2015.
28	2021	Plender	UK	An exploration of the problems facing today's boards.	Unstated.	Unstated.	... <i>"the way to oppose short-termism is for the board to set its sights more firmly on long-term strategy"</i> . Proactively promotes NED involvement in CS.	Financial Times, p12, printed 10 May 2021

Source: Lisson (2022), see Table 6, page 122, for fuller listing

#### 5.4.2.2 RQ / RO: 2 Empirical insights on NEDs' strategic oversight

An important aspect of the exploratory research outcomes is an attempt to offer additional insights into NEDs' relationship with CS. The researcher is mindful NEDs may need a likely shift towards a forward-looking broader scope and awareness of the competitive environment to fully engage in strategic oversight. Currently, NEDs have self-regulated behaviour. This research addressing the possibility for NEDs' provision of strategic oversight 'good and/or bad' found no specific observable evidence from the data sets collected and analysed. CS and financial implications are intrinsically linked. NEDs have a pivotal strategic oversight role at board meetings, ultimately exploring and creating CS as well as monitoring and approving CS as proposed by the executive directors. The potential implicit discussions by FTSE 350 NEDs are not available for scrutiny, rather, boards collectively, including NEDs, make decisions and the outcomes of the decisions taken are explicitly itemised in the minutes of the meeting. Little guidance if any exists on NEDs requirements to contribute to CS. This omission leads the research to query the potential for a specific CS Committee to achieve an integrated strategic balance. This CS Committee would have the specific responsibility and time allocated to formally and informally discuss as well as find the balance to monitor the company's long-term sustainable future.

Acknowledging both Higgs (2006) and Walker (2009) building upon Cadbury (1992) point to NEDs' oversight should be involved in strategic leadership, development and control, the research outcomes show there is little observable evidence of the provision of CS. The 'Coercive' element of board-level papers and discussions is recognised. This research recognises FTSE 350 NEDs have a role to play in changing and rethinking their deliverance of CS within their company. Specifically, when contrasted with delivering CG such as Audit, Nomination and Remuneration, and other Governance Committees as many FTSE 350 companies see fit, the pattern implies specific NEDs' CS discussions are neither measured nor monitored. The research outcome accepts there is no way of distinguishing between high and low impact boards, rather acknowledges the apparent attention centred upon strategy, as contrasted with compliance and firm performance. Fundamentally profit is an outcome of effective business and liquidity always is a must. NEDs' strategic leadership and oversight provision needs to articulate the links between CS, sustainable profitability, liquidity and avoid the pitfalls of short-term decision making. This research outcomes reveal NEDs' actual involvement in CS versus desired levels remain a matter of concern. All companies must maintain a strong liquidity position, failure to do so results in an illiquid position and potential insolvency i.e., termination of the company.

### 5.4.3 Evaluation and consideration for RQ / RO: 3

No.	Question	Objective
3	Does the publicly available evidence regarding the involvement/engagement of NEDs suggest a greater emphasis on Corporate Governance compliance, with a somewhat lesser focus on corporate strategy?	To determine whether the current NEDs' role has the potential to contribute to corporate strategy.

#### 5.4.3.1 RQ / RO: 3 Empirical findings into NEDs' strategic role

Thus, answering the empirical RQ 3; the research outcome finds NEDs' role is explicit regarding CG, but CS activities are unclear and not documented. NEDs learn to navigate the preponderance of legal and CG from the onset of taking up their position on a Board. Concentrating upon the discrete components of CS, NEDs' oversight ought to deliver; 1) Shaping strategic leadership, 2) Conducting CS development and 3) Deciding upon strategic approvals. This potentially requires FTSE 350 NEDs to have a mindset shift to understand and deliver both CG as well as CS element of their oversight role.

Each FTSE 350 company is impacted differently, and the strategic solutions are likely to evolve with an emphasis on Environmental, Social and Governance (ESG) agenda which in turn is linked to good CG. NEDs' strategic oversight needs to be agile as well as tailored to their company's circumstances. Outside the scope of this research are the collective intelligence and problem-solving capabilities of NEDs. Each FTSE 350 NED must nurture strength and depth in their strategic skillsets as well as influence diverse teams to overcome strategic impediments. The financial element needs to scale up fast, and grab evolving longer-term strategic opportunities utilising their liquidity and profitability positions to support their capital investment decisions.

The scrutiny of FTSE 350 NED biographies, conveniently sampled, for emphasis upon strategy supports this research outcomes discovery of the lack of traceable strategy supervision specifically in the areas of 'Shaping and Conducting' provision. Whilst evaluating FTSE 350 NEDs and the potential need for a CS Committee, 76 FTSE 350 company websites were searched for empirical data uncovering the prospect of a CS Committee at board-level. Surprisingly, no board-level CS Committee was unearthed. Interpreting the multitude of findings does not automatically lead to a conclusion but rather helps in the convergence of thoughts. Successful companies must articulate both short and long-term sustainable strategy which is aligned to the company's key strategic drivers of



value to deliver positive strategic and financial outcomes. The scale of the 2020 global pandemic disruption is beyond anything envisaged, and the impact of COVID-19 have left many FTSE 350 companies financially poorer and deeply in-debt as depicted in the loss of liquidity (Spoors 2020 p1). It is anticipated that having a CS Committee provides a framework for timely identification and adoption of CS as well as facilitating NED delivery of strategic oversight and alleviating the potential weakness during NEDs transitions.

FTSE 350 company balance sheets provide a summary of the net assets of their businesses as at a specific date. Economic shift requires strategic restructuring and company adaptability is key to delivering same. Some of this company burden falls within NEDs' strategic oversight role and responsibilities. However, this research recognises the financial markets are fickle places and much of the volatility of the secondary market is produced by speculators holding shares for minutes and not long-term investment (Sikka 2021). Bailey (2021) contends that *"the effects of COVID have been very unequal"* thus confirming and consistent with the need for individual FTSE 350 companies to re-evaluate and re-establish their CS to ensure long-term sustainability.

Liquidity and profitability are inherently short-term financial objectives for all FTSE 350 companies and frequently aspects which are linked to their shareholder population. Prosperity on the other hand, is the ability for the FTSE 350 company to deliver on both: liquidity to pay dividends, and profitability to grow shareholders wealth is measured, especially in current times of financial targets and economic pressures. Short-term actions such as delaying capital expenditure and staff redundancies are evident whilst FTSE 350 companies run modestly. FTSE 350 companies must build new trading structures and embrace strategic opportunities whilst ensuring responsible sourcing and sustainable operations are upheld. Whilst being cautious when drawing financial inferences especially during such turbulent times, this research analysis accepts there are many financially successful companies linked to *"more luck than judgement"* Russell (2020). FTSE 350 companies must be able to demonstrate their financial future is secure. NEDs' oversight provision needs to recognise strategically sustainable financial outcomes which are not synonymous with a single period of reporting performance rather five to fifteen years hence.

Building upon the evidence presented within the research outcomes, it is understandable how CG issues mushroomed and subsumed NEDs' oversight provision, potentially taking over

all NEDs' time and efforts at the expense of CS issues. The research findings support each FTSE 350 Chair (a NED member themselves) should ensure sufficient time and emphasis is afforded to CS whilst NEDs discharge their duties. This research's meticulous application and examination of theoretical and empirical expressions uncovers CG has grown extensively over the past thirty years potentially at the expense of CS. Perhaps now is a good time to emphasise the need to promote and advance the provision of CS.

New opportunities post 2021 pose many challenges and may act as a pressure catalyst for FTSE 350 boards. FTSE 350 NEDs' oversight must be realistic to permit building bridges for companies fighting for their survival. Post the pandemic, FTSE 350 NEDs' strategic oversight perspectives must support and foster the evolution, innovation, and reform of financial features of any proposed changes needed to refine and possibly turnaround and evolve their company (Plender 2021 p23). Capturing, creating, and delivering long-term strategic value is at the heart of every FTSE 350 company. Consistent with Sneider *et al* (2020 p7), "*if the entire portfolio of strategic initiatives earns more than its aggregate cost of capital, then a company can expect to create value over the long term*". NEDs' strategic oversight needs to strike the right balance between optimistic strategic plans and strategically resilient plans that can stand the test of time.

#### 5.4.3.2 RQ / RO: 3 Empirical insights into NEDs' strategic role

This discriminating research accepts CS is an area perhaps too vague to initiate changes in FTSE 350 NED practices without formal recognition of the need for a CS Committee to oversee same. FTSE 350 NEDs may believe they are discharging their strategic oversight duties without having a common understanding of what is required. A re-think of how CS governance is discharged within FTSE 350 companies is required to ensure all aspects: i.e., Shaping, Conducting and Deciding are discharged within rich insights into subjective meanings into NED's oversight role and responsibilities.

This is where the role of theory assists this research in understanding the underlying dilemmas and complexities as well as potential ways forward. For this research, the benefits of having an explicit CS Committee, is of formal procedures, written policies, and minutes of meetings being available for the incoming NEDs, in addition to raising the profile of CS. This overcomes the need for each NED to start their strategic oversight from ab initio each

time, or potentially worse, avoiding and delaying making corporate strategic decisions. The present default to the norms supported by the Chair/CEO is what NEDs have come to expect. NEDs' transparent strategic communications supported by both technical and professional skills to influence the corporate agenda are a must and happen within a dynamic environment. FTSE 350 NEDs' oversight provision within strategic discussions is opaque and perhaps underutilised in many instances. FTSE 350 NEDs' duty to maintain and grow strategic connectivity is hard to determine without a formal processes and evaluation methods. An analysis of whether and how NEDs deliver their strategic responsibilities is outside the scope of this research, however, is recommended as a subject for future research.

Consistent with Portas (2021) observation, "*presently there is a shift to people and planet before profit*", this is a notable shift in practice for FTSE 350 companies. A diverse range of profitability and liquidity ratios are calculated, and each has its own unique emphasis which can be internal or external to the company. Consistent with Qureshi and Unlu (2020 p8), is the need to demonstrate "*possible explanations for the connections between the themes*". In this research, FTSE 350 companies' liquidity attention is on maintaining their CS to deliver and sustain both continuing profitability as well as short-term cashflows to meet the needs of their business.

It is important the UK unlocks the benefit of abiding sustainability derived from healthy FTSE 350 companies' responsible for liquidity and profit creation. This requires institutions and businesses to respond and be a force for good whilst contributing to society. Consistent with Jackson (2021) opinion, underlines the need for "*responsible financial leadership*" which is likely to include agile strategic coverage within FTSE 350 companies. The UK government is negotiating trade deals with EU and worldwide partners which were not yet signed in 2020. This brings significant additional disruption to FTSE 350 companies regarding sales and access to sources of materials and fluctuations in currency. Therefore, utilising the financial evidence and observing the 'real-time' financial impact the unprecedented pandemic has had on FTSE 350 companies, the empirical outcomes support the need for long-term value creating strategies. Whilst this level of disruption is well above and beyond the expected level and scope of experience of FTSE 350 NEDs, nevertheless companies must show their resilience and adapt to the new normal. A vast amount of FTSE 350 company business growth is required to offset the significant financial impact of the 2019-2020 downturn in the market (Spoors 2020 p1). This in turn establishes the connection between the shareholders perceptions and desire to invest or divest their shareholdings. To

deliver a pattern of long-term economically sustainable future for a FTSE company, strategy and financial stability is uppermost. NEDs' strategic oversight influence and contributions are key to promoting CS combined with financial stability within their company.

This research acknowledges FTSE 350 companies' financial performance reflects the company's ability to deliver its CS. FTSE 350 companies' specific financial strategy is outside the scope of this research enquiry. Periods of turbulence frequently produce new intentions and observable evidence indicates linking "*greener, net-zero future*" i.e., sustainable companies are on track for increased strategic and financial performance (Hoggett 2021 Foreword). NEDs' ability to adjust, adapt and deliver credible strategic oversight needs to balance potential conflicts between building sustainable companies and delivering short-term financial returns. Nevertheless, NEDs' strategic oversight should include a blend of innovative thinking, rational planning, and realistic durable financial goals to survive in today's uncertain economic conditions. NEDs merely attending their company's 'one-day' off-site meeting with 'strategy' as an item on the agenda is clearly insufficient to discharge their responsibilities as witnessed via various FTSE 350 company failings. This thesis underpins the need for NEDs to actively value proactive strategic inputs.

The lack of a specific CS Committee does not in itself imply CS is overlooked, rather it is likely it occurs in a fragmented and opaque manner and potentially lacks priority and transparency. FTSE 350 NEDs must embrace CS initiatives and ensure sufficient challenge, debate, and resilience is afforded to these activities. This aims to promote competent FTSE 350 board strategic decisions being taken. To facilitate this, the board dynamics of culture, cohesion, challenge, and benchmarking must be present when discussing CS matters. NEDs' leadership needs to demonstrate a shared vision and link with stakeholder engagement activities recognising the key to sustained and stable achievements is patience. FTSE 350 companies must recognise business economics and financial expectations are changing and are likely to continue to change.

#### 5.4.4 Evaluation and consideration for RQ / RO: 4

No.	Question	Objective
4	How, and to what extent are NEDs expected to contribute to corporate strategic oversight and so help deliver long-term successful and sustainable companies?	To determine, in an explorative manner, whether the role expectations of NEDs have the potential to contribute to corporate strategy – particularly long-term sustainable corporate strategy.

#### 5.4.4.1 RQ / RO: 4 Empirical findings into NEDs' strategic oversight provision

RQ 4 requires reflexivity on the growing portfolio of theoretical and empirical preponderance of evidence and information explicitly examined within RQ 2 - 3 to extract even deeper theoretical insights and nuggets of information with potential to support a new policy. This requires accepting the potential imperfections in existing NEDs' strategic oversight leadership role and a willingness to improve overall strategic oversight. Recognising unlocking NEDs' potential leadership and strategic oversight is now more important than ever. By taking a step back and deliberating upon the clear and convincing reciprocal links between CA (2006 s171 and s172) and UK CGC (2018), along with key professional bodies proforma NED contractual documents, helps conceptualise and developing a solid theoretical and contextual understanding of why NEDs' involvement in CS is, what it is. Acknowledging conventional mechanisms to date have proved insufficient, based upon decades of disruptions, failures, failings, and prevailing poor financial performance of many FTSE 350 companies to deliver sustainable futures for their company. There is no doubt FTSE 350 companies have reached the tipping point requiring much greater strategic resilience whilst delivering long-term CS and financial performance to survive the next ten years.

Consistent with Habgood (2021), *"Everyone must understand what unique skills and experiences each director brings. You can't have people wondering, 'Why that person is on the board?'"* Each FTSE 350 company needs a coherent structure for evaluating strategic proposals embracing both short-term and longer-term business continuity initiatives. Acknowledging one of the possible sustainability solutions may include a holistic oversight and mindset to harmonising CS standards across FTSE 350 companies. FTSE 350 NEDs have the responsibility and must ensure they possess and cultivate strategic competencies and capabilities to ensure their companies are strategically aligned to deliver abiding sustainable futures. Reconciling the fluidity of NEDs' strategic oversight provision against that of assigned members of specific CG roles exposes a perceived divergence in structure.

Meeting minutes record the board discussion, not named NEDs, in deciding corporate strategic matters. It is difficult if not impossible to decipher discussions on corporate Shaping and Conducting components not to mention who exactly is involved in same. This observation might need a shift in current strategic oversight practices and require a specific overarching CS Committee to deliver same. Reflecting upon this point, this research

proposes to rectify this lack of overt attention by proposing a CS Committee with comprehensive terms of reference covering 1) Shaping strategic leadership, 2) Conducting CS development and 3) Deciding upon strategic approvals. This proposed step-change puts CS on an equal footing as CG provisions such as Audit, Nomination and Remuneration Committees.

The research evidence exposes formal CG Committees such as Audit, Nomination, Remuneration, etc. have an explicitly higher profile than of CS which is not represented by a formal Committee at board level. Thus, the emergent patterns of collective institutions matter as this research outcome finds FTSE 350 companies have afforded regulatory, CG and compliance, a disproportionate amount of time and effort, potentially at the expense of CS having unfulfilled requirements. NED strategic discussions are what matters. The expectation is NEDs' oversight provision provides soft skills of being able to influence the board and communicate with stakeholders. FTSE 350 boards must raise their CS awareness, embed abiding commitments and potentially inspiring others. Ideally, inspiring leadership would set out a CS roadmap with timeframes aligned to the businesses sustainable goals tolerating an element of opaqueness as being acceptable.

#### 5.4.4.2 RQ / RO: 4 Empirical insights into NEDs' strategic oversight provision

Upon deliberating the diverse data evidence through explicit and emerging implicit research themes uncovers fresh empirical insights into NEDs' strategic oversight indicating a potential disconnect in discharging their strategic responsibilities as opposed to their delivery of their company's CG surveillance. The Content and Thematic Analysis deep and insightful implications infers there is potentiality insufficient NED oversight in each of the three categories of CS, Shaping, Conducting, and Deciding. The research concedes whilst all areas of NEDs' strategic oversight can be improved; some areas need greater attention than others. The 'deciding' element is formally recorded at board meetings, whilst other strategic areas need a process of mitigation and adaptation to be put in place.

This research uncovers a potential need for greater strategic and technical expertise on the part of FTSE 350 NEDs, thus revealing the gap between what FTSE 350 NEDs are legally required to do versus what they actually do. There are many implicit points which underpin areas for further research which would benefit from access to primary research. This

research tries to explain how a somewhat dysfunctional imbalance has arisen between NEDs' good CG provision and that of strategic oversight which has evolved and needs to be redressed. This omission leads this research to propose creating and supporting as a mandatory requirement, of a NED 'body of knowledge' certification and ongoing continuous professional development. This is outside the control of individual NEDs but is under their influence.

This research accepts on closer examination, much implicit strategic oversight is provided by FTSE 350 NEDs, exposing what happens in the background is potentially unspoken and unrecorded within board proceedings. The research acknowledges NEDs' strategic oversight role allows for this type of informal conversation and communication and this research deems they should continue. However, this strategic interplay should happen in conjunction with the formal corporate strategic processes. Implicit strategic oversight is by its nature undocumented, unshared, nor passed on to subsequent NEDs and therefore not clearly understood by the whole board.

This research sees merit in nurturing and embedding a CS culture to promote sustainable companies which in this case includes reconciling NEDs' explicit with implicit strategic oversight provision. FTSE 350 NEDs' oversight provision has a distinct requirement, and this should not be seen as opaque. CS merits the same if not more attention than that of CG oversight provision and supports Higgs (2003) and Walker (2009) reviews. Accepting this premise, this research proposes to address the imbalance by advocating for a specific CS Committee to promote and foster deeper strategic conversations and communications amongst NEDs.

The implicit practicalities in CS provision is flexibility. Specific industries and individual companies have their own inevitable strategic cycles, crises etc. which must be accommodated within each FTSE 350 NEDs' oversight provision. To this end, this research cannot over-estimate the need and effectiveness of informal discussions. This research embraces this element, and all NED strategic discussions to remain strategically motivated whilst discharging their part-time oversight responsibilities. A potential outcome would be that strategic disconnects are systematically identified earlier than is evidenced presently and the required action taken sooner. This is based upon all FTSE 350 companies having been confronted with turmoil and there is no shortage of strategic challenges for the foreseeable

future. It is conceivable some NEDs are actively involved in formulating their company's CS whilst others rely upon the strategic outcomes before engaging with strategy. This research considers NEDs should be actively involved per their CA 2006 s171 and s172 obligations and not leave CS to emerge in a haphazard manner.

The research outcomes target a balance between having a clearly articulated CS supported by explicit processes and evidence, whilst embracing and striking a balance in accepting the need for implicit, off the record strategic discussions and developments. Promoting the need for strategic knowledge and experience amongst NEDs is to be recognised as important, if not more important than CG at times, aims at heightening FTSE awareness of a potential blind spot. CG concentrates upon the past and present rather than CS which emphasises the future. This requires a shift in the current balance of CG thinking with clear strategic leadership and oversight provision. In the fullness of time, this research would like to record an even greater convergence between explicit and potential implicit NED strategic oversight provision.

Proposals on how NEDs could improve their involvement and effectiveness are listed:

- Iterative CS reviews enabling frank conversations prior to board meetings and decisions.
- A thorough and structured assessment effort with full participation from all NEDs.
- Agile and recurrent CS Workshops and Committee with cross-functional steering Committee.
- Develop NED knowledge sharing strategic collaborations.
- Foster multi-year strategy initiatives which create and deliver enduring value.

FTSE 350 NEDs must exercise good judgement and be able to act in concert with other board members to bring out the best in the company both in the short-term and longer term. Advancing knowledge gleaned from a multitude of publications is an important task in the discovery of new insights and knowledge and this thesis builds upon the strategic awareness needs for NEDs.

**Transcending obstacles to NED involvement in corporate strategy:** This research realises CS is a board level activity, consequently, this research supports the need for it to be recognised with its own Committee to promote best practice as well as having good CG accountability. The research outcomes identify a delicate set of issues surrounding FTSE



350 NEDs' strategic oversight practices and tries to link same with some constructive solutions. This research identifies it is insufficient for post audit reviews into NEDs' oversight to be clever in hindsight. The current somewhat distributed CS activities which culminate in formal approval by the board are found wanting in direct contribution by individual FTSE 350 board members, especially NEDs. This research provides an up to date understanding of NEDs and CS and aspires to transform FTSE 350 companies for the better through a shift in simultaneous and interconnected provision of strategic oversight. This requires specific board level discussion on a continuing basis, not an annual event nor an ad-hoc item on the agenda. The collage of prevailing issues needs acknowledges the impact of different dimensions of individual FTSE 350 company CS. The research outcome implies there is no clear link between CS discussions, 'awaydays' and practical reality. Good CS needs to demonstrate emancipatory and visible design processes and to compliment this CS and raise the profile of same.

When contemplating overcoming a blind spot within some or all FTSE 350 NEDs' strategic oversight provision it is human nature to resist the change. To overcome such resistance, it is important to understand the ground rules and try to provide target focused CS education and development to inform current NEDs of their responsibilities and offer support during any transition. Each of the sub-strand functions of CS, Shaping, Conducting, and Deciding, must be addressed equally to ensure NEDs have the full complement of strategic skills required to discharge their strategic duties. Likewise, all future FTSE 350 NED appointments must be actively managed and should be inducted to CS features as well as CG dimensions of their role. More needs to be done to build resilience and sustainability in FTSE 350 companies and their supply chains. NEDs' oversight is to ensure the company acts within principles of resilient recovery to promote a sustainable great place to work and do business. It is important to recognise time required to develop and deploy the right resources is both expensive and complex.

The unprecedented trading environment of 2019-20 shattered most of the existing corporate strategies in FTSE 350 companies providing an opportunity to reform and see CS differently. The UK Government is facilitating change and examples can be seen in their desire to accelerate greener business, e.g., '£15bn Green Sovereign Bonds' and '£1bn Net-Zero Innovation' (Gov.uk Budget 2021). This change is closely followed by the rapid change in interconnectivity of businesses. FTSE 350 NEDs must ensure proper oversight provision is afforded to their company's CS and ten-year vision which in current terms requires much

imagination, of which comprehensive disclosures are not yet common. Acknowledging steps required for business transformations happens infrequently, thousands of small changes improve liquidity and are potentially strategically more sustainable and may well be a good option. FTSE 350 companies are dependent upon their board, including NEDs, working together with one aim to build and deliver a sustainable company.

Linking the research propositions, this researcher finds various constructs begin to emerge and are substantiated through further analysis. Qualitative evidence arising from this research facilitates reflection upon emerging patterns of “*value adding*” as well as theorising and abstracting the outcomes, enabling the findings to be generalised (Eakin and Gladstone p2). Deploying mixed-methods, parallel-layered data facilitated this researcher in analysing large quantities of data to facilitate theory to emerge (Qureshi and Unlu 2020 p8). Clear repeatable procedures are in place to reduce the potential for bias. Consistent with Farquhar (2012 p72), Content Analysis of the data repository evidence is performed “*at a strategic level, whilst remaining flexible,*” prior to determining themes providing further insights to elaborate on specific points, which enhances our understanding of NEDs’ strategic oversight. Stakeholders’ expectations are changing as to how FTSE 350 NEDs must engage with the corporate world. Various accelerated interventions lead to more accountability and potentially need for even greater transparency. NEDs do not have a uniform conception of their strategic oversight role and responsibilities. Having harvested and analysed the information and concluding this research is likely to reveal the need for further innovation and the opportunity for policy frameworks to operationalise same.

## 5.5 Theoretically-Linked and Empirical Findings Summary

IT in conjunction with IST provide the coherent and robust theoretical philosophy underpinning this research outcomes, whilst Shaping, Conducting and Deciding challenge the board and in particular NEDs’ strategic oversight provisions. This is the first known research enquiry attempting to deliver a unique perspective on FTSE 350 NEDs’ strategic oversight responsibilities based upon a preponderance of observable evidence collated during the turbulent years of 2019-2020. FTSE 350 NEDs’ strategic oversight contributions are fundamental in the creation of corporate identity and abiding sustainable value for the company. This research recognises the lack of consensus within NEDs’ strategic oversight

practices as a pertinent board skill which warrants higher emphasis as it may have a profound impact on the long-term economic and sustainable company prospects. The outcomes of this theoretically-linked integration and empirical findings are based upon re-contextualised knowledge, provide some instructive enlightenment albeit constrained by both explicit evidence and implicit understandings within this thesis. Performing a synergistic dialogue of theoretical saturation via mixed-method parallel-layered data set evidence and evaluations provides this research with depth and breadth of identification, location and synthesis of pertinent evidence underpinning FTSE 350 NEDs and their practice of strategic oversight.

The philosophical inconsistencies revealed in the research outcomes substantiate the view NEDs' strategic oversight provision is sketchy and inconsistent between the various FTSE 350 companies and individual NEDs alike. Little, if anything, is externally published about board 'away days' therefore not acknowledged within this thesis are distinctive contributions to 'CS' made by individual NEDs. The absence of a pattern suggests a pattern. The research outcomes fail to unearth specific published strategic statements re NEDs contribution to away day events thus unable to determine the potential to contribute to CS awareness. The research understandings derive that the evolving role and active provision of NED strategic oversight is not fully captured, simply determines observing legal, regulatory, and CG guidelines along with passive discharge of NED obligations does not fulfil or recognise the strategic oversight role for NEDs.

Overall, a lack of clarity re specific NED strategic oversight and involvement in specific duties is evident in the research outcomes. This exploratory research outcomes identify and provokes further investigation for the future. One of the limitations of this research outcome is one cannot know if NEDs' strategic interaction actually occurs on a regular basis thus supporting the potential need for CS to be more formal i.e., set up a CS Committee. This requires this research to further investigate the implicit strategic and leadership themes, where feasible, to understand the dynamic inter-relationships of individual NEDs with other board members. This research aims to gain a better understanding of potential inter-dependencies should they exist and understands explicit action counts. The important empirical benefit reached from this research outcome is recognition the somewhat antiquated approach to NEDs' strategic oversight provisions needs to be adjusted. Moreover, this research finds it is important that FTSE 350 NEDs have meaningful leadership engagement with their company's CS and each NED understands the expected standards for which they are evaluated (CA 2006 s171, s172). Thus, all NEDs are responsible for corporate strategy,

however those appointed to the CS Committee have authority to ensure delivery of same to the board. The empirical data is assessed to arrive at a convergence of discernments after constant comparison as noted by Qureshi and Unlu (2020). FTSE 350 NEDs' strategic oversight role is multi-disciplinary unlike other provisions such as being a member of a mono-disciplinary Committee such as Audit, Nomination, and Remuneration. Moreover, a NED appointment duration is short, per proforma Letter of Appointment, supported by the average duration, 3 to 5 years, per Clarke (2020) sample. This is not compatible with their intangible strategic oversight practice.

Admittedly the final chapter concedes there is some overlap with the Content and Thematic evidence and insights raised within chapter 5. Chapter 6 commences with a summary of research implications and recommendations of the whole thesis and its main conclusions. The importance of a specific contribution to knowledge together with key practical findings of 'Continuing', 'Repositioning', and 'Relevance' delivers the case underlining the importance of this research. A summary of evolving research implications arising from theoretical integration, methodological frameworks, influencing policy makers and many other beneficiaries alike. The conclusions places equal importance on FTSE 350 NEDs discharging their strategic oversight responsibilities as they do on their CG responsibilities. This research accepts NEDs are involved in CS within the formal boardroom practices and informally outside the boardroom and this is to be encouraged, however the research outcomes uncover more leadership emphasis on CS needs to be accomplished.

*“One voice can change a room.”*

Barack Obama 06 November 2012

## **6 Conclusions, Implications and Recommendations**

### **6.1 Chapter Introduction**

The previous chapter delivers the theoretical and empirical findings and response to the individual RQ/ROs. The overall findings point to FTSE 350 NEDs' leadership and strategic oversight provision is unclear, poorly documented and consequently potential inconsistencies between the various FTSE 350 companies and individual NEDs' strategic oversight capabilities may occur. This research outcome clearly shows CS provision matters, and FTSE 350 NEDs' oversight is a crucial element in delivering strategically sustainability to their company. The unique blend and application of IT in conjunction with IST underpins the development of this research based upon credible evidence of FTSE 350 NEDs' good practice for long-term strategic direction. RQ 1/RO 1 evaluates the use of theory, providing an opportunity to discover, reflect and understand the intricate relationship between FTSE 350 NEDs and CS. RQ 2 – 4/RO 2 – 4 is supported by up-to-date exploratory and empirical evidence, assessment and findings undertaken in 2019-2020. Accountability for CS is not prescribed rather advancing procedures and discretion to support critical decisions. This research interrogation reveals evidence of a gap between what NEDs' oversight legally obliges versus what they actually do.

This final chapter provides concluding discernments into the research aim and problem having solidly examined and assessed the nature of FTSE 350 NEDs' strategic oversight provision. The assessment of the four RQs / ROs is provided culminating in the identification of potential obstacles to FTSE 350 NEDs' involvement in CS provision. The implications provide the opportunity to provoke conversations amongst FTSE 350 NEDs and their boards regarding the need to formalise CS undertakings. Accordingly, to make a strategic difference, FTSE 350 NEDs should be involved in broader dialogue and must communicate transparently regarding CS. This research presupposes such a procedure enriches both company and the role of NEDs and positively seeks out components which may prove underrepresented.

This thesis presents recommendations and a contribution to knowledge and in turn adds value by creating an environment for NEDs to rise to the occasion by supporting the building

of a long-term economically sustainable future for their companies with the overall aim of fostering good governance and strategic oversight. Furthermore, this manifests in abiding company resilience and a contribution to the public good. This research delivers both a theoretical and practical contribution to knowledge. A key strength of this thesis is the volume of data sets accumulated within the purpose-built data repository and analysed prior to forming an opinion based upon up-to-date evidence described within research outcomes and reflects the changing expectations.

## 6.2 Concluding Discernments and Research Contributions

### 6.2.1 Appraising the need for a Corporate Strategy Committee

This thesis corroborates FTSE 350 NEDs' requirement for a stable connection with the company's CS. Exploration of additional avenues emerged as this research recognises the trading ramifications post 2021 alongside societal issues such as climate change and sustainability must be translated into company values. Consequently, this is observed via FTSE 350 corporate renewal processes and their imperative to change; companies must add-value not merely grow in size. Therefore, this research identifies the potential benefits of mobilizing a CS Committee as underpinning the complex nature of succession, shared leadership and the company wide strategic direction by:

- FTSE 350 NEDs have an obligation to ask questions whilst executive directors have a duty to answer same.
- Specific and continuous explicit strategic oversight by NEDs raises the profile of CS at board-level and its discussions.
- The purpose of a CS Committee is driving long-term sustainable business effectively, efficiently, and economically. This ensures a company's vision and mission statements are supported by strategic structure.
- Having a CS Committee, documents and builds strategic resilience and core competencies within NEDs' practices. Moreover, this research acknowledges there is an oversight role for NEDs to be both explicit and formalised as well as having a continuing and ongoing implicit strategic curiosity concurrently occurring as and where needed.

- A CS Sub-Committee may assist with matters of commercial confidentiality as well as public accounting matters.
- FTSE 350 companies rely upon their leadership (NEDs) in a crisis, whilst acknowledging each company needs to adapt, or face being left behind.

Consequently, offering a balanced viewpoint, the negatives of having a CS Committee are identified as:

- Potential loss of entrepreneurial flexibility due to having to present all new ideas and concepts through a formal CS Committee review process.
- NEDs' availability and time commitments must be reviewed, and it is anticipated further time commitment is required to deliver strategic oversight.
- There needs to be in place at board-level a documented feedback loop from formation through to execution of CS.
- Can adhering to an existing CS assist or hinder in unprecedented times? Post COVID-19 the prevailing shift towards a significantly greener and more sustainable environment is gaining momentum and outpacing previously identified targets for such changes.

NEDs share equal legal responsibilities as Executive Directors therefore NEDs have the power to initiate a CS sub-committee to enhance CS provision. Moreover, NEDs bring an objective view and are not conflicted with business as usual. Setting up a CS Committee can support long-term thinking and deliver contributions as and when feasible. The explicit benefits of having a formal CS Committee for NEDs is from the outset, NEDs must inform themselves of all aspects of CS. NEDs do not have an effective strategic learning and development program which facilitates continuous development in CS readily available, as the major agencies providing NED training and development scarcely mention strategy, rather their deliveries centre upon the burden of CG and specific duties within Sub-Committees such as Audit, Nomination, Remuneration, and others. Proactive CS oversight includes directing and leading the strategic planning and development; strategic participation and involvement; and strategic approval and monitoring.

#### 6.2.2 Emerging understandings and what is discovered from the complex data analysis?

Consistent with Smith (1776) "*Wealth of Nations*" and more up-to-date Naciri (2020 p121), recognise the economic impact has on businesses. This research links NEDs and CS

provision with FTSE 350 companies financial performance as having a significant impact on the UK economy, i.e., “*UK-EU trading relationship... .. increased costs of materials, delays on lead times, additional procedural requirements, haulage issues*” as well as “*raised concerns about growing scrutiny from investors and regulators*” to name a few (Thomas 2021) thus FTSE 350 share price index and individual company financial performance is critical to the UK economy. Acknowledging this fact as clearly visible within the FTSE 350 adverse index movement during 2019-20, it is in the public interest and in the interest of each constituent of the FTSE 350 index to play its role in maximising the wealth of the company and in doing so the nation.

Evaluating RQ 2 and 3 / RO 2 and 3 discovers NEDs’ strategic oversight at board level is somewhat arbitrary, NEDs do not comprehend just how limited their CS oversight actually is. The benefit to each FTSE 350 company of having a formalised CS Committee is of ensuring the board including NEDs are explicitly and continuously engaged in CS oversight. This removes the current practice, perhaps misaligned position of merely one strategy day, and or developing a five-year strategic plan, with little or no NED oversight review of same during its implementation phase. Consistent with MacQuarie.com (2021), the ability to turn strategic conversations into “*realistic, meaningful strategy isn’t easy*”. Overall CS appears as a somewhat marginal activity amongst the various duties of FTSE 350 NEDs. Moreover, smart use of Sub-Committees can leverage board ability and overcome time constraints.

Having advanced the integration of IT and IST, disseminating through the methodological designs of ‘Shaping’, ‘Conducting’ and ‘Deciding’ while appraising FTSE 350 NEDs’ strategic oversight role and responsibilities, this research recognises boards have flexibility in setting up Committees within their company as they see appropriate. This research outcome uncovered no specific FTSE 350 companies having a CS Committee at board-level.

RQ 4 / RO 4 promotes the duty of proper governance by NEDs through their commitment to deliver CS in numerous ways and proposes recommendations emanating from the theoretical lens such as professional bodies advancement fostering NED knowledge and qualifications. Afterall, these are a prerequisite for appointments to some Committees e.g., NEDs require up-to-date specific knowledge in the form of a recognised professional audit qualification with recent experience. No such requirement is in place for NEDs and CS. Additionally, the various FTSE 350 reports have specific contributions from Audit,



Nomination, and Remuneration Committees however, reporting on CS is minimal. CS statements are in line with approval and monitoring oversight but omit to publish specific leadership and participation dimensions.

The comprehensive research contribution scrutinises an existing problem through theoretical lenses concludes there is need for further changes to NEDs' strategic oversight practices. The theoretical and empirical discussions and interpretations and evaluation meeting the research aim deliver valuable new insights into the prevailing FTSE 350 NEDs' oversight role and responsibilities when discharging their CS duties. The research findings emerging from the evidence include:

- Professional bodies proforma NED Letter of Appointment, Terms of Engagement and Terms of Reference have few, if any, references to their CS responsibilities.
- Comprehensive Terms of Reference are available for Sub-Committees of the main board, e.g., Audit, Nomination, Remuneration, and others. No CS Committee was found within FTSE 350 companies searched.
- The annual Strategic Reporting requirement, statutory since 2018 for FTSE 350 companies, emphasises regulatory and procedural reporting requirements. There is little if any reporting required on the long-term direction of the company.

Writing up this thesis uncovers strategic sustainability must be embedded and aligned with the overall FTSE 350 company's CS. This requires the collective action of the board including NEDs. NEDs should continuously monitor and question CS practices aligning with stakeholders' requirements.

The adoption of a theoretical approach linked to empirical exploratory findings is paramount to releasing the potential of this research. This research concludes FTSE 350 NEDs' board activities are disproportionately focused on deliberating upon current board matters and complying with CG. The ideal FTSE 350 NED should have ample strategic awareness of their company, be accountable for its actions, yet stand back from the day-to-day management of the company whilst providing strategic oversight. This oversight is the subject of potential conflict and/or difference of opinions. Emerging from this research, FTSE 350 companies need NEDs with appropriate strategic skills and professionalism to provide long-term strategically aligned oversight solutions for their company.

Understandably, NEDs must recognise both their company's strategic constraints and their personal ones. Consequently, FTSE 350 NEDs must develop an active voice influencing society, industry, and their companies. This implies NEDs being responsible for aligning company decision-making with its CS.

### 6.2.3 Empirical search and discovery – FTSE 350 NEDs' strategic oversight.

This up-to-date research unearths unique insights and identifies a lacuna in NEDs discharging their strategic oversight responsibilities. Each FTSE 350 NED needs to remain strategically aligned and have strength in their conviction that their leadership can and does make a long-term sustainable difference. This implies the provision of strategic oversight analysing industry disruptions and uncertainties as well as developing strategically smart logical options. The global pandemic has supported the need for FTSE 350 companies to have a strategically sustainable strategy, minimum is a broad message on values and externalities (Carney 2020). The evidence implies NEDs' strategic perspectives must embrace the need for continuous strategic learning on the job as given in the post-pandemic era. The combined and coordinated strategic efforts by FTSE 350 board members bring inspiration, hope and optimism during extraordinary times whilst a new reality is dawning. Presently, economic paralysis caused by disrupted trade and devastated demand requires strategic resilience.

Glimpses of the future are emerging, and FTSE 350 companies must offer a unified vision for their long-term future business. Consistent with Carney (2020) views, FTSE companies must balance "*purpose with profit*". Successful businesses appear to be propelling a shift to embrace societal impacts. FTSE 350 NED participation and innovative leadership in developing the new CS roadmap is critical to the company delivering an enduring sustainable future through empathy, collaboration, and safety.

Through empirical discovery and search of a parcel of observational evidence, this research proposes the need for the formation of a CS Committee governed by suitably qualified and experienced NEDs. This research promotes good CG and sees it as important when building brighter strategically sustainable futures for FTSE 350 companies. NEDs' strategic oversight efforts must live up to these aspirations via an inclusive process with a clear path to destination. Language is important in the communication of the message. Most FTSE

350 companies are under significant pressure in this time of uncertainty and boards must find a break-through to harness upcoming opportunities and avoid liquidation of their businesses, as is the case for Debenhams PLC. (Eley 2020). Having a CS framework assists FTSE 350 NEDs by pooling resources and delivering routes to long-term sustainable success. This research supports CS being put on an equal footing as that of CG and its many Sub-Committees.

#### 6.2.4 NEDs' responsibilities and actual involvement with corporate strategy

The consequences of decision-making and developing resilient businesses are all too familiar during 2019-20 uncertainty. NEDs' strategic influence and contributions have never been more important. Informed decisions are likely to require FTSE 350 companies' CS to be 're-aligned' and this enhances the need for NEDs' strategic influence and contributions. The need for long-term value creation has never been greater.

There is a need for FTSE 350 NEDs to become involved in strategy before they join the board. Boards including NEDs must lead the way and transform their company's decision-taking by initiating strategic dialogue and continuing discussions. The lived experience of NEDs and shifting emphasis on CS detects a significant shortage of strategic expertise amongst NEDs illuminated during this research. Acknowledging, some existing business models are not fit for purpose – e.g., instore shopping only at Primark. The research outcome is consistent with MITSloan (2021) recognition "*competitive landscape is shifting from well-defined industries to broader ecosystems*" which impacts almost all industries. Today's FTSE 350 company NEDs are possibly overstretched, leading to premature resignations, and have a potential CS skills deficit whilst confronted with rising levels of complexity from economic volatility, government actions, global pandemic etc. In such a chaotic period it would not be unusual for the board to take charge of strategic decisions so as to chart a meaningful course of action. Confidence needs to be maintained and built in NEDs' ability to proactively discharge their strategic oversight duties based upon their considerable experience and their knowledge. The research outcomes aim to produce a balanced view of reality through a climate where FTSE 350 NEDs are under extreme pressure.

This research deems FTSE 350 NEDs' strategic oversight provision needs to be a continuous activity rather than an incremental informal process as highlighted during 2020-2021. The

momentum for building long-term sustainable companies remains strong and an unexpected outcome of the pandemic is for all businesses to speed up the reduction of carbon emissions (Smith 2021). The research accepts the nature and practical issues surrounding the formulation and delivery of CS and this thesis tries to provide balanced insights of NED leadership and strategic oversight provision within the board environment. This research recognises the explicit opacities of board including NEDs' collective inputs into the provisions of their company's CS. The potential provision of a CS Committee Terms of Reference could be set to address these issues. NEDs need a universal voice, which can be overcome should NEDA grow into a recognised professional body, with continuing professional development requirements for its members and promulgating their universal voice. This research acknowledges the belief raising the profile surrounding CS provision is to the advantage of each FTSE 350 company.

It is feasible there are many NEDs, particularly on commencement of their role, who are unaware of, and potentially under appreciate the CS that underlies the success of their FTSE 350 company. NED board membership is a life-long learning experience with endless opportunities. NED strategic competence is by no means uniform across all FTSE 350 NEDs; this research acknowledges some NEDs have greater strategic talents than others. Future research needs to address the threshold and core strategic competencies required of FTSE 350 NEDs. Strategic oversight capability is required from every FTSE 350 NED. Building and maintaining long-term sustainability within FTSE 350 companies is not down to luck, rather it is down to assiduous strategic preparation and practice by the board which includes NEDs. This research is mindful this may require greater use of pooled NED responsibilities. There are significant expectations on businesses to connect with society. FTSE 350 NEDs have the responsibility to spot the opportunities and address risk within their provision of oversight.

#### 6.2.5 Constructive co-ordination of NEDs' input to corporate strategy

Building strategically active boards is a must for survival of each FTSE 350 company (Duke 2021). FTSE 350 NEDs' strategic oversight involvement needs to be appropriate and proportionate, and monitored within their company's good CG activities. A constructive solution is to clearly understand and build NED threshold versus strategic competencies. Moreover, these strategic competencies must be understood by each member of the board of directors. Potential outcomes from this research are principles and guidance for developing

a CS Committee and Sub-Committees as may be needed. What NEDs' oversight responsibilities should be towards CS is beyond the scope of this research. Transitional positions may have a place in preparing FTSE 350 NEDs. Moreover, it should be recognised NEDs' attention and availability is a limited resource.

#### 6.2.6 Potential policy implications

Policymakers must emphasise the need for good CG which may include companies having a specific CS Committee and comprise of NEDs and potentially other board members. Positive outcomes cannot be achieved through regulation alone (Featherby 2012), this research aims to create awareness to aid positive change. The outcomes of this research require the next generation of FTSE 350 board members to reflect and think differently on their strategic oversight provision. The overarching research conclusion is the FTSE 350 NED strategic oversight role is to steer their company on this path to positive action thus seeking to better understand and deliver enduring sustainable solutions. FTSE 350 companies must formally articulate on how their company creates abiding sustainable value aligned within its corporate strategy report. NEDs are responding to the challenges nevertheless there is potential to support and grow their strategic oversight role much further than where it is today.

**TABLE 38 CORPORATE STRATEGY STAKEHOLDER POLICY PROPOSALS**

<b>Corporate Strategy Stakeholder Policy Proposals</b>				
<b>Who</b>	<b>Boards</b>	<b>Regulators</b>	<b>Professional Bodies</b>	<b>Stakeholders</b>
<b>Where</b>	Specific board-level CS Committee.	Specific government policy requiring each company to have a CS Committee.	IoD, ICSA, NEDA etc. recognise the need to provide comprehensive CPD and training for existing and future NEDs and other board members in CS matters.	Overall, CS literacy needs to be upgraded.

Source: Lisson (2022)

This research key contribution to knowledge has solid research policy and practice implications for FTSE 350 NEDs through its rigour and relevance. The UK policy contribution is likely to raise significant awareness of the importance of NEDs' responsibilities and CS leading to long-term sustainable business, resulting in better outcomes and values within their companies.

#### 6.2.7 Practical contributions and suggestions to theory and knowledge

The motivation, distinctive contribution and unique theoretical implications of this research emphasise the opportunity to advance existing knowledge and better understanding of NEDs and their relationship to CS for the betterment of FTSE 350 companies. Acknowledging this, this thesis does not solve the research problem rather it proposes a way forward. This research does not solve the NEDs' strategic oversight difficulties and complications, rather this research adds value through logical theoretical and empirical knowledge it creates, by releasing the knowledge to effect positive change and real commitment to enhancing NEDs' strategic oversight. To accomplish this, the research enriches the present body of literature on NEDs' strategic oversight provision through the insights developed and conclusions reached. FTSE 350 companies and their boards including NEDs, must be mindful of the financial impact their CS has on its investor selection and deselections. FTSE 350 boards must work on their process of improving explicit and implicit board strategic discussion. The selected CS needs to incorporate links to long-term sustainable developmental goals which are linked to the company's overall value chain. Rethinking good CG includes a strong emphasis on NEDs' ability to assume enduring sustainable business and greater involvement in CS leadership.

Truly transformational CS changes and progressive FTSE 350 NEDs seize the simultaneous and inter-connected value-generating strategic opportunities for their companies. FTSE 350 NEDs' oversight must operate surrounded by a group of collaborative multidisciplinary teams which overall increases their strategic contributions to their companies. The prevailing disparate efforts provided by individual NEDs' strategic oversight needs a strategically sustainable procedure to deliver long-term CS. Moreover, this research inspires confidence by raising FTSE 350 NEDs' strategic oversight profile which is a step in the right direction and further provides insights into delivering long-term sustainable companies.

The outcomes of this enquiry contribute to theory as well as knowledge via incremental albeit substantive empirical research context i.e., FTSE 350 NEDs and CS. IT provides insights into how and why industries and FTSE 350 companies react and perform in similar ways. IST provides understanding as to why FTSE 350 companies and their NEDs are concentrating on maintaining and delivering short-term strategic goals potentially at the expense of long-term sustainable strategies. This research recognises by adopting alternative theoretical lenses the research outcomes could present even greater awareness of the critical

CS paradigms. This kaleidoscope of interpretations is to be encouraged for rich academic knowledge and awareness to be discovered. This research uncovers practical implications through rigorous Content Analysis evidence of FTSE 350 NEDs' strategic oversight.

#### 6.2.7.1 Statement of contribution to theory

Adopting and applying the unique combination of IT in conjunction with IST within a single research enquiry is a first and, in this thesis, adds value. Blending IT in conjunction with IST affords this research the ability to co-examine the social setting with the need of the company to deliver strategically sustainable CS. The theoretical contribution uncovers NEDs' strategic oversight recognises their responsibilities in contributing to delivering long-term sustainable FTSE 350 company. The potential for a new theory, or sub-theory emanating from this research is acknowledged, i.e., principles underpinning Board Leadership, Company Purpose and Division of Responsibilities as they relate to all company stakeholders. Alas, it is not the goal of this research rather a key output for future deliverables.

There is potential for highlighting the need for a CS Committee within prevailing legislation and CG guidelines alike. This board-level CS Committee would be responsible for developing lasting sustainable strategies for the business to successfully implement in various operating Committees. FTSE 350 NEDs should have a mandatory recognised NED Body of Knowledge and be required to undertake appropriate assessment for certification.

#### 6.2.7.2 Statement of original contribution to knowledge

The methodological contribution is the first known research to combine and deploy McNulty and Pettigrew's (1999) findings classifications concurrent with Cadbury Report (1992) strategy classifications to determine the current state of FTSE 350 NED strategic involvement during 2019-20. The original contribution to knowledge delivered within this research outcome is FTSE 350 NEDs' strategic oversight role is not clearly understood nor effectively delivered. This thesis builds a different perspective by offering an original contribution and adds value to good CG research emphasising FTSE 350 NEDs' strategic oversight contributions. The force of this unique contribution to knowledge lies in exposing FTSE 350 NED responsibilities in 'Shaping, Conducting, and Deciding' CS are not properly recognised. Stressing what FTSE 350 NEDs' leadership does is what matters. CS is

potentially overlooked because of the heavy and more formalised CG burden. The systematic observations and findings of this research demonstrate how much more FTSE 350 NEDs' oversight and their contribution to CS has yet to achieve.

This research outcomes uncover NEDs rarely initiate or devise CS, and instead merely ensure one is in place. A substantial amount of evidence covering NEDs and CG supports this research which has identified a considerable dearth of knowledge regarding the contribution of FTSE 350 NEDs to CS. Whilst different interventions by individual company's NEDs is envisaged, realistic availability of FTSE 350 NED time and competencies must be addressed and carefully promote strategically sustainable CS. The co-existence of good CG together with a concentration on CS is a prerequisite for FTSE 350 companies. FTSE 350 NEDs must be strategically agile and to emphasise this element within their board contributions. FTSE 350 companies must clearly understand what prevents them from achieving their strategic goals and objectives and minimise or overcome same.

FTSE 350 NEDs should feel constantly challenged by the need to explore, develop and improve the company they serve. It is expected the findings of this research may lead to improved NED professional development programmes. In the longer term the arena of impact includes corporate stakeholders, including shareholders, government, pension funds and the general public who benefit from informed FTSE 350 companies taking abiding strategic decisions, thereby strengthening their business capabilities and reducing/avoiding some of the failings of opportunistic short-term decision making. There is also an opportunity to offer global insights and guidance on NEDs' responsibilities and CS.

#### 6.2.7.3 Delivering practical validation of theoretical and empirical findings

Good governance is vital to facilitate the successful implementation of CS. In developing sustainable companies, this research finds it is crucial to recognise the need to integrate strategic leadership, participation, approval and monitoring and control within FTSE 350 NEDs' oversight practices. FTSE 350 NEDs must undertake a crucial contribution to both CS and governance and ensure these are aligned in their company. The lack of a bespoke CS Committee with its own Terms of Reference and specific appointments underpins some of the vagueness and conflict of NEDs and CS. More awareness and professional



development in NEDs' strategic oversight roles is key to overcoming their potential oversight gaps and potential weaknesses. This factor is critical to discharging FTSE 350 NEDs' responsibilities.

This research is mindful of subjective judgements and the inevitable imperfections whilst reporting outcomes. Unintended consequences are possible, but every step is taken to reduce same by making amendments as quickly as the problem becomes apparent or clearly stating the limitation. This research's collective findings and outcomes exposes the complexity surrounding strategy which support for developing a CS Committee which aims to provide guiding principles for all FTSE 350 board members. Likewise, this research challenges the idea of single generally accepted procedures in favour of adapting to the needs of the specific company. This may require a cultural shift from current board perceptions, expectations and thinking.

The research evidence has important implications for both NEDs and FTSE 350 companies and shape guiding principles leading to the key findings are:

- The annual Strategic Reporting requirements, statutory since 2018, emphasise the regulatory and procedural requirements. These Strategic Reports contain little, if any, information the long-term strategic direction of the company.
- FTSE 350 Companies Strategic Report needs to be more transparent on sustainability issues and practices linked to long-term value creation for the company.
- Initial findings from documentary data set reviews uncover NEDs of FTSE 350 companies have Letter of Appointment, Engagement and Terms of Reference with little or no mention of their strategic oversight responsibilities.
- Remembering no CS Committee is unearthed thus far, there is no single strategic recipe NEDs can follow.
- A strategic qualification offers FTSE 350 NEDs with insights however does not guarantee the development of a long-term sustainable CS for their company.
- NEDs potentially feel anxious in participating in long-term strategic planning as their core competencies lie elsewhere e.g., good CG. Their strategic contributions may not be welcomed by executive directors.

#### 6.2.7.4 NEDs' critical reflexivity and non-attributable NED comments and suggestions

The next generation of FTSE 350 NEDs needs to aspire to the role and need mentoring to reach this position. A clear plan to ensure the CG and strategic skill sets are built, acknowledging not all NEDs need the same skill sets rather each company needs to have a prerequisite of the CG and strategic skills to discharge the duties of the board. FTSE 350 companies must discover what holds NEDs back from applying for positions, is it the company, or the lack of a mentoring scheme to have a pipeline for NEDs to join the board? One such group is FTSE 350 NEDs on Financial Services companies which has the requirement of 33% of such NEDs to be female which has yet to be achieved and sustained. Moreover, there appears to be no handover period between incoming and outgoing NEDs, therefore, implicit strategic knowledge is potentially lost in this transition. Newly appointed NEDs are provided with historical published reports and statements to familiarise themselves with the company's CG and strategic structure. From confirming conversations, it is rare, if ever, incoming, and outgoing NEDs actually meet thus incoming NEDs are reliant on published information.

Understanding the opportunities to increase the value of CS function allows FTSE 350 NEDs to make purposeful change and increase their strategic contribution within their company. NEDs' role and responsibilities involves good CG and the need to be future orientated with robust engagement in CS. Moreover, NEDs must recognise there are many objectives which need simultaneous attention and decisions are required all at the same time. This transformative experience takes knowledge, resilience, and foresight on the part of NEDs.

#### 6.2.7.5 Research limitations and items outside the scope of this research

This research deploys replicable Content and Descriptive Analysis sourced from professional bodies, legal and regulatory as well as FTSE 350 companies during 2019 and 2020 located in the extensive data repository. It may not translate directly to all UK companies or other large companies listed on foreign stock exchanges and it may not be applicable for future time periods as financial markets, legal, CG, and business society changes. No single strategy choice should be regarded as ultimately right for all FTSE 350 companies. The sampling techniques deployed have their own inherent limitations. These are declared as appropriate. Potentially by applying different research methods, or different data collection and time periods, it is feasible alternative relationships and outcomes could

unfold. All data gathering and measuring limitations are clearly stated. Ethical convergence within good CG frameworks is for further research. This research is mindful personal bias is something which needs to be recognised and where feasible eradicated or otherwise disclosed. Subsequent to this research, it is anticipated there is potential to further explore the items raised within this research which remain unanswered or inconclusive. This may require a recognised specific body of knowledge which is constantly updated upon which good practice rests linking academia with practice.

All FTSE 350 companies face strategic issues and different procedures to CS are required for various industry types and specific companies. Service industries need the just-in-time personal touch, whilst production can be planned and organised in advance. A recognition of the need to do things differently needs to be incorporated within NED strategic oversight activities. This area of research is topical and is impacted by several factors which may include some of the areas which are specifically outside the scope of this thesis: NED identities, individual characteristics, diversity, gender, ethnicity, education, number of NED positions held, length of service and their professional background. Activist shareholders and investor protagonists, as well as fund and institutional investors, who may appear as NEDs on FTSE 350 boards to put pressure on management for their own specific goals, are excluded. NEDs' difference of opinion between male and female NEDs etc. is not observed. NEDs' governance, compliance and ethical conscious, including whistle-blowing role is not investigated. Likewise, how consistent NEDs' strategic oversight involvement with that outlined in their Terms of Engagement is outside the scope of this research. This thesis remains centred upon integrating and acting upon the findings and insights arising.

#### 6.2.7.6 FTSE 350 NEDs and corporate strategy matters

The importance of NEDs' CS contribution appears to be overshadowed by their more clearly defined CG oversight role. Bearing this in mind, further research needs to be conducted to enhance the strategic aspect of NEDs oversight role. See Appendix F.1 Further research areas emanating from this research. Moreover, researching other FTSE Listings can provide further insights into the provision of CS. In addition, evaluating organisational strategy within Public Sector Organisations and Charities can add to the body of knowledge and potentially aid cross fertilisation of strategic know-how. CS building and continuance is a dynamic process and needs constant appraisal and scrutiny. Re-evaluating CG post 2019-2020 and seeking to embrace the 'new beginnings' potentially fostering clearer, greener and

more sustainable businesses forms part of the sustainable strategies for companies. The recommendations recognise enduring change happens one step at a time. NEDs are frequently appointed as a direct result of a successful career. However, there is no comparable transitional step in becoming a NED. Whilst historically strategic literacy was often perceived as a lesser or more minor role of the NED, this thesis places greater emphasis on CS and implies CS is equal to CG.

This research encourages FT350 NEDs to contribute to all aspects of CS building one's confidence even when confronted with an ill-defined set of criteria. FTSE 350 Companies must have a clear strategic plan to achieve an abiding sustainable company status and NEDs must contribute to understanding what is holding the company back, if anything. Closer interrogation of specific FTSE 350 companies and their NEDs' strategic oversight capabilities is warranted to gain even greater insights in effective strategic behaviour in different board contexts.

#### 6.2.7.7 Knowledge value-added

This thesis adds value through the knowledge it generates and is a platform for driving and engaging changes in CS, whilst recognising it is not a panacea for all strategic issues. The research augments the available literature on NEDs and CS field with the acute insights uncovered and the recommendations proposed. A contribution to IT and IST frameworks is enhanced by the further understanding of the implications of corporate practice regarding NEDs' contributions to CS. This thesis accepts concepts held within IT underpin prevailing NED practices. This thesis attempts to provide the momentum to enhance NEDs' strategic oversight provisions for the future whilst complimenting existing CG provisions. NEDs must seize the opportunity to leverage their strategic role and responsibilities to promote and realise the long-term sustainable opportunities for their companies.

#### 6.2.7.8 Contribution to methods

The in-depth data layering utilising Content and Descriptive Analysis of data sets from within the data repository evidence, afforded this research the ability to isolate and gain access to the subject of interest, i.e., FTSE 350 NEDs and CS. The use of specific searches within data observations and use of multiple data sources attempts to provide an increased understanding of when NEDs discharge their CS role and responsibilities.

#### 6.2.7.9 Closing the research gaps and implementation of expected outcomes

The findings to emerge from this research informs FTSE 350 NEDs of best practice in CS. Executive education and development especially of NEDs needs to be formalised and include specific components of CS, i.e., leadership, participation, as well as deciding. The outcomes may have wider implications and require amendments to existing legislation and governance codes. Publishing this research aids policy makers, practitioners, and academics alike to take note of the findings. Implications from the research findings may well inform professional development and training courses. FTSE 350 NEDs should think critically on all aspects of the board practices before they join a board to ensure they thoroughly understand the business they are charged with directing and can make an effective contribution. Putting both processes and policy recommendations in place allows the beneficial outcomes from this thesis to be earned in times to come. Good practice for FTSE 350 companies board evaluations is to audit the introduction of the recommendations and subsequently perform a post-completion audit to ensure the benefits have materialised.

#### 6.2.8 Research journey and reflections on how the thesis evolves

Drawing upon FTSE 350 NED CS exposures, gathered within the profusion of data set sources, this theoretical, exploratory, and empirical research endeavours to provide observable evidence that NEDs' strategic leadership responsibilities in CS is poorly understood. Intense reflection by this researcher clearly emphasises the need for even greater attention on NEDs' engagement in raising CS dimensions within CG standards and provisions. This accepts Cs seeds sown today bear fruit in the future.

There are continuous corporate challenges requiring flexibility from FTSE 350 NEDs' oversight provision. This researcher considers this thesis is an evolution in FTSE 350 NEDs' strategic oversight provision not a revolution albeit not underestimating the impact such recommendations have on both FTSE 350 NEDs and their companies. FTSE 350 NEDs must seek out creative CS solutions and provide the energy to support their implementation. NEDs' laser-like focus upon CS is critical to creating and maintaining long-term sustainable business imperatives. This requires greater concentration and exceptional steps must be introduced to support a more inclusive environment and strike a balance between NEDs'

legal, professional, CG provisions alongside CS. The observable evidence implies the current plethora of regulatory, professional and governance codes act as a drag on FTSE 350 NEDs' time and efforts in the CS arena. This research supports the potential for further reviews into the delivery of FTSE 350 NEDs' strategic oversight.

Understandably, it is important to recognise specific FTSE 350 company values when evaluating NEDs' contributions to their CS. This research finds the role of FTSE 350 NEDs has evolved much more regarding CG which is mandatory managing the history of the company. This particular thesis has benefited from the time to ponder the real issues of NEDs and CS by reflecting upon the past, thus affording the researcher the opportunity to recommend improvements for the future. The researcher supposes efforts made by FTSE 350 NEDs to improve good CG benefits all, and this thesis outcome attempts to provide the catalyst for change. Despite the immense number of determinants surrounding FTSE 350 NEDs' strategic oversight delivery there is overall recognition their provision of strategic oversight adds value.

The research propositions explore current FTSE 350 NEDs' practices in CS and recognises the need to integrate strategic planning with CS decisions whilst the CS is constantly evolving. The outcomes include greater clarity of, and emphasis upon FTSE 350 NEDs' role, responsibilities and effectiveness in formulating and implementing CS along with ensuring this is internally aligned. This thesis attempts to provide an important input into the development of FTSE 350 NEDs and CS delivered in a careful, surefooted way which should be reassuring to NEDs. This research is envisaged as a seedbed for influencing change. The timing and frequency of FTSE 350 NEDs' contribution to each element of CS i.e., Shaping, Conducting, and Deciding needs to be proactive and embedded in their oversight duties. The significance of this is to build and maintain good CG i.e., is preventative and to minimise reactive positions. Thus, future research could determine if the intended outcomes and benefits have materialised.

To summarise, having undertaken this research enquiry the outcomes and benefits note a greater emphasis on promulgating and potentially reshaping FTSE 350 NEDs' strategic oversight practices ensuring an even greater long-term sustainable contribution to their company. Accordingly, to deliver this, FTSE 350 NEDs' oversight needs to remain calm under immense pressure whilst building resilience in their company's CS. Delivering the

recommendations requires the recognition and mitigation of NEDs' potential anxiety towards CS. This thesis acknowledges the need for future research and spawns further post-doctoral research.

This thesis attempted to uncover and suggest methods to close the gap in NEDs' strategic oversight provision. Whilst delivering this thesis, there are many stimulating, lively, and creative discussions keeping the research alive and extending current knowledge. A NED's obligation is to display expertise in a range of subjects including CS and building sustainable business. The selected theoretical frameworks of IT in conjunction with IST essentially posit companies tend to adopt the accepted practices within their institutional environments. The contextual lens illuminates the prevailing NED environment. The empirical lens reveals the research into FTSE 350 NEDs' actual contribution to their company's CS. Accordingly, the RQs are substantially linked to strands of theory and empirical evidence. The researcher's approach is to untangle the strict focus on compliance with legal and CG codes at the expense of CS. The regulatory and governance lens illustrates various legal and governance guidelines which drive NEDs' decision making.

To recap, the research findings from FTSE 350 companies are authoritative, influential, and insightful uncovering proforma NED Letter of Appointment, Terms of Engagement and Terms of Reference have little or no mention of their CS responsibilities. No CS Committee was unearthed. The annual Strategic Report requirements, statutory since 2018, centre on regulatory and procedural reporting. Little if anything shows the continuing strategic direction of the company. It is vital NEDs' strategic oversight role recognises the need to have a better balance between regulatory conformance and strategic formulation and policymaking. NEDs must invest and build their strategic skill sets. The major recommendation emanating from this enquiry is the need for the formation of a separate CS Committee, including NEDs with specialist strategic knowledge, for all FTSE boards.

This thesis advances beyond the historical and prevailing FTSE 350 NEDs and CS duties. The research evidence implies the conduct of NEDs and CS is dependent upon the board's focus and NEDs' oversight actively seeking to contribute to their company's strategic thinking practices, especially the consideration of leadership, development as well as review and control. A better FTSE 350 CS system is within reach. FTSE 350 NEDs' emotional fitness requires exerting their board position and they must have the strategic knowledge to

underpin their contributions. This comes from both formal education along with training and development programmes and on the job induction with a healthy curiosity throughout their period of office. Collaboration is key to their success. The ultimate ambition for the outcomes of this research is to promulgate situations where NEDs' oversight can change their company's endeavours in both financial performance and provision of stakeholder long-term prosperity. This research makes a significant contribution to knowledge of FTSE 350 NEDs and CS and has the potential to create actionable knowledge for similar research to follow. Ultimately, this thesis does not point to, and nor should it be interpreted as indicating the arrival at a specific destination. Rather, the research attempts to provide a route to discover and enhance FTSE 350 NEDs' oversight contributions to CS. The prevailing rate of progress since 1999 – 2020 towards better governance and sustainable companies indicates FTSE 350 NEDs are likely to continue to be interesting and worthwhile positions for research for many years to come. Governance structure and NEDs' strategic oversight responsibilities must co-exist.

## 6.3 Recommendations - NEDs' Contribution to Corporate Strategy

### 6.3.1 Policy recommendations and practical implications

The research outcomes fulfil a contribution to knowledge, with the potential to influence policy and act as a catalyst for action. The potential to influence policy requires a change in the prevailing legislation and CG policy. The issuance of policy recommendations could enhance the primary focus of all board members (not just FTSE 350 NEDs) both in time and competencies to promote abiding sustainable CS. Effective use of strategic knowledge and skills in policy-making processes requires appropriate mechanisms and there may be an advantage in ambiguity of the strategic concepts as it allows it to take diverse meanings within the FTSE 350 companies. Fostering good practice includes collective NED strategic oversight capability i.e., a group of highly experienced NEDs to oversee CS. Promoting, enabling, and enhancing FTSE 350 NEDs' collective corporate strategic potential and participation in key CS decisions is a key outcome of this research. The observable evidence presented in this thesis supports the need for FTSE 350 companies, have a specific CS Committee, overseeing a crucial role in making and shaping policy that promotes and improves strategically sustainable companies. This research draws upon strategic awareness to build and mobilise political and public consent for change.



Major policy implications are unearthed by questioning whether the prevailing legislation and multitude of CG codes are sufficient. This research supposes there is merit in granting CS similar status to Audit, Nomination, and Remuneration Committees i.e., compulsory for all FTSE 350 Companies. Introducing such a Policy is intended to benefit all stakeholders of FTSE 350 companies ensuring CS is continuously and regularly reviewed, NEDs current and future must seek out an active engagement in their company's CS provisions. This research acknowledges merely having a CS Committee does not in itself protect the company from failures or failing rather strongly promotes long-term thinking leading to sustainable futures.

The outcomes of this research, subject to any known restrictions, grant some valuable policy insights to UK Government policy makers, Stock Exchange Regulators, and others and may lead to modernising CA (2006) to enhance CG with respect to CS oversight provision. This research is mindful the proposed recommendations are insufficient on their own and require even greater reforms to ensure best possible outcomes. Moreover, the IoD, ICSA, NEDA etc. have a role in ensuring all directors including NEDs have certain standards of governance and strategic direction. This thesis attempts to provide the opportunity to shape and prioritise the future strategic contributions of NEDs on boards of FTSE 350 companies, delivery needs to be in 'bite-sized' chunks. Practical implications for NEDs include:

- ✓ Structure NEDs' strategic oversight and performance role to facilitate innovation and sustainability of the company.
- ✓ NEDs need strategic ability and knowledge, as well as sufficient time to take well informed decisions.
- ✓ NEDs must bring the best set of values for the company when taking decisions for the future.
- ✓ NEDs need the potential to embrace opportunities, be imaginative in design and collaborate as required.

Any additional regulation required is intended to be proportional to meeting the corporate strategic objectives of FTSE 350 companies.

### 6.3.2 Specific stimulus to body of knowledge with actionable insights

This research expects the momentum for real action today with a shift in NED mindset is key to delivering good CG alongside strategically sustainable FTSE 350 companies. Perhaps

2020-21 lockdown is an opportunity and a catalyst for FTSE 350 boards to align strategic leadership to strategic actions thus building resilience to deliver long-term sustainability. The research outcomes make specific proposals for changes to legal and regulatory as well as government policies. Key areas are identified where changes to NED strategic oversight practices can sharpen performance and inputs to CS and their impact to expand excellence and innovation in their company's future and abiding value creation. The sophisticated mix of explicit outcomes and implicit understandings highlights the need to create a convivial environment and suitable conditions under which NEDs' oversight can contribute effectively as well as operationalise all aspects of CS for their company. Current strategy events, whilst potentially useful, must be reviewed regarding their overall effectiveness. Because boards' meeting time is limited and subject to prior agenda approval, this research recognises CS is perhaps being constrained by the board discussion time and attention. The outcomes of this research support the potential, and acknowledges the innovative need, to set up a 'CS Committee' which this research considers to be of high importance.

It is vital every opportunity is taken to foster, support and encourage FTSE 350 NEDs' role and responsibilities within CS in a business safe manner which may include rebuilding, redefining and repositioning FTSE 350 companies' CS so as to achieve growth and long-term sustainable businesses. FTSE 350 NEDs must appreciate building CS capabilities is a formidable task especially in current circumstances. The significance of clarity regarding the theoretical underpinnings in conceptualising NEDs' oversight responsibilities in CS, influences the conclusions drawn, and value of contributions generated. The key determinants of this research enquiry, and would-be solutions, may need to be delivered in a phased manner and are linked to the FTSE 350 NED responsibilities not the individual personality. Overall, improvements in strategic communications between NEDs and their boards, support the development of the company and chart a path to presenting lasting sustainable strategies. Achieving the right balance is akin to mixing a cocktail. The recommendations may be implemented gradually or in a single 'big bang' so as to improve FTSE 350 NEDs' contribution to CS. These research findings support the need to formalise and set up a CS Committee at board-level to ensure NEDs provide proactive, visible, oversight into all aspects i.e., Shaping, Conducting, and Deciding of CS. NEDs must influence through their leadership powers of persuasion.

### 6.3.2.1 Specific recommendations emanating from the research outcomes

The significance of this thesis is in the acceptance of FTSE 350 NEDs' momentum in implementing the actionable insights and recommendations with the understanding there is every reason to be optimistic. Acknowledging "*NEDs are already motivated by taking on new personal challenge. However, NEDs say the demands of the role are becoming more intense.*" (Forsyth 2021 p3), just not all are clearly directed on all aspects of their company's CS provisions. The scope, depth and coherent changes proposed form part of FTSE 350 NED skill sets from the outset and clarity surrounding corporate strategic inputs and outputs is an obligation. Each FTSE 350 board needs to understand the role for each of their members including that of NEDs to contribute to their strategic oversight role. Consistent with Hinton and Londo (1992, p19), the strategic oversight responsibilities are likely to include, leadership and supervision, co-creator and participation, and approval and supporting and this should be supported by "*establishing conditions for effective learning*" on the board. Care needs to be taken by each FTSE 350 company to tailor its own strategic provisions and encourage two-way conversations. The following set of recommendations stemming from this research is not exhaustive, nor inferring judgements, rather a first step to build, strengthen and maintain FTSE 350 NEDs' strategic oversight capabilities within a safe and responsible manner.

- ✓ Engage professional bodies supporting NEDs such as All-Party Parliamentary Groups, IoD, NEDA, ICSA, ICAEW, CIMA, CGMA, etc. to continue fostering good CG, augmenting the emphasis on CS. Professional bodies' educational programmes to include sufficient time and attention in all aspects of CS. Follow through with further CS workshops as may be required from time to time to ensure the opportunity to learn and grow is facilitated thus enabling companies to succeed even more.
- ✓ Prepare draft Terms of Reference suitable for a CS Committee.
- ✓ Retain healthy academic research interest within NEDs and CS to ensure best practice is recognised, insights are shared, and any lacunae are mitigated. Build consent and momentum in the sphere of long-term CS.

- ✓ Audit FTSE 350 NEDs' strategic oversight expertise and mindsets. Explore how NEDs' oversight must evolve to enhance CS expertise. Understand threshold strategic competences required of NEDs' strategic oversight role, reaffirming Eccles (1993 p18) notion of building capabilities. Offer NEDs mentoring and development as is needed. Ensure all new appointees are supported within their induction with an overview of the strategic competencies required of a FTSE 350 NED. NEDs must embrace, engage, and transition to an enlarged strategic role. This may require a specific assessment and qualification within governance including CS.
  
- ✓ Put in place a formal handover period between outgoing and incoming NEDs where feasible.
  
- ✓ Recruit, develop and motivate NEDs with a curious, experimental, and adaptable mindset. Ensure strategic responsibilities are clearly integrated within FTSE 350 NEDs Letter of Appointment, Terms of Engagement and Reference and align to Strategic Reporting requirements. NEDs have a personal responsibility to ensure they possess sufficient strategic capability and mindful to actively seek out and ameliorate their strategic oversight provision supporting sustainable companies.
  
- ✓ Evaluate how NEDs cope with meeting their CS recommendations. Create an environment for NEDs to overcome their broad but shallow knowledge whilst continuously developing their strategic leadership role and skills. Understand there is no '*silver bullet*' that is a panacea for all FTSE 350 companies and their NEDs, CS is a complicated matter. A participatory approach to a tapestry of changes is envisaged.
  
- ✓ Initiate a Non-Executive education program understanding what additional support and assistance NEDs feel they must have to be better placed to meet and contribute to their CS; this may include coaching. Overall make it practical and encourage 'futurology' including linking CS to ESG statements.
  
- ✓ Set up a CS Committee staffed by both NEDs and Executive Directors with a balance of strategic skills, knowledge, and experience at board-level. This also affords the opportunity for a shift in mindset and the energy to see the CS bigger picture. Moreover,

informal strategic mindset and learning amongst NEDs is facilitated through high involvement. Overall, there should be a shift in NED oversight involvement towards continuous consideration of the company's CS.

- ✓ The CS Committee should have a steering group with defined strategic roles for Shaping, Conducting, and Deciding and allocating responsibilities. Embedding CS includes: the 'why', 'what' and 'how' of sustainability. NEDs must attempt to provide more visible board engagement to leading clarity or purpose, connecting their strategic expertise facilitating the emphasis on longevity of the company.
- ✓ CS needs to be constantly evaluated, reviewed, and reshaped to ensure fitness for purpose is maintained. Implementation should be step-by-step rather than 'big bang' with long periods of abandonment. NEDs must be able to make agile responses to the corporate strategic needs of the company.
- ✓ CS statements are communicated for short, medium, and long-term and regularly reviewed for fitness for purpose. Enhance the current Strategic Report requirements to include ten plus year vision and leadership feedback on same. NEDs' voices must be heard. Do board members acknowledge and seek out NED involvement in strategy?

These initial suggestions are an advocate for action and may be enriched and built upon. The potential value of having a specific CS Committee may include but is not limited to, time to focus upon specific issues and build core strategic competencies within the NEDs. This potentially frees up board time to discuss items or refer them to a CS Committee for consideration especially in the case of deadlocks (Harper 2005 p137). Expectations placed upon FTSE 350 NEDs and their need to satisfy their NED strategic oversight role and all their responsibilities is potentially unrealistic based upon the average predicted time commitments. This research recognises a major challenge in there is no one 'correct' and 'fits all' scenario, it is presumed the stakeholders would strongly approve the above recommendations. It is likely the drivers behind value creation would strongly embrace the proposal for a CS Committee and its real-world practicalities. Likewise, future challenges expected to emerge and require further interventions in due time. It is important for FTSE 350 NEDs to concentrate upon strategic substance, it is up to the executive directors to

implement the processes. This research recognises the strategic challenges needed for NED strategic oversight provision improvements. It is up to each FTSE 350 board and in particular their NEDs to deliver the changes.

The steppingstones warrant further consultation with FTSE 350 NEDs and should be kept under review. This research acknowledges for some FTSE 350 NEDs this may disrupt and require greater engagement with strategic leadership within their company. The implications of this thesis illuminate the future journey of FTSE 350 NEDs' role and responsibilities within CS and acknowledges alternative suggestions and recommendations may need to be evaluated to encompass a larger NED role. The benefits of such evaluation to FTSE 350 companies and its stakeholders should not be underestimated. NEDs' oversight provision should anticipate ever-changing business environments and be prepared to assist steering the leadership of companies through uncertain times.

#### 6.3.2.2 Routes to cultivating NEDs' strategic oversight capabilities

Observable evidence has a crucial function in constructing and shaping policy improves long-term sustainable futures for FTSE 350 companies. Recognising expectations are changing; a central part of this research is to heighten the awareness of FTSE 350 NEDs' oversight responsibilities in CS. This research illuminates current FTSE 350 NED oversight involvement in the multi-dimensional nature of CS is not optimum. The recommendations try to provide a clear emphasis on the need for fundamental change in every aspect of NEDs' engagement with CS and concentrate NEDs' oversight efforts as 'Keepers of the corporate conscience' (Miller 1946). This research recommends NEDs' demonstrate their 'leadership' by initiating a CS Committee and lead same so as to provide greater independence and objectivity. This is to avoid the prevailing situation whereby NEDs' attention is spread too thinly, potentially resulting in a lack of clearly visible and adequate oversight in CS. Setting up a CS Committee should commence with incremental steps to demonstrate findings and minimise overall risk to both individuals and company during the phasing in of the new regime.

This research exposes through insights gained via the application of both theoretical and methodological frameworks the FTSE 350 strategic processes, including their inherent weaknesses and failings, commence at the point of NED recruitment and appointment and

potentially continue during their time on FTSE 350 Boards. This research aspires to promote best practice not merely meeting predetermined legal and CG standards most of the time. NEDs' oversight must continuously aim to go above and beyond particularly regarding CS to ensure minimum standards are met in times of adversity. Based upon the observable evidence supplied earlier, this research recommends a practical and implementable set of steps to improving FTSE 350 NEDs' policy contributions to CS by uncovering and prioritising areas for enhancement. It is the responsibility of each NED and their company to prioritise in order of perceived benefit and or sensitivity the implementation of these recommendations. It is suggested a pre-planned phased approach to the implementation of recommendations be clearly defined by each FTSE 350 board. Overall, this thesis contends greater FTSE 350 NED strategic involvement is both needed and desirable.

#### 6.3.2.3 Research beneficiaries and community of interest

This thesis uncovers FTSE 350 NEDs' obligation to deliver oversight support and visibility on their company's CS. FTSE 350 companies must recognise the strategic knowledge and skills requirement within their NED members. Initially some NEDs may have CS skills and potentially all NEDs would develop those skills and competencies in the future. A sensible approach is to set-up a CS Committee, staffed by both executives and NEDs in an attempt to proactively deliver strategic oversight. The overarching purpose of a CS Committee is to build and steer long-term sustainability within the company. This research acknowledges no benefits are likely to emerge unless FTSE 350 companies and their boards, including NEDs engage in corporate strategic leadership change. Each NED needs to recognise the contribution they can make and take their responsibility to deliver same. The research findings are likely to be fruitful and shed further light and perhaps share best practice with the numerous research beneficiaries identified.

The potential beneficiaries of a positive response to these research findings and can be collaborated and summarised in Table 39 Research beneficiaries and potential benefits, page 256.

**TABLE 39 RESEARCH BENEFICIARIES AND POTENTIAL BENEFITS**

<b>Beneficiary</b>	<b>Potential Benefits</b>
UK Government, Institute for Government, Bank of England	Potential to improve regulation, including amendments to existing legislation. Policymaking through collaborations may prove effective and focus businesses upon sustainable futures. Bank of England plays a role in economic policies.
London Stock Exchange	Potential to improve adherence to LSE guidelines and promote the abiding sustainable success of the constituents of FTSE 350 stock exchange.
Financial Reporting Council	Potential to improve the UK CGC (2018) with clearer understandings and role and responsibilities for NEDs of FTSE 350 companies with respect to CS.
Professional Bodies	IoD, NEDA, ICSA to name a few, can influence their members and try to provide greater emphasis on the role and responsibilities of NEDs and CS in addition to good corporate governance.
Academics	Research groups and universities keep scholarship up to date.
FTSE 350 companies, Investment Community	It is in the longstanding interest of FTSE 350 companies to have and maintain a sustainable future and to positively promote the success of their companies. Multi-sector partnerships can develop a shared understanding of industry best practices thus building sustainable businesses.
Boards	All members of FTSE 350 companies are well served by ensuring optimum CS is decided, shaped and conducted.
NEDs and Chairpersons	Ultimately after accepting an appointment on a FTSE 350 board NEDs have the responsibility to discharge all their duties (including CS) with due care and attention. NEDs contribution can be a 'force for good'.
Recruiters, Professional Developers & Trainers	Discover a pool of potential candidates with the skill sets and curiosity to undertake the NED role. NEDs need suitable professional development and training to maximise their effectiveness.

Source: Lisson (2022).

#### 6.3.2.4 Dissemination of research outcomes to community of interest

The research outcomes are directly relevant to FTSE 350 NEDs, nevertheless, it is anticipated all NEDs and organisations may benefit from the knowledge. Whilst CA (2006) applies to all companies in England and Wales, care must be taken to observe the various



CG guidelines appropriate to specific organisations. This research's outcomes have the potential to influence future UK CG policy, education and NED skills training and development. On completion of this research, it is anticipated these research outcomes are disseminated to the participants, university forums, professional institutes, (ICAS, CIMA etc.) along with the IoD. Dissemination of research findings by publication in academic and professional journals does not happen prior to successful thesis submission.

This thesis is disseminated amongst LSBU doctoral academy via researcher active presentations and activities. Additionally, research papers were delivered externally at the LCSS methodology conference in September 2019, and the researcher competed in the UK 2019 3-minute Vitae thesis competition and achieved semi-finalist status. Research papers and presentations were delivered at AAEC conference, a doctoral presentation in January 2021 at Queen Mary University of London. Awarded a commendation for the 'Best Topic' upon presentation at the TECHNE-AHRC 2021 Conference hosted by Brunel University in February 2021. The British Accounting and Finance Association international conference in April 2021. Research outcomes were shared with the community of interest via academic posters and presentations delivered during the building of this thesis. Moreover, contacts and conversations with various institutions were made with the Institute for Government, Bank of England, the Institute of Directors, NEDA, the Institute of Chartered Secretaries and Administrators as the body overseeing CG, the Financial Reporting Council (UK CGC (2018)) various professional accountancy bodies, (e.g., ICAEW, ACCA, CIMA), CG academics and management consultants.

## 6.4 Emerging Trends and Future Research

The emerging trends stemming from origins to near-term future and unfinished business of FTSE 350 NEDs' influence on their company's CS needs to be elucidated clearly and its impact would be expected to feed through to strategically sustainable company performance and growth. Only the future can reveal what impact this research has. The research findings uncover issues that have not been fully considered during the development of the research but are identified for areas of future research.

All CS issues are on the table and the Board, including NEDs must plan for their company's future. Furthermore, this research is mindful of reliance on snapshots of 'board stories' from those companies selected in the data set, specific time frame and prevailing economic conditions to name a few. Alternative unresearched interpretations and recommended actions may prove equally feasible. The aim of this research is reached via adding to the accumulated knowledge of previous academic research thereby increasing the current body of knowledge. The exploratory insights are fruitful and shed further light to facilitate sharing best practice and impetus to further research. Iterative improvements needing closer interrogation of specific FTSE 350 company and their NEDs' strategic capabilities are warranted to gain even greater insights in effective strategic behaviour in different board contexts. There are numerous opportunities for future research in this area to have an immense impact on building sustainable companies.

Reflecting upon the outcomes of this thesis illuminates the need for even further research into the actual strategic contribution offered by individual NEDs. Acknowledging practical and substantiated contributions to knowledge have complex consequences and require categorisation of issues, any dislocations and fallouts must be documented. Perhaps this research offers the stimulus to subsequently put in place effective intervention regarding FTSE 350 NEDs' strategic oversight. Moreover, post 2021 there are likely to be compelling reasons to undertake primary research involving face to face contact with FTSE 350 NEDs seeking to understand how their board efforts are utilised e.g., historically centred i.e., compliance and governance issues or future focused i.e., CS. The complex issues surrounding NEDs' oversight engagement in the real problems of leadership, participation and deciding of CS require continuous monitoring for many years to ensure an enduring demonstrable contribution to the company, economy, and society as a whole. Furthermore, it must be recognised the strategic role of NEDs varies, depending on factors such as prevailing industry, legal and governance requirements as well as short and long-term financial implications for the company and its share price. Incorporating the realities requires an integrated approach to each FTSE 350 NEDs' individual CS contribution which can include one or more of the following dimensions: oversight, co-create, or merely support. Likewise, NEDs should be prepared to change their contribution to CS if the prevailing environment and or industry context requires change.

Exploring NEDs and CS: theoretical and empirical insights into FTSE 350 companies, known limitations are acknowledged and not within the scope of this particular thesis and

can be explored in future research. This is expected when producing a research thesis and in no way impedes the research findings. Rather insights gained from this thesis prompt and blossom a significant contribution to knowledge of FTSE 350 NEDs and CS and has the potential to create new and further actionable knowledge for similar research. Future research identifies and enumerates all-embracing categorises under the following sub-headings: Theoretical and methodological issues raised, FTSE 350 NED matters, Other FTSE listings, Public Sector Organisations and Charities, CG, a longitudinal study to detect changes in CS building and continuance. The by-products of this thesis are numerous examples of further researchable perspectives on what lies ahead including:

- During 2020-21 Covid-19 crisis, what have FTSE 350 NEDs contributed to their company's long-term strategy?
- What have FTSE 350 NEDs contributed to CS incorporating any financial performance implications during 2015-2025?
- What specific leadership and strategic qualities, interdisciplinary skill sets and core competencies, are required for FTSE 350 NEDs?
- Is there a need for a NED 'body of knowledge' certification, leading to a specific professional identity?
- How to embody NEDs' explicit knowledge into company tacit knowledge and tap into implicit knowledge remains unanswered?
- Explore FTSE 350 motivation in setting up Committees particularly why some have strategy at management level rather than board level?

The selected theoretical and methodological framework invariably influences the empirical conclusions and value of contributions made. Overreliance on these theories could limit further potential findings. This research recognises the potential for a new theory emanating out of the amalgamation of IT in conjunction with IST. Broadening the scope, reflecting on the bigger picture, the process to forming CS ought to be investigated as should the effectiveness of any existing CS. Linking and exploiting the forward planning components of CS with good CG is potentially a fruitful exercise. Additionally, there is significant scope to take a broader view of alternative theories including Stakeholder Theory and a possibility to create a theory. Potential for future theoretical and methodological reviews depends upon and may include some or many alternative theoretical evaluations, for wide-ranging alternative views.

**TABLE 40 RESEARCH CONTRIBUTIONS MAPPING**

Research Objective	Research Proposition	What this thesis reveals	Research contribution
<b>RO 1:</b> To provide possible theoretical explications for the domain related empirical evidence and phenomena.	...theory helps define and understand NEDs' involvement in corporate strategy.	The advancement of IT in conjunction with IST is seen in its ability to provide successful explanations and possible predictions by observing NEDs provision of corporate strategy oversight.	The unique amalgamation of IT in conjunction with IST illuminates a greater need for NEDs involvement in corporate strategy.
<b>RO 2:</b> To ascertain NEDs' corporate strategy contributions within FTSE 350 companies.	...NEDs offer strategic contributions within various board-level interactions.	Board decisions rather than NED specific strategic input to decisions are documented in board minutes.	Only explicit strategic knowledge is recorded. As NEDs are periodic positions, knowledge transfer is potentially lost.
<b>RO 3:</b> To explore whether the current NEDs' role has the potential to contribute to corporate strategy.	...professional bodies published proforma NED Letter of Appointment, Terms of Engagement and Reference have little or no mention of ' <i>Strategy</i> '.	NEDs' strategic oversight is overwhelmed and undermined by their formalised corporate governance responsibilities.	NEDs' oversight provision is linked to specific date(s) and time constraints along with specific CG Committees leaving little or no time for corporate strategy.
<b>RO 4:</b> To reveal the prevailing insights of NEDs' involvement in corporate strategy.	...NEDs' role in corporate strategy is under resourced, and heavy compliance contributions lessens their corporate strategy input.	The implicit understandings indicate NEDs' strategic role and responsibilities are unclear and as such do not support long-term sustainable businesses.	The research outcomes support the need for a specific CS Committee to be staffed by some or all NEDs.

Source: Lisson (2022).

## 6.5 Thesis Concluding Comments and Thoughts

The solid theoretical and empirical evidence reveal a prospective need for future amendments to the current CA (2006) along with UK CGC (2018) and supports the setting up of a board-level CS Committee headed by a NED. To achieve the potential within the research contributions, a clear roadmap with supporting structures needs to be in place for current and all future FTSE 350 NEDs.

As such, reflecting upon Smith's (1776) evolutionary theory, Government and other regulatory bodies must regenerate their efforts to promote good CG policies concentrating upon CS as this is important to the overall wellbeing of companies. The implementation requires NEDs to assist, develop and deploy effective CS for their long-term sustainable businesses. The intended impact of this thesis is to raise attention for NEDs to further contribute to fostering their company's enduring CS. This is at both the strategic leadership, participation and deciding levels. Publishing aggregate data analysed and anonymised academic and professional disclosures attempts to provide insights, as well as helps answering the RQs / ROs. However, clearly demonstrated in the research evidence is FTSE 350 NED oversight involvement in the arena of CS is inconsistent and conceivably inadequate in its provision. The option of do nothing; potentially leaves the gate open for FTSE 350 NEDs to sleepwalk into future corporate failings and failures. The option of do something: could be too little and merely failing to address the issue of NEDs and CS. This researcher considers the time is now to do something significant and recognise the need for greater NED scrutiny of their company's CS.



**NEDs and corporate strategy need to be at the  
heart of FTSE 350 Companies**

Source: Google images downloaded 1 May 2021.



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In the words of Nelson Mandela (2001)

*“It always seems impossible until it’s done.”*

**End of Thesis**

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# **Non-Executive Directors and Corporate Strategy**

Theory and Exploratory Empirical Insights from FTSE 350 Companies

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## **Part 2: Appendix to Thesis**

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1. Supplementary discussion and analysis supporting thesis
2. Data Appendix – large volume of e-data including confidential data available on request.



## List of Acronyms

**TABLE 41 LIST OF ACRONYMS**

ARO	Actual Research Outcome
BEIS	Department of Business, Energy and Industrial Strategy
BIS	Business Innovation and Skills
CA (2006)	UK Companies Act (2006) (amended 2016)
CG	Corporate Governance
CGMA	Chartered Global Management Accountant
CIMA	Chartered Institute of Management Accountants
CPD	Continuing Professional Development
CS	Corporate Strategy
ESG	Environmental, Social and Governance
EU	European Union
FAME	Financial Analysis Made Easy
FRC	Financial Reporting Council
FTSE 100	Financial Times Stock Exchange top 100 companies
FTSE 250	Financial Times Stock Exchange top 101 - 350 companies
FTSE 350	Financial Times Stock Exchange top 350 companies
ICAEW	Institute of Chartered Accountants England and Wales
ICSA	Institute of Chartered Secretaries and Administrators
IoD	Institute of Directors
IST	Instrumental Stakeholder Theory
IT	Institutional Theory
LSE	London Stock Exchange
NED	Non-Executive Director
NEDA	Non-Executive Director Association
OECD	Organisation for Economic Co-operation and Development
PLC	Public Limited Company
RO	Research Objective
RP	Research Proposition
RQ	Research Question
SID	Senior Independent Director
UK	United Kingdom
UK CGC (2018)	UK Corporate Governance Code (2018)

It is noted Chief Executive Officer (CEO) is not a recognised UK legal position rather than of a Managing Director.

## Detailed Personal Profile and Philosophical Position of Researcher

Being a fellow of the Institute of Chartered Management Accountants with some 39 years work experience gained within accountancy practice as well as large multi-national organisations, I have been involved with many situations that require both short-term survival as well as long-term sustainable performance. In particular, my exposure to audit taught me robust filing and traceability is a prerequisite. As the project accountant on British Telecom's non-competitive contract i.e., UK government RAF dedicated telecoms circuit £382m in 1982 prices, required traceability before (bid) during (actual delivery) and post (value for money). This heavy burden of evidence had to withstand government special audits throughout the life span of the 10-year project.

In 1992, I joined J P Morgan based in Euroclear, Brussels developing and implementing an Activity Based Cost and Management System. Euroclear at the time processed 75% of all international equity settlements. My involvement was in tracing international equity settlements by company, stock exchange, currency etc. At this time electronic platforms were in their infancy and much blue-sky thinking was required. Once implemented my role was to seek out opportunities as well as weaknesses to enhance the efficiency of the clearing system as well as the pricing of settlement transactions. In 1995, I joined Credit Suisse and headed up an internal global consultancy team. My role was to ensure major IT capital expenditure projects were rolled out effectively and efficiently. Additionally, monitoring routine running expenditure to maximise IT operational efficiency and savings as was necessary from time to time.

In 2003, I set up my own business delivering performance management, accountancy, and strategic management modules to both professional and university students alike. My thesis is no doubt grounded by my background requiring rigorous strategic company performance and auditability. I combine my academic and business leadership skills to translate corporate strategy into building long-term sustainable companies. I'm a life-long learner.

Engaging my big picture, critical thinking, analytical and systematic mindset, my interpretivist research philosophy is open minded whilst conducted in a rigorous manner to ensure the research findings and insights are transparent and expand knowledge within the sphere of NEDs and Corporate Strategy. I emphasise my pursuit is to conduct high-quality research.



## Appendix A Research Introduction and Orientation

This appendix supports the thesis “*Non-Executive Directors and Corporate Strategy: Theory and Exploratory Empirical Insights from FTSE 350 Companies*” and each section is cross-referenced to the chapter within the thesis.

### A.1 London Stock Exchange largest 350 companies by capital

London Stock Exchange’s 350 largest capital companies are collectively known as FTSE 350 and are the cohort under investigation in this research enquiry. The FTSE 350 companies share the same legislation, corporate governance codes and stock exchange listing rules. Given the absence of no recent research into FTSE 350 companies NEDs and corporate strategy. Against this context, this research is positioned within theoretical and exploratory empirical insights from FTSE 350 companies in 2019-2020. This enquiry concentrates upon NEDs’ strategic oversight responsibilities, not their identity, or other individual characteristics nor which company they represent. Examples are drawn from NEDs’ strategic oversight as evidenced in FTSE 350 companies to illustrate various points. The selected company examples merely demonstrate a point; specific FTSE companies are not the focus of this research.

### A.2 Further UK corporate governance failings and failures

This is not intended as an exhaustive list; rather indicative of the prevailing legislations to date; despite UK corporate scandals and failings continuing to occur.

#### A.2.1 Recent FTSE 350 corporate failures resulting in complete liquidation:

- FlyBMI (2019), collapsed potentially due to business strategy and BREXIT.

- Carillion Plc (2018), Directors accused of “*greed on stilts*” as they focused on their own pay packets. House of Commons Report (2018) identifies NEDs’ culture of over focus on personal profit and failure of leadership (including strategy).
- BHS Plc (2016), company fails with massive deficit to pension fund. The NRAM (Formerly Northern Rock) (2016) Consequential and Supplementary Provisions Order.
- Comet Plc. (2012) Trading without credit insurance for suppliers. Employees receive compensation post tribunal as they were not properly consulted.

#### A.2.2 FTSE 350 corporate scandals resulting in significant fines and damaged reputations

- Debenhams (2019) – in Administration (lacked up-to-date strategic direction)
- House of Fraser (2018) - in Administration (lacked up-to-date strategic direction).
- Barclays Bank Plc (2017) Executives charged in UK with fraud relating to 2008 Qatar bailout for the bank.
- Primark Plc. (2016) wage rates below UK minimum standards.
- Sports Direct Plc. (2016) Working conditions for UK staff “*inhumane*”.
- Tesco Plc. (2014) £250m lower profits accounting scandal.
- BP Plc. (2010) Deepwater oil spill: 11 die and worst environmental disaster in history.
- RBS Plc. (2008) went insolvent – bailed out by UK government.

### A.3 Research enquiry delimitations and exclusions

NEDs’ oversight role and responsibilities are vast and conjure up many ideas within individual reader’s minds. The following areas are outside the scope and excluded from this research:

#### A.3.1 Individual NED characteristics

- NED identity, ethnicity, diversity, multi-culturalism, and personalities,
- NED date and duration of appointment and specific oversight delivered,
- Possible gender differences in delivering oversight,

- NED activists, protagonists, and institutional investors,
- Whether or not NEDs' role should include active leadership in strategy,
- Integration of NEDs' sub-conscious values in their company's decision making,
- What motivates individuals to become a NED of a particular company,
- NEDs holding Executive positions on other boards.

#### A.3.2 NEDs' capability to delivery company oversight

- Number of concurrent NED positions held – "*overboarding*",
- Professional background, academic positions and other titles,
- Senior Independent Directors' governance role, as distinct from their NED role,
- Quality of strategic oversight performance by individual NEDs,
- Specific NED experience and skill set,
- Determining the company's corporate strategy and implementing same.

#### A.3.3 Industry and/or Divisional board strategy

- Specific and unique industry knowledge within their company corporate strategy,
- Specific business unit strategy, specific operational strategy, product strategy,
- There is an assumption the selected corporate strategy is long-term sustainable and explicit, as well as being linked to divisional strategies,
- Goodwill, Intangibles, Treasury and regulatory elements of Strategic Reports.

#### A.3.4 Public interest disclosures

- Whistleblowing, reasons for corporate failures and failings,
- Individual circumstances specific to a FTSE 350 company.

## **Appendix B Conceptual, contextual, and theoretical literature review: NED and strategy**

### **B.1 NEDs' strategic oversight responsibilities**

#### **B.1.1 Professional bodies guidance on strategic direction for directors.**

- ICSA The Chartered Governance Institute.

In 2019, ICSA created a division broadening its members' provision of professional governance oversight and integrity for boards. The Chartered Governance Institute provides thought leadership and guidance as well as supporting good governance for boards. This is in addition to supporting its Chartered Company Secretarial educational and membership programmes.

- FRC Guidance on Strategic Reporting

The FRC encourages FTSE 350 companies to publish a high-quality Strategic Report annually, providing a clear, concise, fair, and balanced view of the individual company in accordance with CA (2006 Section 4 amended). To assist FTSE 350 companies in preparing their Strategic Report the FRC provides guidance (FRC: Guidance on the Strategic Report (2018)).

- London Stock Exchange (LSE)

The LSE oversees FTSE 350 trading strategy to ensure compliance with its trading system procedures. The LSE guidance requires *“due diligence assessment to cover types of strategies to be undertaken by the customer”* (LSE regulations 2018 p42). FTSE 350 company's strategy must comply with the prevailing trading platform regulations.

- Non-Executive Directors Association (NEDA)

The relatively newly created NEDA set up in 2007 is gaining momentum in educating and supporting NEDs. NEDA developed a masterclass with the support of London Stock Exchange Group in 2019 to educate and develop NEDs and this course is now supported by

a NED handbook, and an optional examination which they accredit. Strategy is mentioned and is gaining momentum however the areas of CG dwarf the concern for strategy.

- Institute of Directors (IoD)

Commencing with a review of the professional body guidance from the IoD, Valeur (2018, p5), the IoD's chair says, *"It's about a board seeing with all eyes"*. Each and every director has responsibilities to ensure the long-term sustainable future for their company. The IoD (2017, p3) describe the key responsibilities for NEDs commencing with *"strategic direction" .... "the normal role of the NED in strategy formation is therefore to provide creative and informed contribution and to act as a constructive critic in looking at the objectives and plans devised by the chief executive and the executive team."* This aspect of professional guidance is investigated further in the data collection and analysis phase of this research.

## B.2 Reviewed and rejected theoretical lenses

This research enquiry reviewed and rejected the following theoretical lenses for the reasons stated.

### B.2.1 Agency Theory

Egan *et al* (2009 p4), Roberts *et al* (2005, pS7) and Huse (2005, pS65), state Agency Theory is the *"dominant theoretical lens for examining corporate governance"*. McNulty and Pettigrew (1999, p50) established *"agency theorists have not recognised strategy as a means of control over managers"*. Agency Theory is not optimal as NEDs' responsibilities to corporate strategy are more complex than a principal-agent relationship which focuses primarily on each person's (principal and agent) self-interest and administrative accountability. Moreover, Hendry and Kiel (2004) support the concept managers gain intrinsic satisfaction through successfully performing inherently challenging work. According to Weinstein (2012, p2), the central feature of Agency Theory is: *"managers should only concern themselves with the interests of the shareholders"*.

Filatotchev *et al* (2013) and Roberts *et al* (2005) recognise the notion of Agency Theory is too narrow when applied to board members and CG practices, particularly within very different settings and life cycle of a company. Agency Theory predominately centres upon externalities of the company. Conversely, corporate strategy radiates from within the company. Whilst some of these sentiments resonate with this researcher, this specific research examines the internal nature of scoping, implementing, and deciding corporate strategy therefore Agency Theory is rejected.

### B.2.2 Stakeholder Theory

Kolk and Pinkse (2007, p4) define stakeholders as *“any group or individual who can affect or is affected by the achievement of the organisation’s objectives”*. Stakeholder Theory focuses on the interactions between a company and its various stakeholders, including boards (Weitzner and Deutsh (2019 p 694) and (Kaler 2003, p72). Miles (2012, p331) addresses the implications of stakeholder Theory, i.e., senior management’s ability to *“identify and satisfy the most important and relevant stakeholders and how much you will allow stakeholders to constrain management actions”*. Bonnafous-Boucher and Porcher (2010, p208) recognise Stakeholder Theory *“as a theory of public good, and managers who apply it cannot ignore the welfare of society as a whole”*. Freeman *et al* (2004, p366) acknowledge *“stakeholder theory is decidedly pro-shareholder”*. Freeman’s book Strategic Management: A Stakeholder Approach (1984) is credited with the conceptualising of the sustainability field which is subsequently incorporated into Donaldson and Preston (1995) diverse range of articles on Stakeholder Theory. Stakeholder Theory contends a company should generate value for all stakeholders, not just shareholders.

Clearly this theory has potential from the perspective of stakeholders and doing good for society (Donaldson and Preston 1995). However, Tricker (1992, pp 6-7) acknowledges *“stakeholder theory was probably too wide”* and suggest selecting a *“sharper focus”*. Stakeholder Theory offers three differentiating facets, i.e., *“descriptive, normative and instrumental”* (Kaler 2003, p72). Stakeholder Theory is rejected for this specific research because its tangent leads the researcher to explore an excessive breath of externalities. These include areas such as the inter-personal relationships within i.e., management, (excluding the unsalaried NEDs), diverse ethical behaviour and the multiple key stakeholders external to the company as well as non-shareholder interests (Kaler 2003, p79). It is important to note a sub-section of Stakeholder Theory, Instrumental Stakeholder Theory (IST), is of

interest and co-adopted alongside Institutional Theory (IT) and applied to the financial strategy motives within this research. The researcher is mindful of recent articles indicating the unintentional dangers of crafting Stakeholder Theory based upon instrumental motivations (Weitzner and Deutsch 2019 p 694 and referring to the works of Jones, Harrison and Felps 2018). Stakeholder Theory is discussed again in the ‘Further Research’ section.

### B.2.3 Stewardship Theory

Critics of Agency Theory, including Huse (2005), frequently advocate Stewardship Theory as noted in Roberts *et al* (2005). Maassen (2002) writes Stewardship Theory is generally accepted in understanding the involvement of directors in corporate strategy. Nevertheless, Stewardship Theory is rejected because once more it centres upon “*the managers as responsible stewards of the assets they control*”, (Clarke 2004, p88). NEDs should not be involved in the day-to-day management of the business rather they offer impartial oversight to the company. Furthermore, Stewardship Theory assumes boards are intrinsically motivated and therefore do not need monitoring. Clarke (2004) explains Stewardship Theory does not aid the role of NEDs, rather of the Executive Directors and their role to maximise shareholder wealth. For this reason, Stewardship Theory is rejected.

### B.2.4 Legitimacy Theory

Legitimacy Theory highlighted by Deegan’s (2004) empirical research investigated the relationship between corporate disclosures and community expectations. Legitimacy Theory assumes the company strives to gain the approval of society by conforming to commonly accepted ideas, behaviours, and principles (Egan *et al* 2009 p5). Yusoff and Alhaji (2012) ascertain Legitimacy Theory is a generalised perception upon the notion there is a social contract between society and the organisation. Fernando and Lawrence (2014) recognise Legitimacy Theory is concerned with the relationship of the organisation and society at large. Van Zijl *et al* (2017) detect Legitimacy Theory involves firms’ information disclosures to manage stakeholder expectations and demonstrate allegiance to prevailing social norms. This researcher feels Legitimacy Theory centres on the legitimisation of company actions in society which is clearly too wide a focus to properly support this thesis which is specific to FTSE 350 NEDs’ and CS.

### B.2.5 Political Theory

Political Theory considers the voting support from shareholders on CG. Beatie *et al* (2012) highlight the multiple layers of regulation exist in the provision of oversight of executive management of companies by NEDs. Yusoff and Alhaji (2012) infer the political model can infer a strong political influence on governance within in firms. This theory is rejected because it centres purely on good CG to the exclusion of long-term sustainable strategy.

### B.2.6 Resource Dependency Theory

Resource Dependency Theory identifies ways in which companies can respond uniquely to their environment. Egan *et al* (2009 p5), Huse (2005, pS70) refers to this as “*an external focus from an internal perspective*”. Applying Resource Dependency Theory to NEDs and strategy, it emphasises the key skills of NEDs and their links with the external environment to reduce uncertainty. According to Hilman *et al* (2003), application of Resource Dependency Theory is in response to environmental change which is not the case for this thesis. Resource Dependency Theory has some resonance; it does not fit the underlying motivation of this research enquiry.

### B.2.7 Social Contract Theory

Yusoff and Alhaji (2012) utilising the work of Donaldson and Dunfee (1999), suggests Social Contract Theory supports management in focusing upon and taking ethical decisions. The expectation of businesses to merely support society is not directly relevant to FTSE 350 companies and their NEDs so is therefore rejected.

## B.3 Overseas influence on regulatory and compliance guidelines

### B.3.1 UN: Guidance on Good Practices in Corporate Governance Disclosure

UN: Guidance on Good Practices in Corporate Governance Disclosure (2006, p7) suggests two general categories of company objectives: ... “*the first is commercial objectives*”, ....



*“the second relates to governance”*. Having acknowledged commercial objectives, this report stops short of developing the role of NEDs and corporate strategy and centres on good governance and compliance.

### B.3.2 The World Bank and Corporate Governance

Claessens (2003, p4) recognises definitions of CG tend to fall into two categories, i.e., *“a set of behavioural patterns which includes patterns of performance”* and *“rules under which firms operate”*, i.e., legal, financial, and labour markets. Claessens (2003, p31) identifies enforcement of CG continues to need improvement and indicates there is a need for both public institutions as well as private sector involvement. This factor influences the choice of theories selected to buttress this thesis.

### B.3.3 European Commission: Company Law and Corporate Governance

The EU rules (2019, p1) clearly state the purpose of company law and CG is to *“make business more efficient, competitive and sustainable in the long term”*. The reporting, auditing and transparency rules supporting this legal framework are centred upon meeting statutory legal regulations and do not include expert groups or stakeholder platforms to verify businesses are delivering on their stated purpose.

### B.3.4 G20/OECD Principles of Corporate Governance

G20/OECD Principles of Corporate Governance (2015) promotes effective monitoring of management by the board’s accountability to the company and the shareholders. Specifically, OECD (2015, p51) principles link CG with: ... *“guiding corporate strategy, the board is chiefly responsible for monitoring managerial performance and achieving adequate return for shareholders, ...”*. The OECD principles clearly demonstrate to board members the links between governance, compliance, and corporate strategy. However, it stops short of mandatory actions and does not highlight the need for each company to select those most relevant and the need to justify their choice and course of action.

## B.3.5 Sarbanes-Oxley Act 2002 - USA

In USA, companies are regulated and governed by a single piece of legislation, the Sarbanes-Oxley Act (2002), in contrast to a plethora of CG codes and guidelines in the UK. Cohen *et al* (2012, p61), assert the introduction of “*Sarbanes-Oxley Act in 2002 led boards to take a narrow focus on financial reporting risk at the expense of strategy.*” According to Monks and Minow (2004 p249), under Sarbanes-Oxley the role for CG regulation is very limited. In contrast, BIS and Tomorrow’s Company (2009, p38) believed US boards appeared to have less regulatory and governance discussions probably leaving more time to focus upon leadership and strategy. This has not been observed nor reported upon.

Dutt (2019), in discussion with 181 USA influential business leaders, in a Business Roundtable, reintroduces the discussion of a Hippocratic oath for corporations with respect to redefinition of a company purpose, stakeholders and reacting to the changing environment. Werbach (2009 preface) emphasises in US companies’ strategy it has always been about profits first. He calls for a change in mindsets as to how these profits are made which should be linked to sustainable sources. These can include, environmental, social, technology, society linked to long-term a company’s ‘*strategy for sustainability*’. In stark contrast to the USA, FTSE 350 boards have a heavy burden of regulatory and CG guidelines to adhere to and this conceivably distracts the board from their leadership and strategic duties. This researcher appreciates legislation and guidance are necessary however boards should not rely solely on the formula of meeting these requirements at the expense of having a long-term strategy.

B.3.6 King IV Report and Code (2016) - “*Comply and Explain*”

The King IV Report and Code (2016) in South Africa instigates fundamental changes in global businesses in the 21<sup>st</sup> Century. King IV Report includes a Code (2016) part 5.2, which observes there are inter-dependencies between governance and long-term sustainable business which are not divisible. The King IV code (2016) commenced a global wave of reducing the lengthy 75 principles of King III to a more succinct 17 basic principles in the King IV Report and Code (2016). The key thematic change is moving from “*Comply or Explain*” to “*Comply and Explain*”.

### B.3.7 The National Code of Corporate Governance for Mauritius

NCCG (2016, p90) supplies definitions and guidelines for the board including its NEDs, and for specific industry sectors such as banks. An example of a Letter of Appointment is offered which includes: “*sets the organisation’s strategic aims, ensures that the necessary financial and human resources are in place for the organisation to meet its objectives, and reviews management performance;*”. Furthermore NCCG (2016, p91), the NEDs’ role requirements include: “*Strategy: NEDs should constructively challenge and contribute to the development of strategy;*”.

### B.3.8 International Corporate Governance Network (ICGN)

ICGN promulgates effective standards of CG and investor stewardship to advance efficient markets and sustainable economies world-wide. Its core remit, ICGN aims to ‘*influence*’ opinions on good governance, *connect* global peers to enhance long-term value creation as well as ‘*inform*’ through education to enhance the professionalism of governance and stewardship practices [www.icgn.org/about](http://www.icgn.org/about) (2018, p6).

### B.3.9 Commonwealth Association of Corporate Governance

This organisation endorses good CG practices in the commonwealth countries. Nevertheless, its published guidelines do not focus on corporate strategy. In fact, “*strategy*” is mentioned just 2 times in the 96-page document, further confirming the need for this research enquiry (Principles for Corporate Governance in the Commonwealth 1999).

### B.3.10 Institute of Directors India Convention

John (2018), publishing the IoD India Convention Presentations 17-19 April 2018 Dubai, UAE, states “*Boards need to think one step ahead*”. This is linked to the unanimous views of key speakers at the Convention “*directors should focus upon the best long-term interests of a company*” which includes “*the totality of their organisation and its relationships with its stakeholders*”. Comments concluded with “*Directors should anticipate changes and prepare their team to embrace them*”.

## B.3.11 African Governance

African countries have a process enabling statistical monitoring via the Ibrahim Index of African Governance (2018) which focuses upon law, human rights, human development, and sustainable economic opportunity. Missing is any form of direction on strategy. Summarised below is a table depicting key overseas CG guidelines:

**TABLE 42 KEY OVERSEAS CORPORATE GOVERNANCE GUIDELINES OBSERVING STRATEGY AND LEADERSHIP**

KEY OVERSEAS CORPORATE GOVERNANCE GUIDELINES OBSERVING STRATEGY AND LEADERSHIP							
Year	Location	Report Name	Focus	Possibly provoked by:	Pages	# Instances	
						Strategy	Leadership
1999	Commonwealth Association of Corporate Governance	Towards Global Competitiveness	Good CG practices within commonwealth countries	An endorsement of good corporate governance principles within commonwealth countries. Centres upon strategic implementation and practice. Links Chairman's leadership to strategy.	100-page	34	17
2005	Europe	Commission Recommendation	The role of NEDs and Committees of the board	Modernising company law and enhancing corporate governance.	14-page	1	0
2013	Global	The International Framework	The International Integrated Reporting Council's long-term vision is a world of integrated thinking.	Facilitate integrated reporting (IR) as the corporate norm and act as a force for financial stability and sustainability. <i>"Those charged with governance have ultimate responsibility for how the organization's strategy, governance, performance and prospects lead to value creation over time."</i>	37-page	73	2
2015	Switzerland	Basle III	Guidelines: Corporate Governance for Banks - Principle 1: The board has overall responsibility for the bank	<i>"management's implementation of the bank's strategic objectives, governance framework and corporate culture"</i> .	43-page	39	3

KEY OVERSEAS CORPORATE GOVERNANCE GUIDELINES OBSERVING STRATEGY AND LEADERSHIP							
Year	Location	Report Name	Focus	Possibly provoked by:	Pages	# Instances	
						Strategy	Leadership
2015	G20/OECD	Principles of Corporate Governance	Specifically, OECD principles linking to corporate governance	... “guiding corporate strategy, the board is chiefly responsible for monitoring managerial performance and achieving adequate return for shareholders, ...” Mentions NEDs should be assigned to specialist functions – <b>omits specific skill set or knowledge of strategy.</b>	66-page	11	1
2016	South Africa	King IV Report	Corporate Governance for South Africa:	<b>“Comply and Explain”</b> Financial instability and crises; move towards inclusive capitalism; long-term, sustainable capital markets and integrated reporting.	128-page	109	41
2016	Mauritius	The National Code of CG for Mauritius	Long-term prosperity and for creating sustainable value for shareholders.	Establishes 8 basic principles and includes <b>“Comply and Explain”</b> . Additionally, “Non-Executive Directors should constructively challenge and contribute to the development of strategy”	124-page	35	8
2017	47 OECD Jurisdictions	OECD Corporate Governance Fact Book	OECD member countries CG Code. Clear links and alignment with UK CG Code.	Focuses upon the NEDs’ role of review of CG, Audit, Nomination and Remuneration, Risk, etc. Omits mention of strategy within NED context!	144-page	8	0
2018	54 African Countries	Index Report	Overall Governance	Measure and monitor governance performance in African countries	172-page	7	0
2018	International CG Network	Global Corporate Governance Principles	Inform through education	Desire to influence, connect and inform CG and stewardship practices.	36-page	25	7

Source: Lisson (2022) analysis, data extracted from named reports.

## Appendix C Empirical literature: NED and Corporate Strategy

### C.1 NEDs' strategic oversight skillsets

Recognising textbooks do not specifically emphasise NEDs' responsibilities in strategy, rather their emphasis is upon strategy policy making. This is a 'technical' issue not a board member's responsibility which conceivably contributes to the various failures and failings of NEDs on boards. This researcher will establish what involvement NEDs have in their company's corporate strategy. Additionally, it will investigate NEDs' strategic capability and skillsets they need to contribute to their company's long-term sustainable corporate strategy.

### C.2 Previous authors' efforts regarding CS linked with NEDs' strategic skillsets

Ouchi (1981) raised awareness of different sociological approaches describing Japanese and American style of management in business decision-making. He contrasts Japanese style "*Theory J*" whereby the management team took time for discussion throughout the whole organisation, thus building loyalty, with American style "*Theory A*" whereby the chief executive and the board were dominant and quick decision makers. Ouchi's research resulted in the promotion of "*Theory Z*", which promotes long-term planning and a strong corporate philosophy, including consensus decision-making. Effectively this new "*Theory Z*" is a medium between of the extremes of Theories A and J.

Forman (1988 p57) indicated the "*aim of strategic planning is to identify opportunities for or threats to your future business*". He recognises "*some organisations have been and are very successful without having a clearly expressed strategic plan.*" Moreover, Pettigrew *et al* (2002 p5) recognise "*Chandler's path-breaking work on the multi-divisional organisational form and his dictum that structure follows strategy,*" of 1988, as the

cornerstone of corporate strategy as we see it today. Harvard Business School, McKinsey Consulting, and others shaped boards momentum in the international corporate world. This researcher recognises the importance of determining the resources available to include forces constraining and restraining a company and aligning with the corporate strategy.

Later, Tang *et al* (2011, p1479) raised the issue of “*Dominant CEO, Deviant Strategy*” in the US IT industry revealing extreme performance – “*big wins or big losses*” were the norm. Their research suggests “*the notion of power balance should be considered in the broader context.*” This resonates with this researcher because companies should have long-term sustainable futures irrespective of who the board members are at any one time.

Keasey *et al* (2005, p186) question whether large firm’s leadership can “*actually implement strategic change*” possibly because of the numbers of people involved as well as the complexity of their company. Moreover, they observe a “*combination of ambiguity, complexity and competing stakeholder demands in large firms may compromise decision-making discretion and effectiveness.*”

Kim and Mauborgne (2009 pp1-2) recognise the links between the environment and strategic options available thus indicating the links between “*structure and strategy*”. They indicate the traditional “*structure-conduct-performance paradigm has dominated the practice for strategy over the past 30 years*”. They emphasise “*when structural conditions and resources and capabilities do not distinctively indicate one approach or the other, the right choice is to turn on the organization’s mind-set.*” They promote the “*value proposition*” as an impending long-term strategy.

A review of prevailing legislation and regulatory requirements reveals hardly a mention of corporate strategy rather concentrating upon NEDs’ role in corporate governance. This thesis emphasises FTSE 350 NEDs’ responsibilities in the key elements of the corporate strategy development process, not the operational details of cascading the strategy throughout the company. The operational elements are part of a monitoring process and should form part of the feedback loop to the board, which is an essential part of the corporate strategic process.

Moreover, a review of NEDs' proforma Letter of Appointment, Terms of Engagement and Reference reveals at board level a very general statement of overall service is provided. Detailed Terms of Engagement are provided at the Sub-Committee level but does not include a CS Committee. IoD and ICSA proforma contractual documentation is stored electronically and available on request.

### C.3 Capacity for a good strategic culture

Evans (2014) implies fundamental values such as *"fairness, honesty, transparency and responsibility"* may lead to good business behaviour. She emphasises *"although the demands on NEDs of financial services firms are substantial, this should not be used as an excuse to limit the pool of those undertaking this role, creating a "club" atmosphere of insufficient challenge."* Like Evans, this researcher believes NEDs need to rise to the challenge of strategic leadership of their companies. The Cox Review (2013) found 60% of senior management thought short-termism was a major impediment to UK economic growth.

Schmuecker (2012) recognises mechanisms need to be in place to facilitate taking hard choices and she writes *"it is easier to transfer these decisions to a body that has responsibility for the area as a whole."* Long (2007) recognises the need for quality training and professional development to support the board in strategic formulation, debate and review. Ceeney (2020 p37) acknowledges *"there's no shortage of training, particularly in governance"* but this researcher observes, conspicuous by its absence is the mention of strategy and leadership. According to Cheeney, *"Non-execs generally have more time to look more widely and to add political insight"*. This researcher is conscious of the requirement to provide both a climate for strategic development and discussion along with conducive atmosphere for staging same.



## Appendix D Research Design and Methodology

This researcher is mindful to challenge, integrate theory so as to understand and reflect upon various research philosophies and paradigms identified in the literature review as they influence the way the research is undertaken, from research formulation through to outcomes. This research is exploratory in nature, so the research philosophy is the pathway for exploring and effectively structuring the selected research design and methods. This researcher aims to ascertain whether FTSE 350 NEDs are actively involved in formulating and setting corporate strategy as well as reviewing and approving proposed strategy for their companies as required by prevailing legislation and CG codes. SCIE (2012) indicate *“practice-based research does not necessarily attempt to meet the idealized rigor of traditional research studies and emphasise the pragmatic nature of this sort of research.”* This soft paradigm approach is implemented to ascertain when and how FTSE 350 NEDs engage with their company’s corporate strategy.

### D.1 Methodological issues raised in the literature review

Reviewing the methodological issues raised within the literature review affords an opportunity to recognise potential impending methodological issues and implications and guide the actual process for conducting this thesis (Winterberger and Saunders 2020 p5). They indicate exploratory research is iterative thus refinements are expected throughout the research period. McNulty and Pettigrew (1999, p52) uncover the *“need to get closer to the boards and directors to collect primary data about the processes of contribution, power and influence”*. What is not clear at this point and supports the need for this research is whether corporate strategy is a process that happens independently or in parallel with other duties of a NED. Hammarberg *et al* (2016) recommend an exploratory research approach when investigating such a situation. Frechette *et al* (2020, p2) acknowledge *“everyday phenomena are mostly hidden, covered in multiple layers of forgetfulness”*. All these points resonate and influence this researcher’s choice of data methods deployed and processes which include document reviews. Alas, COVID-19 impacts this researcher’s ability to undertake primary face to face research enquiries, thus this is identified as a potential future research area.

Snyder (2012, p3) points out qualitative research is based on: *“... the view that reality is constructed by individuals interacting with their social worlds. Qualitative researchers are*

*interested in understanding the meaning people have constructed, that is, how they make sense of their world and the experiences they have in the world.”* Punch (2013) reveals methodological theory influences the methods of inquiry. Filatotchev *et al* (2013) states qualitative understanding takes greater account of the actual behaviour of the key participants. This is key to understanding and unlocking NEDs’ interdisciplinary responsibilities and corporate strategy.

Ahrens and Chapman (2006) establish many qualitative studies have relied upon IT as their preferred choice of theory. This is coupled with their concern for providing additional insights on how to improve the functioning of companies. Ahrens and Chapman (2006) draw upon IT to specifically assist them developing their questionnaire, which may inform this researcher. Additionally, it is anticipated some methodological issues are unearthed during the pilot phase of this research thus informing the selected methodology. This researcher is motivated by the heavy impact of loss of stakeholder confidence and trust by various FTSE 350 companies’ performance.

### D.1.1 The conceptual methodology and empirical arguments

The research design and methodology is led by the unique theoretical foundations of IT with IST, supported by prevailing professional guidance, legal and regulatory considerations as well as overseas CG influences. A discussion of NED issue-based literature and the need for NED profession development is also identified. The literature review contributes to our knowledge of NEDs’ practices and strategic responsibilities. Ultimately, the literature review uncovers FTSE 350 NEDs and their contribution to CS are presently under-explored, thus reinforcing the need for this research.

Creswell (2014, ch.1) defines qualitative research as “...*an approach to investigating and understanding the importance individuals or groups ascribe to a social or human problem. This process of research includes emerging questions and procedures, data typically collected in the participants’ setting, data analysis inductively building from particular to general themes, and the researcher making interpretations of the meaning of the data.*” Having explicitly selected an interpretivist philosophy, now a suitable methodology to complement this philosophy is required.

Austin and Sutton (2014, p436) and Aherns and Chapman (2006) observe that qualitative research works on the assumption that organisational activity is a meaningful practice. Moreover, qualitative field studies are inherently subjective regarding reliability and validity. Aherns and Chapman, relying on DiMaggio (1995), recommend in such cases that qualitative field studies be inspirational rather than exacting. They suggest multiple methods and observations be implemented to control the behaviour of a field researcher to ensure the qualitative field studies are reliable. Oppenheim (1998, p49) states “*pilot work assists both the wording of questions as well as procedural matters*”. He recommends “*when in doubt do a pilot run*”. A pilot of the data collection tools is initiated, but not fully completed due to COVID-19. Reviews are undertaken before, during and afterwards to eliminate bias to enhance the final data methods deployed.

For the findings to be credible and generalisable, the research outcomes need an appropriate, triangulation within the research design. Oppenheim (1998, p5) supports the elements, “*frequency, prevalence of particular attributes or variable or relationship between them*” to increase the generalisation of findings. He states research techniques, in this instance, desk-top reviews of documents and secondary data within this data repository “*are concerned with measurement, quantification and instrument building ensuring instruments are appropriate and reliable*”. According to Ganiyu and Madanayake, (2018 p5) indicative data types include “*Statistical, theoretical, mixed data collection*” which resonates with this research and is presented in the data analysis section.

## D.2 Research Philosophy and Design

### D.2.1 Research design and creative design of methods deployed

There are many possible methodological classifications available for this research enquiry. In its simplest forms, the selected methodology could be quantitative, qualitative or mixed. A quantitative methodology, with the use of quantitative statistical techniques would deliver confirmation as to the existence, or not, of the research item under test. The deployment of qualitative methods with the use of open-ended research questions allows for: “*field studies which are characterised by a flexibility to respond to new insights from the field by*

*developing, testing and discarding or refining suitable theories*” (Ahrens and Chapman, 2006, p825).

Murphy (2018) states the research design is the blueprint for fulfilling the objectives and answering the research questions whilst developing a framework through which data is collected and analysed. Leavy (2017) pinpoints what each researcher needs to consider prior to and when selecting and refining their chosen research topic to ensure value and significance in the final thesis. The selected research techniques are grounded by methodological theory supporting mixed-methods data analysis (Rahi 2017, p1).

Sutton and Austin (2015, p230) indicate there are many ways of conducting qualitative research and each researcher needs to clearly specify how their research is conducted. Greene publishing within Sherman and Webb (2005, p174) indicate qualitative researchers use understandings gained from *“interpretations of particular kinds of human action in an intersubjective world.”* This researcher has implemented some straight-forward quantitative research methods such as omissions, number of mentions, or ranking of mentions in context, additionally this researcher layers with qualitative methods. This researcher integrates graphs, tables, and images to convey understanding of the processes throughout her research examination.

According to Silverman (2020 p169), *“The study of documents is a growing field of enquiry pursued from various angles”* which is a feasible route for this research. The selected research strategy introduces the main components of the chosen research design and methods. This research lends itself towards action-orientated research, i.e., *“a practical business research which is directed towards change”* (OU 2020, Ch. 6). This research is mindful the aim of this thesis is to uncover NEDs’ strategic oversight provision, which may reveal the current role is not fit for purpose. The alignment of research questions, research objectives and actual research outcomes is key to discovering the specific data needs for FTSE 350 NEDs and corporate strategy. To aid research data collection classification, each question is assigned to McNulty and Pettigrew (1999) categories: Shaping, Conducting, Deciding.

Maher *et al* (2018, p4) reveal “*contextualisation is an integral component of qualitative analysis... and it is important to visualise the data from a range of perspectives.*” This research acknowledges the data subjects, i.e., NEDs on FTSE 350 boards, are the focus of this research. Oppenheim (1998, p40) indicates a modified sampling method, which he refers to as “*cluster sampling*”, is appropriate in this case. This takes advantage of the fact the sample can be structured and categorised with the potential to be sub-divided into sections according to specific characteristics.

#### D.2.2 Research design contemplations

Oppenheim (1998, p6) clarifies research design is the “*basic plan of research showing our sample, variables and how it will be measured*”. The selected research design methodology enables the researcher to be much more effective, comprehensive, accurate and agile whilst improving the overall outcomes Bowers (2011, p14). This researcher adopts the basis of empiricism which involves mixed-methods parallel-layered archival data review and analysis. Point *et al* (2016, p1) strongly support qualitative inquiry being a “*rigorous attempt to identify knowledge by uncovering, analysing, interpreting and explaining qualitative patterns*”. An exploration into the design and face-to-face collection of primary data was undertaken in the pilot stage and is not taken further due to the prevailing Covid-19 pandemic restrictions.

Snyder (2012) states qualitative data evolves over the duration of the study. Snyder also recommends the use of a roadmap to the researcher to indicate the intermediate steps in achieving the researcher’s goals and to assist in providing an impartial voice to the participants. Abd El-Rahman (2019) advocates following an approach for research planning which evolves from the substantive theory (initially including elements of grounded theory). This researcher commences with a problem and aims to contribute practical solutions that inform future practice.

Antwi and Hamza (2015, p224) support a mixed method approach to aid “*the philosophy of pragmatism*”. Bryman (2006, p97) indicates “*the integration of quantitative and qualitative research has become increasingly common*” and Frels and Onwuegbuzie (2013) concur. Mixed methods fit well in this research design. Bryman (2006, p100) emphasises the “*quantification of qualitative data is more properly regarded as indicative of quantitative*

*research approach*". This researcher is mindful to increase understanding via the transparent provision of a roadmap to clearly state sources and types of data analysis within this thesis. Automated discovery from publications is an important task for researchers to gain new insights (Prasetyo *et al* 2020 p144).

FTSE 101 – 350 companies potentially need to manage issues such as rapid growth, have founder and family members on the board, or young and inexperienced boards. This research concentrates on the FTSE 350 NEDs' oversight role and responsibilities within corporate strategy rather than background and ranking of the company which would be an interesting area for further research. The London stock market regulations and legal requirements are the same for all FTSE 350 companies.

Contemplating Frels and Obwuegbuzie (2013, p91) description of research as "*experimental and practical for practice*" .... lead to: "*co-created findings*", i.e., co-created findings which are not separable. Antwi and Hamza (2015, p219) acknowledge "*Researchers who work from this perspective explain in quantitative terms how variables interact, shape events, and cause outcomes.*"

#### D.2.2.1 Research relevance

According to Holden and Lynch (2004 p14), the use of quantitative and qualitative methodologies aids triangulation of outcomes. Drew *et al* (2008) highlight the importance of designing an investigation and interpreting the outcomes. This stage attempts to eliminate the capability for multiple possible explanations for a given outcome. They go on to emphasise "*A serious weakness in any part of the research methods threatens the worth of the total effort.*" Morris (2016) suggests the research should avoid and overcome such an event in a timely manner. Ganiyu and Madanayake (2018, p2) acknowledge scientific research is heavily dependent upon empirical investigations and recognise the need for research rationale. The research methods address each research question and objective in turn and a pilot questionnaire is conducted to explore and address issues arising so as to overcome any obstacles and minimise issues arising during the live data collection. Accessibility and reasonable checks are performed upon the data to ensure suitable for the purpose.

## D.2.2.2 Research reliability

Avenier and Thomas (2015 p13) and Creswell (2014) states reliability of data collection is essential to produce similar outcomes when used in various settings. Bryman and Bell (2011) uncover three factors indicating the level of reliability within a set of outcomes: “*stability*” is concerned with whether a measure is stable over a period; “*Internal consistency reliability*” understands how well a test delivers outcomes to ensure the test is reliable and repeatable; “*Inter-rater reliability*” discovers the consistency in the outcomes of the various assessments. This is relevant to the choice of data collection as it uncovers experiences through studies involve human participants with open-ended questions which can be subjective and interpretative. McNulty and Pettigrew (1999) employ interviews with NEDs and other board members to enhance the reliability of the data gathered and data analysis. This research adopts same to enhance reliability within the pilot research questionnaires and semi-structured interview. The research accepts this is a subjective method of performance evaluation and is influenced by both timing and participants. Moreover, the prerequisite transparency and potential for replication of data collected, and methods of analysis deployed to support the research outcome is the key to delivering reliability.

Recognising reliability is concerned with the repeatability of a specific piece of research, the research raises a note of caution as there is the potential for double jeopardy, i.e., having a corporate strategy does not necessarily lead to company longevity. This point is reviewed in RQ 4 to minimise and avoid reliability issues if possible.

## D.2.2.3 Research validity

For the research outcomes to be valid, it is vital this thesis meets both internal and external validity tests. Smith (2015) defines validity as the degree to which research achieves what it sets out to do, and this research is mindful of delivering theoretical and empirical insights into NEDs and corporate strategy. Bryman and Bell (2011) state external validity is concerned with the extent to which outcomes of a specific study can be generalised beyond the research sample of specific study to the wider population, all data sources are clearly stated and replication and validation, both now and at a later date can be performed. Smith (2015) stresses there is a trade-off in internal validity between utilising a tried and trusted tool to understand what we want compared to developing a new or adapted instrument which does hit the target but may threaten reliability. According to Mantzoukas (2007 p373) a

*“qualitative inquiry is that of an ‘audit trail’”* thus a clearly defined data mapping process is provided within this research.

Shadish, Cook and Campbell (2002, p54) emphasises *“particular setting, time frames, and kinds of units”* sampled impact internal validity, therefore any impediments encountered are disclosed. Holden and Lynch (2004 p14) support the mixed methodologies *“in order to triangulate results”* thus leading to *“convergent validation”*. Mantzoukas (2007 p373) indicates when the research content has *“consistency and contiguity between the content, the epistemology, the methodology, the eventual result is achieved”*. All of the above is considered whilst delivering this thesis.

Dawson (2017) clarifies the concepts of classical test theory as originated by Novick in 1966, as the measurement theory which underpins the selected techniques. Being mindful measured score consists of two parts: *“a true score and an error”*. This aspect is addressed in the reliability and validity of mixed-method parallel-layered data captured and triangulation of data analysed. According to Saldana (2011 p135), *“Credibility in a qualitative research report can be established through several ways. ... citing key writers or related works, ...bibliography and references, ... specifying particular data analytic methods employed, ...description of how data were triangulated”*. This research methods are mindful of honesty and integrity of data collection and analysis has the prospective to explore salient points which can be further addressed in later empirical research analysis.

External validity is concerned with the ability of research findings to be generalisable beyond the specific research (Bryman and Bell 2011). Therefore, known limitations are stated when finalising the findings. Shadish, Cook and Campbell (2002, p83) are mindful of sample generalisations such as: too narrow versus too broad, too similar versus different and vice versa. The research outcomes are mindful of such generalisations within the findings and promulgates further research to answer specific questions arising.

Collins and Stockton (2018, p4) reinforce the application of theory in the validation processes. Furthermore, research conference feedback, frequent debriefings with research supervisors and academic colleagues, and undisclosed board members including NEDs,



further support recognition of and attention to eliminate researcher bias. This thesis has a robust design and is concisely depicted using various charts and diagrams.

#### D.2.3 Methodological considerations, implications, and choices

Soiferman (2010, p3) indicates two broad approaches to research as “*inductive and deductive*”. Salomons (2019, p65) denotes “*inductive reasoning lets you draw conclusions from the general, fragments of evidence to reach specific conclusions*”. According to Conger (1998 p108) “*qualitative methods must play a central role in leadership research*” as they are suitable for the numerous dimensions of leadership thus are adopted within this research. Hammarberg *et al* (2016), support qualitative researchers’ sample sizes being small as large sample sizes do not necessarily produce greater applicability or relevance. They recommend sampling strategies are purposive, convenient, theoretical, or snowballed. Frechette *et al* (2020, p6) and Rahi (2017, p3) promote “*purposeful sampling strategy, as this allows selecting participants who have rich knowledge of the phenomenon.*” This researcher is mindful whichever methods are adopted and deployed they must demonstrate validity within the analysis and resulting conclusions. Kasa *et al* (2015, pp 64-65) indicate the selected research design and perspectives are linked to the research method and the instruments for data collection. They indicate Grounded Theory application is a popular choice in qualitative research and to be “*meaningfully applied*” and “*a great diversity of data needs to be gathered*” so as to “*discover fundamental patterns in social life*”. All of which aid better understanding within this research.

#### D.2.4 Overview of selected research philosophy to deliver this research

Conscious of Murphy’s (2018) suggestion research design is the blueprint for fulfilling the objectives and answering questions, this researcher, mindful of the philosophical assumptions, selects a broad focus based upon an exploratory and empirical research strategy to attempt to offer a unique insight into FTSE 350 NEDs and corporate strategy. The theory of inquiry is contextually sensitive and ever evolving through its reflexivity. This strengthens the methodological conceptualizations of ontological, epistemological, and normative assumptions behind the research methods selected. Such openness leads to the possibilities for this researcher to stimulate the debate on NEDs dispensing their provision of strategic leadership oversight.

## Appendix

According to Silverman (2020 p29), he suggests it is feasible to “*find patterns in what people do... then look at the unexamined implications of the patterns*”. This is particularly useful to this research analysis. Moreover, Mantzoukas (2007 p375) suggests the research question(s) and structure need to convey sufficient information about how the research is to be conducted.

**TABLE 43 OVERVIEW OF SELECTED RESEARCH APPROACH**

<b>Research Design</b>	<b>NEDs and Corporate Strategy: Theory and Exploratory Empirical Insights into FTSE 350 Companies</b>
<b>Research Methodology</b>	An exploratory review providing empirical insights into NEDs' strategic oversight involvement during 2019-2020.
<b>Research Methods</b>	Mixed-method, parallel-layered data are deployed commencing with desk-top review of archival and secondary data materials. Each layer informs the next step in the data collection. Data includes the investigation of research specific terms, 'strategy,' 'leadership' and 'values'.
<b>Subjects</b>	NEDs and Chairs of FTSE 350 companies along with company representation.
<b>Sampling and analysis</b>	Professional body proforma documentation i.e., NED Letter of Appointment, Terms of Engagement, Terms of Reference are scrutinised. A purposeful sample of FTSE 350 NEDs' biographies is analysed. A review of the financial performance of the FTSE 350 index, along with company profitability and liquidity is undertaken. Application of the selected theories including methodological mapping of Shaping, Conducting and Deciding is performed on the data analysed for explicit strategy contributions and reflected upon for implicit perceptions.
<b>Ethical issues</b>	Published data within public domain supports the actual thesis. Privacy and confidentiality are afforded to all individuals and companies. Informed consent is sought prior to the collection of primary data in the pilot phase.
<b>Resources</b>	This thesis is completed solely by the researcher, academic direction and support are available from my family of Director of Studies and 2 <sup>nd</sup> Supervisors.

Source: Lisson (2022).

#### D.2.5 Phenomenology versus phenomenography

Phenomenological research is an approach to qualitative research design concentrates on the commonality of a lived experience within a specific group (Neubauer *et al* 2019, p90). Marton (1994, p4424) defines phenomenography as: *“the empirical study of the differing ways in which people experience, perceive, apprehend, understand, and conceptualise various phenomena in, and aspects of, the world around us.”* Boon *et al* (2003) imply phenomenography seeks a more holistic and complete view of an experience by incorporating variation e.g., seeing a situation from many angles, thus affording the researcher a meticulous and descriptive snapshot of the situation studied. Frechette *et al*

(2020, p2) reveals “*phenomenology represents activity of pulling existentialia out of forgetfulness, through discourse*” which aims to explain and clarify something. The researcher recognises there are differences between phenomenological and phenomenography research approaches in the purest sense, however, this difference is not the motivation for this research.

Phenomenography approach is favoured by this researcher during the pilot phase only, as the method examines and investigates “*descriptions*”, potential “*attitudes*” and “*seeks meanings in context*” (Giorgi 1997, p235). Overall phenomenological seeks a holistic and total view of a wide experience i.e., a view from many angles (Point *et al* 2016, p2). This investigation affords the researcher sufficient textual evidence to unearth new discoveries thus supporting the outcomes of empirical research into NEDs and corporate strategy. SCIE (2012), Collis and Hussey (2014), along with Saunders and Tosey (2012), observe a researcher more concerned with gathering rich insights into subjective meanings than providing law-like generalisations, is more likely to reflect the philosophy of interpretivism, i.e., the study of social phenomena in their natural environment.

Interpretivism emphasises conducting research amongst people rather than objects. Frechette *et al* (2020, p1) states “*Interpretive phenomenology presents a unique methodology for inquiry into lived experience*”. They suggest, “*according to the interpretive phenomenological tradition, a pre-suppositionless stance is neither possible nor desirable*”. The concepts of phenomenology sit well with the intentions to collect and analyse primary data, access to NEDs may prevent pure ‘*interpretive phenomenology*’ to prevail. Giorgi (1997, p235) concedes “*empirical philosophical framework dominates the scientific culture of our time*”, acknowledging “*phenomenology is more than merely empirical*”. This aspect is more useful when the direct experience of individual NEDs is captured. Frechette *et al* (2020, p2) aligns “*interpretative phenomenology*” with of “*lived experience*”.

Soiferman (2010, p13) reveals “*the best way to understand any phenomenon is to view it in context*”. Bendassolli (2013 p2), acknowledges there is a relationship between theory and data; the value depends upon the justification provided by the empirical data. Kara (2019, pp104-105) recognises the interpretation of findings provoke links with the literature review and as such need to be woven into the narrative. Items which need to be included are:

*“anything that surprises, strong findings, inconclusive, relationships between findings”*. Moreover, she observes not all findings are noteworthy. Kara (2019, p106) proposes the order of presentation of findings should support the research and could be: *“chronological, small to large, first to last”*. Following collection and analysis of the data the optimum presentation method is deployed. This clearly links to the research questions and objectives and actual research outcomes mapping.

#### D.2.6 Selecting a methodology and aligning data methods

Grant and Osanloo (2014, pp16-17) offer researchers an understanding having selected their theoretical framework, this needs to be interconnected with their choice of conceptual framework. Salmons (2019, p95) and Collins and Stockton (2018) highlights theory selected, IT with IST, needs to be aligned with the idea context in the research design – mixed methods. Merkl-Davies *et al* (2014, p10) link *“neo-empirical paradigm with institutional theory as they apply meaning-oriented content analysis”* which resonates with this researcher. They (p19) reveal the underlying aim of *“content analysis is to achieve scientific objectivity.”*

DeLuca *et al* (2012, p197) recognised *“there are few guidelines for combining evidence obtained from different research methods into a comprehensive picture of why social programs succeed and fail”*. Their defence for adopting a mixed methods approach, which included semi-structured interviews to gain qualitative insights, is *“their ability to show how changing opportunities operate within realities and constraints”*. Finally, they question the policy makers assumptions. Collins and Stockton (2018, p4) urge *“researchers to consider utilising the frameworks of noted theorists to guide qualitative studies.”* It is noteworthy McNulty and Pettigrew (1999) employed IT. The application of IT significantly influences the data collection methods and content. This is evident in the data collection and mapping instruments showing links to both theory and methodology as presented in the appendix.

Likewise, when making recommendations there is need for caution as merely having a CS Committee is no guarantee of creating a long-term successful company. Areas of concern include *“The main type of data collection instruments, method of approach to respondents, the build-up of question sequences, the order of the questions, the type of questions used”*. Each facet mentioned is carefully considered within the pilot phase. This research defines

a path through the integrative level of data collection and analysis through which structure and purposive action is interlinked at industry and company level.

#### D.2.7 Recognition of researcher networking to minimise bias

Ahrens and Chapman (2006, p835) highlight “*field researcher’s prior knowledge disciplines the interpretation of new observations.*” This researcher is a Fellow of the Institute of Chartered Management Accountants, which is a repository of knowledge regarding the strategic performance of companies in the UK. The researcher acknowledges this bias, i.e., bias shaped by information learned from membership of and participation in CIMA Committees.

#### D.2.8 Determinants of research question types

Pye and Pettigrew (2005) uncover the need for researchers to demonstrate their choice of questions in the data collection process. Mindful of this requirement this researcher aims to map the data collection to the research questions and objectives along with their fit to IT with IST as well as Methodology so as to enable observations and obtain knowledge. Drew *et al* (2008) reveal researchers need to clearly explore the types of research questions. This researcher initially selected descriptive questions, which frequently involve “*surveys and qualitative investigations*” which is fitting for this research methods.

The literature review reveals NEDs’ involvement in corporate strategy is unclear and unstructured. In reality, strategy probably happens in different ways and times in each company and this researcher accepts some form of corporate strategy process happens in each FTSE 350 company. However, NEDs’ responsibilities in corporate strategy needs be clarified and probably enhanced to meet and exceed their legal obligations. This may result in the need for a multi-step process for corporate strategy which is clearly integrated within each individual company. This is likely to have its own specific issues not least with respect to the turnover of NEDs: appointments are usually for three years with conditions on reappointments.

### D.3 Data Repository

This research design and methodology is supported by an extensive data repository which is applied within this research analysis setting. The data sources are clearly stated as are the nature of the samples and observations.

**TABLE 44 DATA REPOSITORY QUALITATIVE COMPONENTS**

<b>Data Repository</b>				
<b>Nature of Evaluation:</b> <b>Qualitative</b> / explicit / documents / websites examined for specific references to NEDs' strategic leadership involvement.				
<b>Evaluation:</b> <b>Interpretive</b> review mentions of strategy and leadership in terms of: 'Shaping', 'Conducting' and 'Deciding'. Seek out NEDs' involvement in strategy.				
<b>Form of analysis:</b> <b>Content analysis</b> searched for words referring to 'Strategy', 'Leadership' and 'values' documents are analysed using NVivo software. This is followed by <b>thematic analysis: explicit outcomes and implicit understandings</b> interpreted and their implications.				
<b>No.</b>	<b>Archival and secondary data</b>	<b>Year(s)</b>	<b>Source and nature of sample</b>	<b>Pages</b>
<b>Professional body published NED proforma documentation</b>				
1	ICSA Proforma NED Letter of Appointment	2019	ICSA document downloaded 7/Aug/2020, <a href="https://www.icsa.org.uk/my_cg/download-resources/download?fileId=5268">https:// www.icsa.org.uk/my_cg/download-resources/download?fileId=5268</a>	17-page
2	IoD Proforma NED Terms of Appointment	2019	IoD document downloaded 7/Aug/2020, <a href="https://www.iod.com/news/navigating-brex-it-for-business/articles/terms-of-appointment-for-ned">https:// www.iod.com/news/navigating-brex-it-for-business/articles/terms-of-appointment-for-ned</a>	11-page
3	IoD Proforma NED Letter of Appointment	2018	IoD document downloaded 7/Aug/2020, <a href="https://www.iod.com">https://www.iod.com</a>	6-page
4	IoD Proforma role of NED	2018	IoD document downloaded 7/Aug/2020, <a href="https://www.iod.com">https://www.iod.com</a>	7-page
5	IoD Proforma What is the role of the Board?	2018	IoD document downloaded 7/Aug/2020, <a href="https://www.iod.com">https://www.iod.com</a>	7-page
6	IoD Proforma role of the Chair	2018	IoD document downloaded 7/Aug/2020, <a href="https://www.iod.com">https://www.iod.com</a>	7-page
7	ICSA Proforma Terms of Reference for Nomination Committee	2020	ICSA document downloaded 7/Aug/2020, <a href="https://www.icsa.org.uk">https:// www.icsa.org.uk</a>	13-page
8	ICSA Proforma Terms of Reference for Remuneration Committee	2020	ICSA document downloaded 7/Aug/2020, <a href="https://www.icsa.org.uk">https:// www.icsa.org.uk</a>	12-page
9	ICSA Proforma Terms of Reference for Audit Committee	2020	ICSA document downloaded 7/Aug/2020, <a href="https://www.icsa.org.uk">https:// www.icsa.org.uk</a>	12-page

<b>Data Repository</b>				
<b>Nature of Evaluation:</b> <b>Qualitative</b> / explicit / documents / websites examined for specific references to NEDs' strategic leadership involvement.				
<b>Evaluation:</b> <b>Interpretive</b> review mentions of strategy and leadership in terms of: 'Shaping', 'Conducting' and 'Deciding'. Seek out NEDs' involvement in strategy.				
<b>Form of analysis:</b> <b>Content analysis</b> searched for words referring to 'Strategy', 'Leadership' and 'values' documents are analysed using NVivo software. This is followed by <b>thematic analysis: explicit outcomes and implicit understandings</b> interpreted and their implications.				
No.	Archival and secondary data	Year(s)	Source and nature of sample	Pages
10	ICSA Proforma Terms of Reference for Risk Committee	2020	ICSA document downloaded 7/Aug/2020, <a href="https://www.icsa.org.uk">https:// www.icsa.org.uk</a>	19-page
<b>11</b>	<b>Proforma Strategy Committee Terms of Reference</b>	<b>2019/20</b>	<b>ICSA and IoD during Aug 2019-Sept 2020. Review website for a CS Committee i.e., professional body guidance on NEDs strategic leadership involvement.</b>	<b>zero</b>
<b>Legislation</b>				
12	Companies Act (and amendments)	2006	<a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a> downloaded on 13 March 2019. This is a cornerstone document. Specific sections and clauses extracted and examined for need for NEDs to be involved in strategy. s171.1 and s171.2 and s172. s4 Strategic Reporting	761-page
13	Bank of England Financial Services Act	2016	Bank of England, Financial Services Act 2016, downloaded on 18 March 2019, ISBN: 978-0-10-540040-0	72-page
<b>UK Corporate Governance Codes, included selected Reports and Reviews</b>				
14	The Cadbury Report	1992	Gee, London, downloaded on 13 March 2019. This is a cornerstone document.	90-page
15	COSO	2013	<a href="http://WWW.COSO.ORG">WWW.COSO.ORG</a> downloaded on 13 March 2019. <a href="https://www.coso.org/documents/COSO%20McNallyTransition%20Article-Final%20COSO%20Version%20Proof_5-31-13.pdf">https://www.coso.org/documents/COSO%20McNallyTransition%20Article-Final%20COSO%20Version%20Proof_5-31-13.pdf</a>	194-page
16	Rutteman Report	1994	<a href="http://www.icaew.com">www.icaew.com</a> , Internal Control and financial reporting, downloaded on 13 March 2019.	14-page
17	The Greenbury Report	1995	<a href="http://www.ecgi.global/code/greenbury-report-study-group-directors-remuneration">www.ecgi.global/code/greenbury-report-study-group-directors-remuneration</a> , downloaded 13 March 2019.	54-page
18	Nolan Committee Report	1995 revised	The Seven Principles of Public Life, <a href="http://www.gov.uk">www.gov.uk</a> downloaded 1 December 2020.	3-page



Data Repository				
<b>Nature of Evaluation:</b> <b>Qualitative</b> / explicit / documents / websites examined for specific references to NEDs' strategic leadership involvement.				
<b>Evaluation:</b> <b>Interpretive</b> review mentions of strategy and leadership in terms of: 'Shaping', 'Conducting' and 'Deciding'. Seek out NEDs' involvement in strategy.				
<b>Form of analysis:</b> <b>Content analysis</b> searched for words referring to 'Strategy', 'Leadership' and 'values' documents are analysed using NVivo software. This is followed by <b>thematic analysis: explicit outcomes and implicit understandings</b> interpreted and their implications.				
No.	Archival and secondary data	Year(s)	Source and nature of sample	Pages
		1996-07-08		
19	The Hampel Report	1998	Gee Publishing Ltd. UK. ISBN 1 86089 034 2, downloaded on 14 March 2019.	65-page
20	The Turnbull Report	1999	Internal Control: Guidance for Directors on the Combined Code, ICAEW ISBN 1-84152-010-1, downloaded 14 March 2019.	18-page
21	The Myners Review	2001	Institutional Investment in the UK: A Review, ICAEW/HM Treasury, London, <a href="https://www.icaew.com/technical/corporate-governance/codes-and-reports/myners-report">https://www.icaew.com/technical/corporate-governance/codes-and-reports/myners-report</a> .	201-page
22	The Higgs Report	2003	NED Review of the role and effectiveness of NEDs, <a href="http://www.dti.gov.uk/cld/non_exec_review">www.dti.gov.uk/cld/non_exec_review</a> , downloaded on 14 March 2019.	126-page
23	The Turner Review	2003 revised 2009	A regulatory response to the global banking crisis, FSA downloaded 14 March 2019.	126-page
24	The Tyson Report	2003	Recruitment and Development of Non-Executive Directors, London Business School, downloaded 14 March 2003.	34-page
25	The Smith Report	2003 and revised 2008	Audit Committees Combined Code Guidance, Financial Reporting Council, downloaded 14 March 2019.	52-page
26	The UK Combined Code	2003, 2006 revised 2018	UK Combined Code (2018), Corporate Governance Code, Financial Reporting Council, downloaded 13 March 2019.	20-page
27	Financial Stability Review	2003	Bank of England, source Bank of England, ISSN 1365-7276	180-page
28	The Cox Review	2005	H M Treasury, Crown Copyright 2005, downloaded ISBN 1-84532 -108-1, downloaded on 19 July 2019.	24-page
29	The Hampton Report	2005	Effective inspection and enforcement: implementing the Hampton vision in the Environment Agency, National Audit Office, downloaded 14 March 2019.	48-page
30	Accounting Standards Board	2006	ASB Reporting Statement: Operating and Financial Review – January 2006. ISBN 1-84140-755-0, downloaded 14 March 2019.	69-page

## Data Repository

**Nature of Evaluation:** **Qualitative** / explicit / documents / websites examined for specific references to NEDs' strategic leadership involvement.

**Evaluation:** **Interpretive** review mentions of strategy and leadership in terms of: 'Shaping', 'Conducting' and 'Deciding'. Seek out NEDs' involvement in strategy.

**Form of analysis:** **Content analysis** searched for words referring to 'Strategy', 'Leadership' and 'values' documents are analysed using NVivo software. This is followed by **thematic analysis: explicit outcomes and implicit understandings** interpreted and their implications.

No.	Archival and secondary data	Year(s)	Source and nature of sample	Pages
31	Financial Reporting Council	2008	FRC annual report 2007/8 – May 2008 focusing on: <ul style="list-style-type: none"> <li>• Interconnections</li> <li>• Governance</li> <li>• Accountability.</li> </ul> ISBN 987-12-84798-079-3, downloaded 14 March 2019.	80-page
32	The Walker Review	2009	A review of corporate governance in UK banks and other financial industry entities. <a href="http://www.hm-treasury.gov.uk/walker_review_information.htm">http://www.hm-treasury.gov.uk/walker_review_information.htm</a> , downloaded 14 March 2019.	184-page
33	The UK Stewardship Code	2010, revised <b>2012</b>	FRC: The Stewardship Code is applied on the basis of “ <i>comply or explain</i> ” basis. <a href="http://www.frc.org.uk">www.frc.org.uk</a> , downloaded 14 March 2019.	14-page
34	Guidance on Board Effectiveness	2011	FRC: - The Role of the Board of Directors. <a href="http://www.frc.org.uk">www.frc.org.uk</a> , downloaded 14 March 2019.	18-page
35	Boards and Risk	2011	FRC: A summary of discussion with companies, investors, and advisors. The report focuses upon the role of the board. <a href="http://www.frc.org.uk">www.frc.org.uk</a> , downloaded 14 March 2019.	17-page
36	Women on Boards	2011	Lord Davies of Aberscoch chaired this review whereby some 2,654 respondents gave evidence. URN 11/745, downloaded 18 March 2019.	44-page
37	The Kay Review	2012	UK Markets and Long-Term Decision Making. Crown copyright 2012, <a href="http://www.bis.gov.uk/kayreview">www.bis.gov.uk/kayreview</a> , URN 12/917, downloaded 14 March 2019.	112-page
38	The UK Corporate Governance Code	2010, 2012, <b>2016</b>	UKCGC's for which all FTSE 350 companies need to 'Comply or Explain'. <a href="http://www.frc.org.uk">www.frc.org.uk</a> , downloaded 14 March 2019.  Lays out 5 principles of “ <i>Comply and Explain</i> ”. See separate 2018 Code	37-page
39	House of Lords and House of Commons	2013	Changing Banking for good – Report of the Parliamentary Commission on Banking Standards, downloaded 14 March 2019.	503-page
40	The Salz Review	2013	Salz Review, An Independent Review of Barclays' Business Practices, 3 April 2013, London, downloaded 7 February 2019.	244-page

## Data Repository

**Nature of Evaluation:** **Qualitative** / explicit / documents / websites examined for specific references to NEDs' strategic leadership involvement.

**Evaluation:** **Interpretive** review mentions of strategy and leadership in terms of: 'Shaping', 'Conducting' and 'Deciding'. Seek out NEDs' involvement in strategy.

**Form of analysis:** **Content analysis** searched for words referring to 'Strategy', 'Leadership' and 'values' documents are analysed using NVivo software. This is followed by **thematic analysis: explicit outcomes and implicit understandings** interpreted and their implications.

No.	Archival and secondary data	Year(s)	Source and nature of sample	Pages
41	FRC: Guidance on Strategic Report	2014, revised 2017, <b>2018</b>	FRC 2018: Accounting and Reporting Guidance, <a href="http://www.frcpublications.com">www.frcpublications.com</a> , ISBN 978-0-7545-5629-9, downloaded 13 March 2019.	104-page
42	FCA/PRA: Approach to NED in Banking	2015	Financial Conduct Authority and Prudential Regulation Authority Consultation Paper, downloaded 14 March 2019.	113-page
43	Davis Inquiry	2015	An Independent Inquiry into events of 27/28 March 2014 relating to press briefing of information in the FCA's Business Plan. Davis Inquiry, published 20 November 2014, Clifford Chance LLP, London UK.	226-page
44	The Parker Review	2017	A report into the ethnic diversity of UK boards, published 12 October 2017, EY and Linklaters.	39-page
45	The Deloitte Academy	2017	Corporate Governance Disclosure Checklist for periods commencing on or after 17 June 2016, pp 1-32.	32-page
46	The 2017 Good Governance Report	2017	IoD, The 2017 Good Governance Report, The great governance debate continued, focusing on FTSE 100 Companies, Ken Olisa OBE, Deputy Chair of IoD and Chair of advisory panel.	30-page
47	McGregor-Smith Review	2017	The time for talking is over. Now is the time to act. Race in the workplace. Designed and produced by Luminous, <a href="http://www.luminous.co.uk">www.luminous.co.uk</a> , downloaded 14 March 2019.	95-page
48	The Stakeholder voice in board decision making	2017	ICSA with The Investment Association, released Sept. 2017, Strengthening the business, promoting long-term success, downloaded 14 March 2019.	32-page
49	Hampton-Alexander Review	2018	FTSE Women Leaders sponsored by KPMG and published in November 2018. Improving gender balance in FTSE Leadership, downloaded 14 March 2019.	76-page
50	Guidance on Board Effectiveness	2018	FRC, released July 2018, " <i>The primary purpose of the Guidance on Board Effectiveness (the Guidance) is to stimulate boards' thinking on how they can carry out their role and encourage them to focus on continually improving their effectiveness</i> ", downloaded 14 March 2019.	50-page
51	UK Corporate Governance Code	2018	<a href="http://www.frc.org.uk">www.frc.org.uk</a> , downloaded 13 March 2019.	20-page

Data Repository				
<b>Nature of Evaluation:</b> <b>Qualitative</b> / explicit / documents / websites examined for specific references to NEDs' strategic leadership involvement.				
<b>Evaluation:</b> <b>Interpretive</b> review mentions of strategy and leadership in terms of: 'Shaping', 'Conducting' and 'Deciding'. Seek out NEDs' involvement in strategy.				
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No.	Archival and secondary data	Year(s)	Source and nature of sample	Pages
52	Guidance on the Strategic Report	2018	FRC guidance on preparing and publishing the Strategic Report. <a href="http://www.frcpublications.com">www.frcpublications.com</a> ISBN 978-0-7545-5629-9, downloaded 13 March 2019.	104-page
53	Corporate Governance Review	2018	Grant Thornton, A comprehensive review of FTSE 350 companies reports.	65-page
54	Governance in focus: On the board Agenda	2019	Deloitte, various governance matters including a review of s172 – A duty to promote the success of the company p8, downloaded 14 March 2019.	68-page
Overseas Corporate Governance Codes				
55	Towards Global Competitiveness	1999	Commonwealth Association of Corporate Governance, downloaded 18 March 2019.	100-page
56	Commission Recommendation	2005	Europe, downloaded 23 November 2019.	13-page
57	The International Framework	2013	Global, downloaded 13 March 2019.	37-page
58	Basle III	2015	Switzerland, downloaded 13 March 2019.	43-page
59	Principles of Corporate Governance	2015	G20/OECD, <a href="https://www.oecd.org/daf/ca/Corporate-Governance-Principles-ENG.pdf">https://www.oecd.org/daf/ca/Corporate-Governance-Principles-ENG.pdf</a> , downloaded 18 March 2019.	66-page
60	King IV Report	2016	South Africa, downloaded 13 March 2019.	128-page
61	The National Code of CG for Mauritius	2016	Mauritius, downloaded 13 March 2019.	124-page
62	OECD Corporate Governance Fact Book	2017	47 OECD Jurisdictions, downloaded 13 March 2019.	144-page
63	Index Report	2017	54 African Countries, Index Report, Mo Ibrahim Foundation, downloaded 13 March 2019.	144-page
64	Global CG Principles	2018	International CG Network, downloaded 18 March 2019.	36-page

<b>Data Repository</b>				
<b>Nature of Evaluation:</b> <b>Qualitative</b> / explicit / documents / websites examined for specific references to NEDs' strategic leadership involvement.				
<b>Evaluation:</b> <b>Interpretive</b> review mentions of strategy and leadership in terms of: 'Shaping', 'Conducting' and 'Deciding'. Seek out NEDs' involvement in strategy.				
<b>Form of analysis:</b> <b>Content analysis</b> searched for words referring to 'Strategy', 'Leadership' and 'values' documents are analysed using NVivo software. This is followed by <b>thematic analysis: explicit outcomes and implicit understandings</b> interpreted and their implications.				
No.	Archival and secondary data	Year(s)	Source and nature of sample	Pages
<b>London Stock Exchange (LSE) Listings, Regulations, and Indices</b>				
65	London Stock Exchange Listing Regulations	2018	LSE: Rules of the LSE, downloaded 13 March 2019.	99-page
66	LSE- Regulatory Strategy	2018	LSE responses to various international institutional collaborations, downloaded 6 May 2019.	5-page
67	LSE in association with NEDA	2019	A Non-Executive Director Masterclass, <a href="https://www.lseg.com/node/26862">https://www.lseg.com/node/26862</a> , downloaded 6 May 2019.	2-page
68	Office for National Statistics		UK Standard Industrial Classification (SIC) Hierarchy, downloaded 15 April 2020.	1-page
69	Office for National Statistics		UK Standard Industrial Classification (SIC) of Economic Activities 2007, downloaded 15 April 2020.	249-page
<b>FTSE 350 Company Websites</b>				
70	FTSE 350 NED Biographies	2019-20	A sample of FTSE 350 Company Websites conveniently accessed, seeking NED published profiles, downloaded on various dates during 2019/20.	77-companies, x multiple web pages
71	<b>Strategy Committee Terms of Reference</b>	<b>2019-20</b>	<b>A sample of FTSE 350 Companies conveniently accessed during Aug-Sept 2020.</b>  <b>Searched for the existence of CS Committee. Searched and found no CS Committee at FTSE 350 board level. Typically, each company arranged a board away day event and 'Strategy' is one of the topics covered.</b>	<b>Nothing found.</b>
<b>Miscellaneous documents</b>				
72	NED Conference; Delivering Fair Treatment for Consumers of Financial Services	2011	FSA, Guidance Consultation, <a href="https://www.fca.org.uk/publication/guidance-consultation/fsa-gc11-30.pdf">https://www.fca.org.uk/publication/guidance-consultation/fsa-gc11-30.pdf</a>	11-page

Data Repository				
<b>Nature of Evaluation:</b> <b>Qualitative</b> / explicit / documents / websites examined for specific references to NEDs' strategic leadership involvement.				
<b>Evaluation:</b> <b>Interpretive</b> review mentions of strategy and leadership in terms of: 'Shaping', 'Conducting' and 'Deciding'. Seek out NEDs' involvement in strategy.				
<b>Form of analysis:</b> <b>Content analysis</b> searched for words referring to 'Strategy', 'Leadership' and 'values' documents are analysed using NVivo software. This is followed by <b>thematic analysis: explicit outcomes and implicit understandings</b> interpreted and their implications.				
No.	Archival and secondary data	Year(s)	Source and nature of sample	Pages
73	Guidance on Directors duties	2018	GC100, <a href="https://uk.practicallaw.thomsonreuters.com/Link/Document/Blob/I59d0a3ddd47f11e8a5b3e3d9e23d7429.pdf?targetType=PLC-multimedia&amp;originationContext=document&amp;transitionType=DocumentImage&amp;uniqueId=21da2e1e-5093-425e-9088-9754fb8bfc23&amp;contextData=%28sc.Default%29&amp;comp=pluk">https://uk.practicallaw.thomsonreuters.com/Link/Document/Blob/I59d0a3ddd47f11e8a5b3e3d9e23d7429.pdf?targetType=PLC-multimedia&amp;originationContext=document&amp;transitionType=DocumentImage&amp;uniqueId=21da2e1e-5093-425e-9088-9754fb8bfc23&amp;contextData=%28sc.Default%29&amp;comp=pluk</a>	22-page

In addition to the extensive data repository, anonymous conversations with NEDs, academics, and other relevant parties aid understanding. Furthermore, an abductive analysis is performed utilising the interpretative and descriptive knowledge gained from the data repository analysis.

**TABLE 45 DATA REPOSITORY QUANTITATIVE AND ABDUCTIVE COMPONENTS**

<b>Data Repository</b>				
<b>Nature of Evaluation:</b> <b>Quantitative and Abductive</b> / explicit / documents / websites examined for specific FTSE 350 Board membership types, other key data, ratio analysis, graphical outputs.				
<b>Evaluation:</b> <b>Descriptive and Abductive</b> / FTSE 350 company full constituent listing, setting out many data features including a listing of all FTSE 350 NEDs. Seek out NEDs' involvement in strategy i.e., Committee memberships. Discuss the FTSE 350 index movement - graphical image for the period 2019-2020, calculate and discuss levels of profitability and liquidity ratios for <b>all</b> FTSE 350 companies.				
<b>Form of analysis:</b> <b>Content, graphical and ratio analysis.</b> This is followed by <b>explicit outcomes and implicit understandings</b> interpreted and their implications.				
No.	Archival and secondary data	Year	Source and nature of sample	Pages
74	FTSE 350 company constituent listing	2019	Extracted published list of FTSE 350 Companies from FAME database. List of all board member names, and attributes such as No. of directorships held, appointment date, etc. see extracts for further details. Identified areas for exclusion from this specific research. FAME data base downloaded 23 April 2019.	FAME excel download: 8500-page.
75	FTSE 350 companies; profitability and liquidity	2019-2020	FAME database downloaded 7 September 2020. All FTSE 350 company's profitability and liquidity ratios calculated. FAME database downloaded 7 September 2020.	162-page financial data
76	FTSE 350 indices movements	2019-2020	Graphed the FTSE 350 indices movement during January 2019 – November 2020. FTSE London Stock Exchange 350 index downloaded on 17 November 2020.	1 Graph

Source: Lisson (2022)

### D.3.1 Datasets Retrieval

Puerto *et al* (2020, pp94-95) acknowledges a non-technical method of dataset retrieval from publications. They specifically focus upon “*machine reading for question answering*” seeking out responses for given questions which resonates with this research analysis. This approach affords the researcher the ability to search large databases and extract specific elements of NEDs' involvement in corporate strategy because ‘noise’ in the datasets needs to be addressed. Hughes and Tarrant (2020, p20) acknowledge existing datasets “*provide a rich resource*” which is envisaged within the research analysis. They utter caution when working across datasets, “*Extensive preparatory and analytical work is required in grasping the contextual shaping of data and the possibilities for alignment of data and/or evidence.*” Wise words, this researcher continuously reflects to ensure alignment.

## D.4 Techniques for analysing qualitative data

Commencing with Snyder's (2012, p2) assertion "*multiple methodologies in qualitative research provide the opportunity for richer and more robust findings*". Maher *et al* (2018 p2) indicates it is important to "*stay close to the data, remaining open, and flexible to emerging insights.*" The continue and emphasise "*Data, which may come from a variety of sources, will aid the building of theory grounded in interpretations and actions of the research participants in their daily reality.*" This researcher's data plans include multiple sources of data.

Antwi and Hamza (2015, p218) and Merkl-Davies *et al* (2014, pp1-3) providing methodological guidance for researchers acknowledge "*three broad categories of text analysis approaches, namely content analysis (positivist paradigms), interpretive text analysis (e.g., discourse analysis, social constructivist paradigm), and critical text analysis (e.g., critical discourse analysis, critical paradigm)*". They acknowledge Content Analysis constitutes the "*dominant method for the analysis of corporate narrative documents*". This resonates well with this thesis. They (p1) note "*Corporate narrative documents are used to provide an account of managerial actions and decisions to inform shareholders about strategy*" and indicating this type of research "*predominately entails the use of content analysis.*" Additionally, they recognise the growing support for content analysis in corporate narrative reporting.

Soiferman (2010, p10) specifies qualitative researchers "*look for larger patterns of generalisation..... through methods of ... document analysis*". Snyder (2012) along with Ryan and Bernard (2003, p56) acknowledge Thematic Analysis can be a process seeking repetitions which is referred to as "*in vivo coding*" within the concepts of Grounded Theory. In contrast seeking out the unfamiliar and items are missing is ethnographic. They also illuminate the need to understand the language used by the participants. They suggest seeking to understand the meaning of the responses to explore if there are common themes emerging. Moreover, they suggest (p59) "*Degrees of strength in themes may lead to the naming of sub-themes.*" Frechette *et al* (2020, p2) reveal phenomenological researchers are anchored "*in-the-world*" experiences. The points raised are of interest in the selected research methods.



## D.4.1 Research approach limitations

The arguments in favour of adopting positivism i.e., a deductive philosophical approach to research is valid but rejected in this thesis in favour of an interpretivism inductive approach. Kakkuri-Knuuttila *et al* (2008) admit there is no solution to philosophical debates on overcoming the subjective-objective divide within interpretive research. McNulty and Pettigrew (1999) indicate it is necessary to analyse interplay of several factors to afford deep understanding. Collins and Stockton (2018, p6) indicate “*the need for quantitative therapy in order to understand the abilities and advantages of qualitative research.*” They suggest “*rich and thick descriptions are the cornerstone of qualitative work*”. Hughes and Tarrant (2020, p21) suggest “*qualitative researchers immerse themselves in data, establishing an understanding and ordering of the data along thematic and conceptual lines of inquiry.*” Frechette *et al* (2020, p3) suggest “*as a way of exploring lived experience ... there is ‘back-and-forth’ movement.*” Soiferman (2010, p7) echo this in their statement “*Conclusions change and evolve continuously as more data is collected.*” All of the above concerns are accepted and recognised as necessary by this researcher. Acknowledgements are made where necessary.

## D.4.2 Applicability and transferability of research findings

This researcher appreciates Soiferman (2010, p6) recognition of “*qualitative research is a rigorous approach to finding the answers to questions. It involves spending an extensive amount of time in the field, working in often complex, time consuming processes of data analysis, writing long passages*”. Collins and Stockton (2018, p3) support the “*notion of habits become routines and that routines become legitimated knowledge is an essential component of a socially constructed reality.*” Moreover, they acknowledge “*power dynamics must be a significant consideration in the production and preservation of knowledge.*”

## D.4.3 Ethical concerns

This thesis should produce beneficial outcomes to the subjects (NEDs) as well as the wider community of interest. The reason is some of the analysis are likely to influence outcomes

and recommendations. Ganiyu and Madanayake (2018) indicate the framework required such as “*set of philosophies, use of procedures, methods and techniques that have been proved to be valid and reliable; and designed to be unbiased and objective.*” They recognise “*all research is expected to conform to some lay down code of practice and meet minimal ethical requirements.*” Some thought is afforded to ethical concerns in this thesis.

#### D.4.4 Conceptual multi-methodology frameworks appraised

Understanding developing a research philosophy is a reflexive process (Saunders 2019, Ch 4), the following research philosophies were evaluated prior to the final choice and selection made for this research. D’Silva (2016 and 2019) groups two key alternative research philosophies which are available to this researcher to investigate NEDs’ responsibilities in corporate strategy:

- ***Interpretivist*** – *consistent with inductive logic and exploratory linkages... Terms can include phenomenological, humanistic and qualitative*” aspects. Which in turn may lead to theory development from one’s own research.

Contrasted with:

- ***Positivist*** – *consistent with deductive logic, seeking causality using scientific methods. Terms include scientific, experimentalist, quantitative*” aspects. This method is principally theory-testing from data analysed.

##### D.4.4.1 Elements of Grounded Theory

Glasier and Strauss (2017) examine the potential to unearth theory from underlying qualitative data methodologies. They point out theory is a possible strategy for handling research data. Therefore, generating theory from data means most hypotheses and concepts, not only come from the data but are systematically worked out in relation to the data during the research examination (Point *et al* 2016, p2). Linked with substantive theory focused on one area of research, this can be considered transferable interpretation. This resonates with this research as elements of Grounded Theory is seen as a dynamic process and such facets are initially employed in this thesis to unearth and explain the prevailing NED corporate strategy environment.

Maier *et al* (2018, p12) specify researchers “*immerse themselves in data*” to develop a deep understanding of the data “*from a variety of perspectives*”. This research demonstrates engagement with elements of Grounded Theory via this thorough level of rigour. This is a very important step as this research is emphasising FTSE 350 NED experiences to explain when they engage with corporate strategy. Collins and Stockton (2018, p7) advocate the research needs to ensure the connections between theoretical framework and coding are explicit. According to Crossley and Jansen (2021 p12), it’s the data informs the development of a new theory. Frechette *et al* (2020, p6) indicate descriptive qualitative designs benefit from thematic or content analysis.

#### D.4.4.2 Exploratory research

Snyder (2012, p3), writing about exploratory research, states “*an exploration into the interconnectedness of the methodologies used reveals a robust framework from which the first stages of grounded theory emerged.*” Researchers employing an exploratory research methodology have flexible, adaptable, and unstructured data methods available. According to Schwaferts (2019 p7), Grounded Theory is “*aimed toward theory development*”. In some cases, research requires this loosely defined approach as it examines non-representative or small samples to produce tentative outcomes. This research intends to uncover clear issues surrounding FTSE 350 NEDs and corporate strategy and so a purely ‘*exploratory research methodology*’ is rejected in favour of a more accessible approach.

#### D.4.4.3 Business Research

This research fits the definition of business research proposed by Zikmund *et al* (2013, p6), is: “*the application of the scientific method in searching for the truth about business phenomena. These activities include defining business opportunities and problems, generating and evaluating alternative courses of action, monitoring employee and organisational performance.*” Zikmund *et al* (2013, p38) define theory as:

“*a logical explanation of some events that includes predictions of how things relate to one another. ...A theory can be built through a process of reviewing previous findings or similar studies, a simple logical deduction, and/or knowledge of applicable theoretical areas. Scientific method is a set of prescribed procedures for establishing and connecting*

*theoretical statements about events, for analysing empirical evidence, and for predicting events yet unknown”.*

Bhagat and Kehoe (2014) concentrate their attention on *“building a forward-looking board”*. Antwi and Hamza (2015, p219) suggest qualitative methodology research seeks to *“attain an insider’s view of the group under study.”* This research aims to emphasise FTSE 350 NEDs attention when dispensing their strategic oversight provision.

Collis and Hussey (2014) and Saunders and Tosey (2012) state research philosophy describes how the research is intended to be performed including what the research objectives are seeking to illuminate. They indicate the research philosophy and strategy may include multiple designs including case studies, interviews, questionnaires, literature reviews and other experimental research methods. Maher *et al* (2018, p1) suggest *“Deep and insightful interactions with the data are a prerequisite for qualitative data interpretation, in particular, in the generation of grounded theory”*. They suggest researchers *“must also employ imaginative insight as they attempt to make sense of the data and generate understanding and theory.”* Frechette *et al* (2020, pp 4-5) promote the *“reflexive stance”* of the researcher in their research. They indicate *“interpretative phenomenological study aims to explore lived experience ... and the overarching goal is to uncover a new understanding”*. This researcher adopts a reasonable approach during Covid-19 which includes elements of Grounded Theory. Underpinning the unique research design are robust mixed-method parallel-layered data collection and analysis performed during 2019-2020 targeting materials covering FTSE 350 NEDs’ oversight role.

#### D.4.5 Phenomenological consciousness

Dolwick (2009) states the phenomenological consciousness research approach utilises the real-world and lived experience to illuminate the research. Dolwick defines the methodological implications and highlights the following concepts:

- *...accredits some kind of valued achievement,*
- *...reference to retrospective contributions, ... the accredited achievement is initially variously describable,*

- ... *accredited achievement must be of a kind that admits of considerable modification in the light of changing circumstances; ...*
- *It is appraisive... ...finally, due to the effects of rivalries and conflicts between different viewpoints....*

Dolwick's research introduces concepts of Actor-Network Theory and emphasises power relationships and "*inequalities*". These inequalities may warrant further investigation in this research, e.g., executive and NED influence on CS.

#### D.4.5.1 Phenomenography

Marton (1994, p4424) establishes the discipline of phenomenography as: "*the empirical study of the differing ways in which people experience, perceive, apprehend, understand, and conceptualise various phenomena in, and aspects of, the world around us.*" According to Marton (1986 p155), researchers seeking "*overarching laws of thought and perception that can be applied no matter what the situation or subject matter.*" Boon *et al* (2003) imply phenomenography seeks a more holistic and complete view of an experience by incorporating variation e.g., seeing a situation from many angles, thus affording the research a thorough and descriptive snapshot of the situation studied.

Phenomenography approach is favoured by this research during the pilot as the method examines and investigates "*descriptions*", potential "*attitudes*" and "*seeks meanings in context*" (Giorgi 1997, p235). This investigation affords sufficient textual evidence to unearth new discoveries thus supporting the outcomes of empirical research into NEDs and corporate strategy. SCIE (2012), Collis and Hussey (2014), along with Saunders and Tosey (2012), observe a researcher more concerned with gathering rich insights into subjective meanings than providing law-like generalisations, is more likely to reflect the philosophy of interpretivism, i.e., the study of social phenomena in their natural environment.

Frechette *et al* (2020, p5) advocate the use of a "*reflective journal*" as an essential tool in operationalising interpretative phenomenography. This recognises the researcher's journey and reflections as being important in the outcomes. Reflective journal entries are undertaken during the pilot phase of this research. Tobi and Kampen (2018, p1211) suggest the methodology of interdisciplinary research framework is built at various stages of the

research. The researcher recognises there are differences between phenomenological and phenomenography research approaches in the purest sense, this difference is not a motivation for this research.

### D.4.5.2 Ethnography research

Ethnography is the systematic study of cultural phenomena whereby the researcher observes society from the viewpoint of the subject(s) of the research. This is not a wholly feasible option for this thesis. Nevertheless, elements of systematic data collection, describing, documenting and analysis of patterns is feasible and is incorporated within this research design.

### D.4.5.3 Template analysis

Cassell and Bishop (2019) indicate one of the advantages of template analysis is the experience of each of the respondents can be considered to develop an overall picture of the data collection experiences. This concept resonates with this researcher and is employed within the piloted questionnaire and the semi-structured interview template. Furthermore, various published documents are subjected to template analysis thus teasing out patterns of performance. Covid-19 significantly reduced the need for template analysis as individual NED experiences were put on hold. Merkl-Davies *et al* (2014, p19) identifies the resource of “*critical discourse analysis*” by which documents are systematically reviewed. This method may assist in providing understanding and helping to critique and change existing strategic activities. This method has potential to support post-doctoral research.

## D.5 Thesis management plan

It is incumbent upon this researcher to prepare, plan and draft the data plan, as well as to allow time for review, editing and redrafting as may be required (Morris 2016). The data management plan describes the data collection, management and distribution of all data associated with this research along with its storage after completion of this thesis. The pilot data collection splits into two major categories: primary data collection and secondary data

collection. The primary data collection involves questionnaires and semi-structured interviews. The secondary data collection consists of web, FAME database and Bloomberg searches of published reports and company data. A glossary of terms used within this research is defined and made available.

#### D.5.1 Plan of data gathering and analysis:

- ✓ Identification, Sourcing, Capture and Storage
- ✓ Collection and Analysis
- ✓ Outcomes and initial findings

Having the above tick list ensures the ever-changing data capture needs within this research analysis are addressed.

#### D.5.2 Data collection methods available

D'Silva (2019) states data considerations for researchers should include:

- “*Data Sourcing*”: this research clearly indicates the source of all data utilised in this thesis. Content analysis is envisaged for data collected and is an accepted transparent research method. RQ 2-4 requires empirical data to be collected from FTSE 350 companies.
- “*Data Gathering*”: evidence of time, place and individuals involved are clearly stated in the thesis. A large quantity of data is analysed. RQ 2 - 4 require specific data to be collected from FTSE 350 board members and population sampling is likely to be deployed.
- “*Data Analysing*”: how the data is analysed is clearly explained and available for review. For this researcher, this involves identification of potential themes from the data collected.
- “*Data Analysis*”: this researcher aims to produce an unambiguous set of analysis and clearly states all limitations, assumptions, and possible bias, etc.

Oppenheim (1998, p101) recognises each individual research has its own unique problems. He suggests researchers should consider the following:

1. *The main type of data collection instruments.* This researcher aims to undertake content analysis of NED proforma Letter of Appointment, Terms of Engagement/Reference.
2. *The method of approach to respondents, including confidentiality and anonymity.* Where necessary, data subjects are supplied with a research statement in advance of participation and sign an informed consent form.
3. *The build-up of question sequences.* This researcher aims to layer the data collection process and thus build upon knowledge gained. A pilot is envisaged to further enhance the outcomes of the actual data collection process.
4. *The order of the questions.* During the pilot phase the questions and their order is tested and any pertinent thoughts relevant to NEDs and corporate strategy are requested.
5. *The type of questions used, i.e., closed, pre-coded, or free response.* Developing closed questions facilitates teasing out relevant information.

#### D.5.3 Data Back-ups, contingency planning

The data is stored on the researcher's laptop, home computer, university computer and the computers of the supervisors. The primary repository is the researcher's laptop with data stored on the home server. The back-ups and synchronisation are undertaken weekly or more frequently during the data collection period. This should be sufficient resilience should one or more discs become corrupt, lost or another event happen.

Having been exposed to an unprecedented and unplanned environmental change in these already challenging times, this research needs to be open to variation and changes in data collection during an era of social distancing (Lobe *et al* 2020 p1). Whilst it is feasible for the researcher to upskill to multiple on-line conferencing methods, it's likely each of the intended NEDs are struggling with technology not least via their home internet provision. Moreover, the free offering via Zoom etc. are insecure and do not meet the strict ethical guidelines (Lobe 2020 p5).



## D.5.4 Data Subjects

FTSE 350 companies is a recognised group of the top 350 companies listed on the London Stock Exchange. This group comprises of both the FTSE 100 and FTSE 250 Companies. All FTSE 350 companies are subject to the same UK legislation, CGC 2018 and Stock Exchange Listing rules. Data subjects are FTSE 350 companies and board members, and their details are published on the companies' house website as well as their individual company website and other public databases. These companies and board members are not considered vulnerable persons. To inform this research, NEDs and professional body members experience and opinions are targeted so thus providing insights and awareness into the corporate strategy activities of NEDs.

**TABLE 46 EMPIRICAL DATA INFORMATION INFRASTRUCTURE**

### Sources and structuring of empirical data

Data Sources	Purpose	How Enabled	How Employed
<b>Formational discussions</b>	Inform researcher	Academic and professional contacts	Face to face discussions with aid of outline data capture tools.
<b>Archival research</b>	Reflect within the interdisciplinary research what is known. Potential to reveal a contribution to knowledge	Web search and various database downloads	Specific words searched, financial performance analysis, themes and tailor-made tools developed and analysed.

Source: Lisson (2022).

The previously selected IT with IST guides the research process, and the research design has sympathetically selected the specific research methods having reflected and deliberated on the participant setting, sampling strategy adopted, along with the research sensitivity of participants, and the possible risks to the researcher and participants. All the above have required reflexivity in terms of the role of the researcher and the various target participants, along with a willingness to admit mistakes and take on board new learning (Austin and Sutton 2014, p437).

### D.5.5 Primary Data Collection Plan (Pilot only)

All data subjects receive a research briefing, either oral or written, in advance of participating in a questionnaire or semi-structured interview. The option to opt out of participation before, during or at the point of completing, is available to all research subjects. Research consent forms are distributed in advance and must be signed before proceeding. This is double checked on the data collection tools. These forms are filed separately from the actual response data and held physically at the researcher's London home. The proposed completed anonymised questionnaires and semi-structured interview responses are held physically at the researcher's home. The questionnaires are a series of tick boxes. The semi-structured interviews are interview notes and may include electronic audio recordings if advance permission is obtained. Field notes are maintained of: date, place, time, prevailing current news events, etc. An electronic copy of the consent and data collected is stored in the university data management system – 'Dropbox' for a minimum period of 5 years post award of PhD as is required by the university regulations.

### D.5.6 Data Collection Plan

Data is downloaded from the web, Bloomberg and Financial Analysis Made Easy databases and stored on the university student drive, the PhD supervision team's drive, as well as on the researcher's home computer. An electronic copy of this data is stored on the university data management system 'Dropbox' for a minimum period of 5 years post award of PhD per university regulations.

### D.5.7 Data Sharing

Primary data is not to be released, nor are the data sources to be named. Actual data collected is clearly described and can be shared. The anonymized data analysis and outcomes of this research are shared at academic conferences, the PhD thesis submission, various professional and governance bodies, and potentially with the UK government.

## D.6 Data Methods

### D.6.1 Access to data, document review and purposeful research sample

Kara (2019, p60) indicates research could purposefully utilise “*both convenience and purposeful samples*”, i.e., “*people that agree to participate along with people that fit the purpose of this research*”. Pye and Pettigrew (2005) concede boards are “*notoriously difficult people to gain access to*”. This researcher utilises former university and business colleagues, as well as her university membership of IoD to mull over thought processes. The newly created IoD Corporate Governance Forum is one of eleven special interest groups. A layered approach is adopted commencing with a document review of proforma NED Letter of Appointment, Terms of Engagement/Reference. Here the researcher aims to discover what is the strategic nature of the NED’s role in their company. The review is undertaken using published information on relevant professional body websites as well as FTSE 350 websites. Any data loss is clearly stated.

The target data subjects are FTSE 350 NEDs, and they form the major focus of the data sample, although professional bodies, executive directors and company secretaries and published board activities could add to the findings. This research adopts a mixed-method parallel-layered data collection targeting materials centred upon FTSE 350 NED oversight role. These includes relevant legislation, UK CG guidelines, FTSE stock exchange regulations, professional body support for boards as well as a listing of all board members of FTSE 350 companies on 23 April 2019. FTSE 350 NED proforma Letter of Appointment, Terms of Engagement/Reference, a sample of NED biographies and other supporting data documentation were downloaded during May 2019- December 2020.

### D.6.2 Data collection methods and error elimination

According to Niehaves (2005 p1) “*multi-method research is useful.... combining different research methods in the context of multi-method research designs can provide different perspectives on a particular phenomenon.*” Moreover, Ganiyu and Madanayake (2018 p5), indicate mixed-method facilitates “*study behaviour in more than one condition ... under natural environment*”. Austin and Sutton (2014, p436) as well as Hammarberg *et al* (2016) show qualitative methods concentrate upon questions about experience and from the standpoint of the participant i.e., NEDs. This research examination comprises of the

following steps, analysis of proforma NED Letter of Appointment, Terms of Engagement/Reference, analysis of publicly available legislation and CG codes and other relevant documentation. In addition to the formal steps, cumulative analysis and refinement is performed at each stage throughout the research. Puerto San Roman *et al* (2020, p94) recognise “*information retrieval is well-established*” this researcher selects a mixed-method parallel-layered data to underpin and inform the research methods deployed. The data is collected and analysed both quantitatively and qualitatively and the findings inform the roadmap for potential themes to emerge.

Soiferman (2010, pp11-12) reveals there are various methods to ensure accuracy namely “*qualitative validity procedures rely on the participants, the researcher or the reader*”. Kara (2019, p28) stresses the importance of data accuracy. Error types to be reviewed and eliminated prior to completion of the thesis are omissions, commissions, transpositions, and typographical errors. This research has the data and its analysis independently reviewed to eliminate possible human errors. Oppenheim (1998, p280) observes every researcher is “*confronted by the need to take some uncomfortable decisions about missing data*”. All known data omissions are clearly stated. The research methods deployed are mindful to reflect and take care when analysing data to ensure correct understanding of the research situation.

#### D.6.3 Planned data collection tools

All data collection tools are developed in advance, reviewed with the researcher’s supervisors, and all necessary ethical approval is sought and received in advance. Data collection needs to uncover what strategic value-added is brought by FTSE 350 NEDs’ oversight role and responsibilities:

- Review proforma NED Letter of Appointment, Terms of Reference, and Engagement for strategy, away-days, strategic community, involvement of consultants.
- Check whether the strategic direction is set in advance and merely communicated to the NEDs or are they able to bring an external view to the discussion.
- Find where the NEDs debate strategy and how their contribution is operationalised within the strategic inputs.
- Check for possible differences between industries using FTSE industrial classification or standard industrial classification (SIC codes).

- Review successive board level publications for overall 3-5-year strategic plans

It is feasible many companies may have non-disclosure agreements re their specific strategy. The researcher is sensitive to expect the lack of strategy conversation does not indicate a lack of corporate strategy. Additionally, there are stock exchange listing rules, world dominance, competitor knowledge etc, inhibit freedom of communication.

The data sets are interrogated discovering the number of times ‘strategy’, ‘leadership’ and ‘values’ appear in various documents, i.e., proforma NED Letter of Appointment, Terms of Engagement and Reference, legislation, CG codes, stock exchange listing requirements etc. This research methods deployed aim to reveal whether the current plethora of legislation and CG codes are inadvertently diverting NEDs’ attention away from corporate strategy or are there other matters at play? Frechette *et al* (2020, p6) suggest “*purposive sampling strategy is most commonly used in phenomenological research as it allows selecting participants who have rich knowledge of the phenomenon*”. Moreover, “*the purposive same with rich and diverse lived experiences of the phenomenon is most coherent with phenomenological studies’ main objective of uncovering the multiple layers of hiddenness of a phenomenon within its context.*” Proforma NED Letter of Appointment or Terms of Engagement/Reference, as well as a sample of FTSE 350 NED biographies attempt to provide a rich source of qualitative data.

### D.6.4 Research methods - interviews

Ahrens and Chapman (2006) advocate the use of interviews in which the research actively seeks to understand and test the understanding of different interviewees. Furthermore, Ahrens and Chapman highlight the immediacy of experience providing the ability for open-ended interaction, thus potentially eliminating the danger of being over-powered by the volume and complexity of field data. The research outcomes acknowledge post-doctoral research could include semi-structured interviews to gain further in-depth insights into prevailing NEDs’ and corporate strategy.

## D.7 Proposed data collection

From the onset this researcher aims to ensure the data collection and analysis is fit for the purpose and carried out in a rigorous and appropriate fashion (SCIE 2012). Hughes and Tarrant (2020, para 1.3.1 - 4) refer to “*qualitative secondary analysis*” and in this research refers to the use of data “*in new contexts*” linked to “*repurpose data for new research*”. This qualitative analysis facilitates this mixed-method research design and affords the researcher time to “*study sample characteristics*” This research investigates NED strategic oversight circumstances and reflects upon examples obtained from disparate documents across successive iterations of data collection.

Soiferman (2010, pp10-11) quoting Creswell (2005) suggests six steps in the analysis of qualitative data. They are: “1) *generate and consolidate large, detailed data*, 2) *analysing data whilst still in process of collecting data*, 3) *qualitative research are recursive*, 4) *qualitative researchers analyse their data by reading it over several times and conducting an analysis each time*, 5) *There is no single approach to analyse qualitative data*, 6) *qualitative research is interpretative: the researcher makes personal assessments of the data descriptive format.*” These steps resonate with this researcher.

Analysis of proforma NED Letter of Appointment, Terms of Engagement/Reference, informs further data collection and analysis. Maher *et al* (2018, p1) suggest “*software packages such as NVivo ... provide excellent data management and retrieval facilities*” as well as “*a valid and tested analysis method for grounded theory generation*”. The repository of data is coded and analysed with the assistance of NVivo as well as other MS software. Merkl-Davies *et al* (2014, p23) recognise “*computers are more objective than human coders, they are less able to correctly synthesise themes and interpret results*”.

### D.7.1 Content and Thematic Analysis

Soiferman (2010, p19) reveals “*qualitative methods use ‘words’ to show data*” in this instance ‘strategy and leadership’ in NEDs’ role and responsibilities. Kara (2019, p89) indicates Thematic Analysis is very useful when there is a lot of data to be analysed as is the case in this thesis. Ryan and Bernard (2003, p62) indicate one can search for missing data by searching for items which appear to be missing. Additionally, they suggest meta-coding

to examine the relationship amongst a priori themes is likely to uncover potential new themes. Utilising Nvivo software and adopting search phrases the researcher can interpret what is potentially missing. Similarly, Ryan and Bernard (2003, p60) supply a number of linguistic connectors which could be useful such as: “*because, if, then, ...is a..., before, after, attributes, if.....then, X is close to Y....*”. Maher *et al* (2018, p12) utters words of caution to researcher’s over reliance on NVivo, whilst excellent at the provision of large data management and retrieval facilities, it needs the researcher to fully support and carefully interpret the actual outcomes.

Finally, accepting many iterations are necessary, as each iteration has the capability to incorporate improvements, it is important each method of analysis is clearly stated. In this research examination, there is the opportunity to present tables showing the comparison of methods employed and their contribution to knowledge in the empirical analysis and insights chapter. Leading from the Content Analysis is an iterative process of Thematic Analysis linked to IT with IST and the chosen methodology seeking out both what is represented and underrepresented in a reader friendly process.

### D.7.2 Lessons learned informing the writing up phase

Information Builders (2011) offer guidance in the form of seven steps to effective data governance which is applied to this research analysis phase as follows:

1. *Prioritise:* Explore where and how strategy occurs for NEDs,
2. *Maximise:* Maximise data collected in terms of information outputs,
3. *Create:* Ensure NEDs have clear roles and responsibilities,
4. *Improve and ensure:* Data collected, and information integrity is upheld,
5. *Establish:* Establish an audit trail to each data item,
6. *Convert:* Emphasise on the company not the individual transaction,
7. *Develop:* Have a feedback loop to enhance the overall process.

It may find corporate strategy is a disparate function and probably needs the board including NEDs to review and integrate their approach. Mindful of previous researchers such as Roberts *et al* (2005) this researcher utilises the outcomes and Thematic Analysis collected, to answer the research questions and objectives providing insights into current NED

participation in corporate strategy. Finally, Merkl-Davies *et al* (2014, p26) suggests “*credibility is concerned with establishing confidence in the ‘truth’ of the findings*”. They continue and indicate this can be achieved by “*prolonged engagement with the text and context by means of repeated close readings and familiarisation with the surrounding context.*” This researcher appreciates the need to explain the rationale for selecting a specific investigation route to underpin this thesis.



## D.8 Academic and Professional Discussions.

**TABLE 47 ACADEMIC AND PROFESSIONAL DISCUSSIONS**

Academic and Professional Confirming Discussions				
Date / time	Session	Content	Materials	Observations
Numerous	Building data collection tools, pilot and actual Prof. XXX	<ul style="list-style-type: none"> <li>Research Overview,</li> <li>Questionnaire</li> <li>Semi-structured interview</li> </ul>	<ul style="list-style-type: none"> <li>Research Statement</li> <li>Questionnaire form</li> <li>Semi-structured interview,</li> <li>recording device</li> </ul>	<ul style="list-style-type: none"> <li>Clarity</li> <li>Brevity</li> <li>Link to Institutional Theory</li> <li>Cross-reference to RQ/RO/IRO.</li> </ul>
1 Oct 18	NED pilot (XXX Academic and NED)	<ul style="list-style-type: none"> <li>Questionnaire</li> <li>Semi-structured interview</li> </ul>	Initial draft of data capture tools	Semi-structured interview needs introduction to sample. Potential to use questionnaire to facilitate same.
23 Dec 18	Draft WIP Research including tools (XXX, ex VP International Electronics Company)	Proofread draft document for obvious omissions.	Draft WIP as at 20 December 2018	Need for greater clarity of expression.  Potential for wording within questionnaire to be improved.
March 2019 & Jan. 2020	XXX	Proof reading WIP thesis circa 40k words	Abstract - Methodology	Grammar, consistency of referencing, eliminate duplications of points.
20 May 19	Exec. Pilot (XXX ex Exec. American Bank)	<ul style="list-style-type: none"> <li>Questionnaire</li> <li>Semi-structured interview</li> </ul>	Prevailing draft of data capture tools	Too easy to positively tick strategy box in current position. Split out NED time by % and hours.
3 June 19	Co. Secretary views: XXX, Company Secretary, CBRE and ex AxA	<ul style="list-style-type: none"> <li>Instruction letter,</li> <li>Questionnaire</li> <li>Semi-structured interview</li> </ul>	Informed consent and prevailing draft of data capture tools	Overall acceptable. Include in statement <i>“exact words may be quoted”</i> however the individual and company will be anonymised. Minor wording suggestions.

Academic and Professional Confirming Discussions				
Date / time	Session	Content	Materials	Observations
13 June 19	Ethics Application Dr XXX	<ul style="list-style-type: none"> <li>Instruction letter and authorisation pages</li> </ul>	Draft instruction letter and authorisation pages.	Need to clearly meet University ethics code and the GDPR. State clearly where the data is going to be stored.
13 Aug 19	XXX, Senior Lecturer and independent consultant	<ul style="list-style-type: none"> <li>WIP thesis (40k words)</li> </ul>	Academic proof reading	Questions arising on contents as well as potential omissions.
Numerous	Appropriateness of tools and language used: XXX, CIPD, MIoD, IoL.	<ul style="list-style-type: none"> <li>Questionnaire</li> </ul>	Draft questionnaire	Reviewed for wording, language used, linguistics and ease of use.  Questions raised in NED recruitment interviews.
Numerous	XXX, retired Vice President, Global Bank.	<ul style="list-style-type: none"> <li>Data analysis review</li> </ul>	NVivo, presentation and analysis discussion	Consistency of data presentation, linguistics
Various	Risk and Strategy Committee Views: XXX, Exec. Director, Global Bank	<ul style="list-style-type: none"> <li>Questionnaire</li> <li>Semi-structured interview</li> </ul>	Prevailing draft of data capture tools	Risk Strategy Committee viewpoint of 'Corporate Strategy' in banking sector.
11 Oct 2021	Mock Viva	<ul style="list-style-type: none"> <li>Draft Thesis</li> </ul>	Extended Abstract Presented	Finalisation of thesis for submission

Source: Lisson (2022), N.B. Confidentiality to the participant and their organisation is observed.

## D.9 Personal reflection

Researcher: Muriel Lisson, MA, MBA, SFHEA, FCMA, CGMA.

My PhD research journey has been long and involved a steep learning curve to appreciate and assimilate the depth of theory, literature and the magnitude of methodological issues. I now appreciate the need to justify what is within scope as much as that omitted. At times I questioned my desire to continue to completion. However, my intellectual curiosity remained alive and, luckily for me, the nature of my selected research became even more important.

**TABLE 48 PhD ROUTE TO SUCCESS**

<b>PhD application accepted</b> 1 November 2014	<b>Res 1: Completed</b> 15 May 2015	<b>Res 2: Completed</b> 17 June 2016	<b>Res 3: Completed</b> 27 August 2019
<b>Res 4B: Annual reviews</b> Successfully submitted and completed May of each year.	<b>Ethics Applications</b> Pilot Questionnaire Approved: 26-Dec-19  Actual: Covid-19 Moratorium	<b>Data successfully Gathered:</b> During 23-Apr-19 – 31 Dec 2020. Pilot questionnaire: April 2020 cancelled due to COVID	<b>Academic conference presentations</b> July 18&19 LSBU AFG Doctoral Event 20 Sept 2019 LCSS 5 Jan 2021 AARG 26 Feb 2021 AHRC 9 April 2021 BAFA
<b>PhD Poster participation</b> 19 July 2018 04 July 2019 26 Feb 2021 AHRC	<b>PhD participation: Bake my research competition</b> 19 July 2018	<b>3Minute Thesis</b> May 2017 LSBU July 2019 UK Semi-finalist	<b>Res 5: completed</b> 9 March 2020 Presentation and XX Sept 2020 formalities
<b>Mock Viva</b> 11 Oct 2021	<b>Submit my final thesis</b> December 2021  <b>&amp; Viva 17 January 2022</b>	<b>Post Viva review and minor amendments/refinements</b>	<b>2022 Successful resubmission and completion of my PhD!</b> Hurray

Overall, I enjoyed engaging with the PhD research experience and feel academically much richer having undertaken this thesis.

## D.10 Pilot Research Methods Mapping

### D.10.1 Pilot phase: Research Questions, Objectives and Research Outcomes

The initial phase of this research design envisaged collecting primary data and a set of questionnaires and semi-structured interviews were developed, mapped and piloted. Regrettably, due to Covid-19 ongoing restrictions the primary data collection methods originally envisaged were suspended. The pilot research design is refocused upon deriving a contribution to knowledge from mixed-method parallel-layered data research and analysis, performed during 2019-2020, targeting FTSE 350 NEDs' oversight role. The research questions, objectives and outcome mapping are provided in the table below.

**TABLE 49 PILOT RESEARCH DESIGN MAPPING**

Research Mapping			
No.	Question	Objective	Outcome
1	Do, and if so, in what form and to what extent, are NEDs contributing to corporate strategy?	To determine NEDs' corporate strategy contributions within their companies.	A clearer understanding of NEDs' contribution to corporate strategy, whilst applying an institutional theory lens, together with its associated implications.
2	Do, and if so, in what form and to what extent are relevant sub-committees supporting board-level corporate strategy decisions?	To identify how corporate strategy is recognised within the various board level committees.	A clear insight into NEDs' contributions into corporate strategy: i.e. strategic shaping (directing), conducting (participating) and deciding(controlling).
3	Are the relevant NEDs participating in corporate governance and compliance?	To identify whether the current NEDs' role has the potential to contribute to long-term sustainable corporate strategy.	Issuance of policy recommendations which could enhance the focus of all board members (not just NEDs) both in terms of time and competencies to promote long-term sustainable corporate strategy.
4	Are NEDs contributing to corporate strategy, and in so doing promoting long-term sustainable companies?	To reveal the prevailing perceptions of NEDs and corporate strategy.	The outcomes of this research provide a contribution to knowledge, with the potential to influence policy and require a change in the prevailing legislation and corporate governance policy.

D.10.2 Pilot Ethical Application

D.10.3 Pilot questionnaire oral statement:

## **Research Collection Oral Statement** (University Logo)

### **Non-Executive Directors and Corporate strategy:**

### **Theory and Empirical Insights from FTSE 350 Companies**

I am Muriel Lisson a PhD research student. I am investigating NEDs and Corporate strategy. I am currently conducting a **pilot** which has a custom designed questionnaire (and semi-structured interview). I am interested in both the ease of completing the data collection tools and your pertinent points prior to releasing the same on my target audience.

Your views on both what you do and think of your NED role are being sought, for the NED position you have held the longest. Please be aware your feedback is strictly confidential, and your name and company(s) name should not appear anywhere on the data collection tools. Before you complete this survey please read and sign the consent form.

I would like to take this opportunity to thank you for your time and contribution.

**Muriel Lisson**

**PhD Research Student**

D.10.4 Pilot informed consent form requiring signature

## Informed Consent Form: for PhD data collection

(University Logo)

Project Title: **Non-Executive Directors and Corporate Strategy**

Researcher: **Muriel Lisson, MBA, MA, SFHEA, FCMA, CGMA, email: lissonm@lsbu.ac.uk**

Thank you for your interest in taking part in my research. Before you agree to take part, I must explain this research project to you. I am seeking your views of what you do and what you think within your NED role(s). If you have any questions arising from the explanation provided to you, please ask me. You will be given a copy of this Consent Form to keep and refer to in the future.

**Participant's statement:** I agree that:

- I understand that the questionnaire and/or semi-structured interview response that I am about to give will form the basis of research published within a PhD thesis, academic publications and conferences and presentations. Confidentiality and anonymity will be maintained by ensuring participants' name and/or company is not recognisable within my research albeit quotes of exact words may be utilised. This research may refer to industry level if appropriate.
- I consent to the analysis of my anonymised responses for the purposes of this research study.
- I agree that this research anonymised responses may be used within future research. I am assured that the confidentiality and anonymity of personal data will be upheld through the removal of all identifiers.
- I understand that such information will be treated as strictly confidential and handled in accordance with the provisions of the UK Data Protection Act 2018 and GDPR. This signed hardcopy of my consent will not be scanned nor stored electronically. The signed consent forms will be stored in the university as part of the PhD researchers' evidence.
- The anonymised data will be securely stored within the University repository and destroyed 5 years post the award of my PhD. A copy of the file will be securely stored by the researcher.
- I agree that the research project named above has been explained to me and to my satisfaction and I agree to take part in this study.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## D.10.5 Pilot questionnaire: (LSBU Logo/Doctoral Academy)

**Non-Executive Directors and Corporate Strategy**

Tick here to confirm you have read and signed the informed consent form	
---	--

In your role as a NED/Chair how many such positions have you held in your career? \_\_\_\_\_

Spanning how many years? \_\_\_\_\_ In which industry(ies)? \_\_\_\_\_ SIC: \_\_\_\_\_

Have you completed this questionnaire before? Circle your answer: Yes / No / Unsure

**In responding to this questionnaire have regard to the FTSE 350 company you have served longest as a NED/Chair:**

Tick your involvement as appropriate to your NED/Chair circumstances:

NED FTSE 350		Nomination Committee	
Chair FTSE 350		Audit Committee	
NED FTSE All Share		Remuneration Committee	
Chair FTSE All Share		Risk and Control Committee	
FTSE Board level director		IT and Cyber Committee	
FTSE Company Secretary/Governance		Other: .....?	
<b><u>Formal</u></b> corporate strategy Committee		<b><u>Informal</u></b> Corporate Strategy Committee	

Please estimate in the past 12 months using total time spent on governance and compliance and that specifically on corporate strategy. Add activities specific to your role.

Activity	Governance and compliance hours	Specifically, on corporate strategy hours
Board Meetings		
Committee Meetings		
Preparing for meetings		
Other (please specify) .....		
Other: .....		
Other: .....		

Does your NED contract specify specific time or days? If yes, how many: \_\_\_\_\_

Continued...../

No.	Question	Yes	No	N/A
1	Does your company(s) have a written board strategy statement?  If yes, how many years into the future is strategy planned?  1 – 2 years goals ____; 3 – 5 years goals ____; 6 years and beyond ____.			
2	Is corporate strategy a specific item on <b>all</b> Board meeting agendas?  Or is it singled out to specific meetings?			
3	Does your company(s) have specific corporate strategy <b>away days</b> ?  If yes, how many per year? _____ Are they hijacked by current issues?			
4	Within the various regular board and Sub-Committee meetings is corporate strategy specifically discussed?			
5a	From your experience, do NEDs participate most in corporate strategy by:  Directing/Leading __; Participating/Conducting __; Deciding/Monitoring ____.			
5b	From your experience do NEDs participate in strategic oversight management (review implementation plans) based upon a pre-agreed formal corporate strategy?			
5c	Do NEDs ratify the corporate strategy as presented at the BoD meetings?			
6	From your experience is the best use being made of NEDs' corporate strategy capabilities within your company(s)?			
7	Do NEDs have enough time and resources available to actively engage in corporate strategy discussions within your company(s)?			
8	Would NEDs benefit from formal development and qualification in strategic thinking? If so how? .....			
9	Does your company(s) have a specific board level Corporate Strategy Committee dedicated to support the board corporate strategy?			

Have you any pertinent thoughts relevant to NEDs and Corporate Strategy?



D.10.6 Pilot questionnaire – ethical permission granted 26-12-2019

12/26/2019

Mail - Lisson, Muriel - Outlook

Signed off - Ethics ETH1920-0009: Mrs Muriel Claire Lisson (Low risk)

LSBU PGR Manager <do-not-reply-pgr-manager@lsbu.ac.uk>

Thu 26/12/2019 11:30

To: Lisson, Muriel <lissonm@lsbu.ac.uk>

**London South Bank University**

Muriel Claire,

Your application for ethics approval has been signed off as low risk.

Please see the application online for more details.

**Ethics ETH1920-0009: Mrs Muriel Claire Lisson (Low risk)**

Copyright in this email and in any attachments belongs to London South Bank University. This email, and its attachments if any, may be confidential or legally privileged and is intended to be seen only by the person to whom it is addressed. If you are not the intended recipient, please note the following: (1) You should take immediate action to notify the sender and delete the original email and all copies from your computer systems; (2) You should not read copy or use the contents of the email nor disclose it or its existence to anyone else. The views expressed herein are those of the author(s) and should not be taken as those of London South Bank University, unless this is specifically stated. London South Bank University is a company limited by guarantee registered in England and Wales. The following details apply to London South Bank University: Company number - 00986761; Registered office and trading address - 103 Borough Road London SE1 0AA; VAT number - 778 1116 17 Email address - LSBUinfo@lsbu.ac.uk

<https://outlook.office365.com/mail/inbox/Id/AAQkADdhYzkwNjQzLTg0MmUINDUxZS1YjY2LTM2NzVhZDExZGVhYQQAUpUGcCC%2BHINvUsCb...> 1/1

D.10.7 Ethics Application Form - Pilot

D.10.8 Draft LSBU Ethics Application – Pilot Questionnaire – (Haplo download)

**LSBU - Ethics Application Haplo Template (downloaded August 2019)**

Draft as at 23 October 2019

**Title:** Non-Executive Directors and Corporate Strategy: Theory and Exploratory Empirical Insights from FTSE 350 Companies

Researcher(s) Muriel Claire Lisson, Student No. 3401770

**Theoretical Rationale**

Please outline the rationale for your research project, identifying the theoretical and/or practical need for the research and how the initial hypothesis have been reached.

**Abstract**

The aim of this thesis and its underlying in-process research is to provide exploratory, theoretical, and empirical insights into NEDs from the FTSE 350 companies. Responding to the fundamental research question, the research seeks to evaluate empirical evidence as to the nature of NEDs' actual participation in, along with their contribution to corporate strategy. In order to deliver deep empirical insights, the research deploys an interpretivist philosophy (with appropriate ontological, epistemological and axiological considerations) surrounding NEDs and corporate strategy.

The pilot research is exploratory in nature and is supported by Institutional Theory while being supported by elements of Grounded Theory and Phenomenography. This in turn influences the research methods and the data gathering and analysing processes. Methodologically, the examination of NEDs' actual contribution to corporate strategy capabilities is considered in terms of their Shaping, Conducting and Deciding appropriate strategies. The research itself employs a mixed method layered data collection performed during 2019-2020 alongside purpose-built questionnaires and semi-structured interviews targeted at NEDs and professional bodies. Unusually, the research initially engages with archival and secondary data sourced from UK CA 2006 and its amendments, 30 years of UKCGCs, London Stock Exchange regulations, overseas CG codes, FTSE 350 companies NEDs' Terms of Engagement, Sub-Committee Terms of Reference and the company's

Strategic Reports. Subsequently, the research attempts to validate/endorse outcomes from these data with the use of primary data.

Initial data analysis suggests NEDs' Letter of Appointment, Terms of Engagement/Reference have little or no mention of their corporate strategy responsibilities. Comprehensive Terms of Reference are available for Sub-Committees of the main board e.g., Audit, Nomination, Remuneration, Risk and as companies see fit various others. No Corporate Strategy Committee has yet been unearthed. This initial data analysis suggests the likely contribution to knowledge and policy is for NEDs to be directly involved in strategic leadership via a proposed Corporate Strategy Committee. Additionally, there appears to be a need for a policy requirement for the board to provide meaningful, measurable statements on their long-term sustainable future of their company i.e., 5 – 10 years, within the strategic report.

#### Rationale for research

This research is timely as knowledge of NEDs and corporate strategy is seldom researched and is identified as an area which needs further research within published articles. Additionally, there are many practical benefits from this research for the corporate world, which includes reinforcing the need for building long-term sustainable businesses. The theoretical insights revealed within this research sow the seeds for future amendments to prevailing UK Companies Act along with UK Corporate Governance Code.

This research is undertaken deploying an Institutional Theory lens. The practical benefits unearthed within this research inform NEDs, Boards, Professional Bodies as well as UK Government. The proposition explores prevailing NEDs' contribution to corporate strategy and whilst recognising the need to integrate strategic planning within corporate strategy decisions. The outcomes are likely to include greater clarity and focus on NEDs' role and responsibilities to corporate strategy along with ensuring this is aligned with their organisation.

## Procedure

Please outline the procedure of your research project step by step, beginning with the consent stage through to final debriefing.

My ethical application is made up of two stages: the pilot phase and the actual data collection phase.

**This ethical application is for the pilot phase only.**

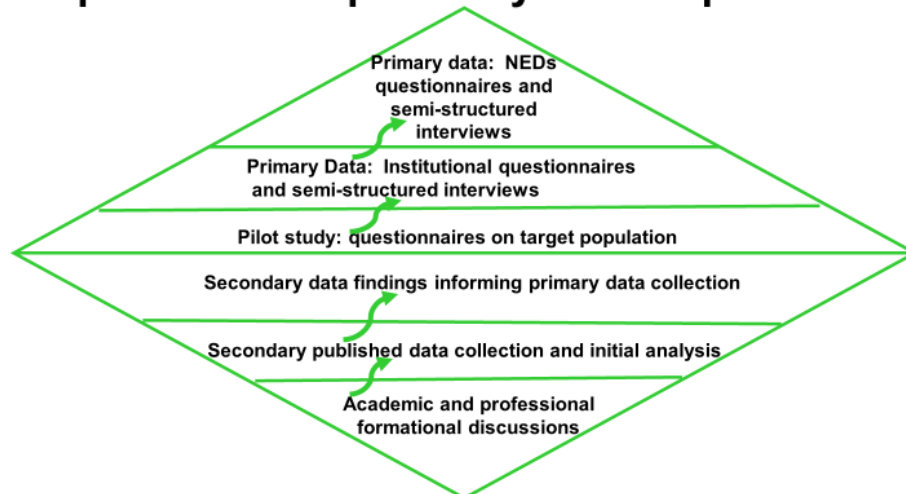
### Data collection process:

A purpose-built questionnaire is designed which includes an oral statement and an informed consent form which needs to be signed prior to administering the questionnaire. It is intended for distribution to a captured audience. The pilot questionnaire responses will not form part of the actual data analysed rather inform the researcher prior to actual data collection.

The image below depicts the compilation and exploratory and empirical data needed to be collected to undertake this research.

**FIGURE 20 COMPILATION OF EXPLORATORY AND EMPIRICAL PILOT DATA**

### Compilation of Exploratory and Empirical Data

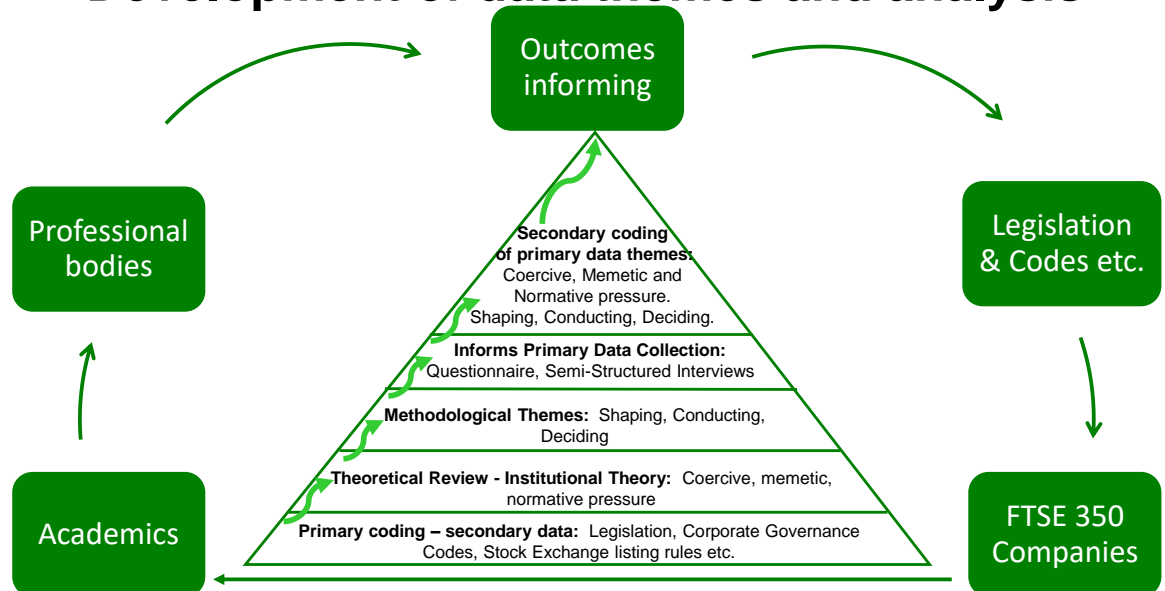


This exploratory research is unusually influenced in the 1<sup>st</sup> instance by academic and professional formational conversations which aid the researcher in defining the scope of the research. Data is collected and analysed to identify the knowns and to underpin the collection of primary data. The actual data collected and analysed clearly support the furtherance of this research.

The data collected is mapped and analysed into strategic themes applying Institutional Theory framework as depicted in the diagram below.

**FIGURE 21 DEVELOPMENT OF DATA THEMES AND ANALYSIS – PILOT DATA**

## Development of data themes and analysis



This researcher maps the primary data collection process commencing with a pilot questionnaire on her target population. The target population are NEDs and board members from FTSE 350 companies. NEDs' names as well as their assigned company and specific Committee roles are published and in the public domain. These individuals and their company names are not the focus of this research, and their contribution is anonymised. Industry level is noted and can be commented up especially where differences appear.

Please find within the attachments a questionnaire showing the various questions and how they are mapped to the constructs of strategy and Institutional Theory. In addition, there is a set of notes explaining this mapping.

Debriefing of the pilot phase will be with my supervisory team. Unless something very unusual or unexpected and unexplained is unearthed, it is not envisaged that the individual respondents to the questionnaire are individually debriefed.

Are there any beneficiaries to the proposed research project?

Yes      ~~No~~

If yes, who are they and how will they benefit?

There are many beneficiaries to this research and can be summarised as follows:

**TABLE 50 PILOT RESEARCH BENEFICIARIES**

Beneficiary	Potential Benefits
UK Government	Potential to improve regulation – including amendments to existing legislation
London Stock Exchange	Potential to improve adherence to LSE guidelines and promote the long-term success of the constitutions of FTSE 350 stock exchange
Financial Reporting Council	Potential to improve the UK CGC (2018) with clearer understandings and role and responsibilities for NEDs of FTSE 350 companies with respect to corporate strategy.
Professional Bodies	IoD, NEDA, ICSA to name a few, can influence their members and provide greater focus on the role and responsibilities of NEDs and corporate strategy in addition to corporate governance
FTSE 350 Companies	It is in the long-term interest of FTSE 350 companies to have and maintain a sustainable future to promote the success of their organisation's
Boards	All members of FTSE 350 companies are well served by ensuring optimum corporate strategy is shaped, conducted and decided upon.
NEDs and Chairpersons	Ultimately once accepting an appointment on a FTSE 350 board they have the responsibility to dispense their duties with due care and attention.

Does any of your research fieldwork take place outside the UK?

~~Yes~~ .....No

If yes, please state location(s) of your fieldwork region:

Research project start date

Part-time PhD commenced November 2014, pilot questionnaire collection process commences on ethical approval which is granted on 26 December 2019. On collection and initial analysis of piloted

questionnaires I envisage submitting my application for actual data collection which will include the questionnaire (revised as necessary) and a 6 question pre-formatted semi-structured interview.

Actual

Anticipated research project end date

I anticipate submitting my completed PhD thesis March 2021 onward.

## Ethical Risk

Does the research project have funding? \*

☐ Yes ☒ No

Does this research project involve other organisations? \*

☐ Yes ☒ No

Does the research project involve people as participants or in any other way? \*

☒ Yes ☐ No NEDs and other board members completing anonymised questionnaire

Does the research project involve vulnerable groups?

☐ Yes ☒ No

Does the research project involve sensitive topics? \*

☐ Yes ☒ No

Does the research project involve secure data, or publicly available data in which individuals can be potentially identified? \*

☐ Yes ☒ No

Does the research project involve any situations where the safety of the researcher may be in question? \*

☐ Yes ☒ No

Does the research project involve recruiting participants via the internet? \*

If you are using questionnaires hosted online but are not recruiting via the internet you can answer no.

☐ Yes ☒ No

Does your research project involve access to, or use of, material which could be classified as security sensitive? \*

For instance material commissioned by the military, or commissioned under an EU security call, or involve the acquisition of security clearances, or concerns terrorist or extremist groups, or radicalisation in any form.

☐ Yes ☒ No

Does the scope of the research project involve additional insurances over and above the University's standards? \*

☐ Yes ☒ No

Does the research project involve deceased persons, body parts, or other human elements? \*

Including but not limited to blood or saliva.

☐ Yes ☒ No

## Ethical Guidelines:

**All research conducted by LSBU staff and students should follow the LSBU Ethics Code of Practice. You should also follow the guidelines relevant for your discipline. Please indicate which discipline guidelines you will use below.** Please note this list is not exhaustive.



- ☒ Association of Business Schools Ethical Guidelines
- ☐ Association of Social Anthropologists of the UK and Commonwealth
- ☐ British Computer Society
- ☐ British Educational Research Association Revised Ethical Guidelines for Educational Research (2011)
- ☐ British Forum for Ethnomusicology (BFE)
- ☐ British Psychology Society: Code of Ethics and Conduct (August 2009)
- ☐ British Society of Criminology: Statement of Ethics (2015)
- ☐ British Sociological Association: Statement of Ethical Practice for the British Sociological Association
- ☐ College of Occupational Therapists: Code of Ethics and Professional Conduct (2015)
- ☐ ESOMAR: The European Society for Opinion and Market Research
- ☐ General Social Care Council Codes of Practice for Social Care Workers
- ☐ Institute of Business Ethics: Ethical Values and Codes
- ☐ Institute of Career Guidance: The Code of Ethics for Members of the Institute of Career Guidance ☐
- ☐ Institute of Engineering and Technology (IET): Rules of Conduct (2012)
- ☐ Journalism Research Code of Conduct
- ☐ Media, Communication and Cultural Studies Association (MeCCSA)
- ☐ National Health Service National Patient Safety Agency: National Research Ethics Service
- ☐ Royal College of Nursing: Research Ethics: RCN Guide for Nurses
- ☐ Social Policy Association
- ☐ Social Research Association: Ethical Guidelines
- ☐ World Medical Association Declaration of Helsinki: Ethical Principles for Medical Research Involving Human Species (latest revision: October 2008)
- ☒ Other: [\(include CIMA within re-submission for actual data collection\)](#)

**If you selected other, please enter details here.**

Institute of Directors UK, Terms and Conditions

**Is there any special training of investigators needed to complete this research project?**

No.

**If yes, please provide details for the training and how it will be delivered.**

## Data Collected and sharing

**Does the research project involve access to records of personal or sensitive information concerning identifiable individuals?**

Yes ..... No

**Which of the following data types will you be using?**

- Secondary/Archival data ☒



- Surveys/Scale based measures ☒
- Non intrusive physiological data (including blood pressure, kinematics, reaction time data, eye tracking, etc.) ☐
- Interviews/Focus groups ☒
- Other forms of data/special procedures

For each data collection type please indicate how data will be collected and from what sources.

Please upload any supporting documents

Secondary data is downloaded from FAME, file attached.

Primary data – pilot questionnaire attached

**What steps will be made to ensure the data collected will be anonymous or made anonymous?**

The questionnaire will be distributed in person and I attach the information briefing. I also attach the informed consent template

Will data be stored electronically? \*

☒ Yes ☐ No

If yes, what steps will be taken to secure the data?

The anonymised pilot questionnaire does not have any reference to the person nor their organisation.

**If no, where will the data be stored?**

The signed informed consent paper form will be stored at the researcher home office.

**When will the data be destroyed?**

In accordance with LSBU research guideline: date of successful PhD plus 5 years.

**Although all forms of data analysis cannot be foreseen prior to data collection, please indicate what form of analysis is currently planned.**

- Secondary data downloaded from databases and public searches eg. Google, FAME, Bloomberg
- Pilot – questionnaire only.
- Actual research – questionnaire and semi-structured interview

Edit Application:

Reminder: My ethical application is made up of two stages; the pilot phase and the actual data collection phase. **This ethical application is for the pilot phase only.**

#### Disclosure and Barring Service

Does the investigator or anyone else connected to the research project require a DBS check? \*

☐ Yes ☒ No

If no, please indicate why.

No personally sensitive data collected, nor vulnerable individuals involved.

**If yes, please attach a copy of the certificate.**

Has a health and safety risk assessment been carried out and, for applicants with supervisors, has the assessment been approved by a supervisory team?

 ☒ Yes ☐ No

#### D.10.9 Pilot data collection accessibility

- Explored ease and accessibility of data collection using ‘Google’ searches. BUPA – large private company outside FTSE 350 range. NED Terms of Reference,
- FTSE 350 companies by industry and their current Board members (Source: Financial Analysis Made Easy (FAME) downloaded 9 April 2019) See separate data e-file for full listing (very large file).

Knowing what data is readily accessible and discussing with my supervisor actual downloading of FTSE 350 company data is undertaken on 23 April 2019. Refer to actual data collected statements. Subsequent to the desktop review, the researcher develops bespoke questionnaires aimed at current FTSE 350 NEDs. These questionnaires aim to identify the amount of time, focus and area of strategy NEDs are involved in. The questionnaires divorce the individuals’ name and their company from specific data collected. Care is taken to follow rigorous questionnaire design, conduct and analysis methods.

**TABLE 51 TAXONOMY: RELATIONSHIP BETWEEN EMPIRICAL DATA TOOL DEVELOPMENT WITHIN PILOT DATA**

Proposed Data Collection	Research Questions	Data Analysis	Identify possible improvements in data collection instruments, timing etc.	Request feedback from participants, i.e., prospective inclusions and exclusions
<b>Theoretical Contribution</b>  <b>Data Repository</b> <ul style="list-style-type: none"> <li>Professional body proformas</li> <li>Government: CA (2006)</li> <li>Governance Codes</li> <li>LSE listings: FTSE 350</li> <li>Professional</li> </ul> <b>Primary Data</b> <ul style="list-style-type: none"> <li>NEDs (anonymity of candidate and company.)</li> <li>Semi-structured Interviews</li> </ul>	<b>RQ 1</b>  <b>RQ: 2 – 3</b>   <b>Considered in pilot phase only.</b>	<p>Appropriate and comprehensive consideration of Institutional Theory with Instrumental Stakeholder Theory.</p> <p>Run a search for <b>Strategy</b> and its derivatives within documents:</p> <ul style="list-style-type: none"> <li>Nature of strategic discussions</li> <li>Location of strategic discussions</li> <li>Any organisational issues?</li> <li>Possible use of proxies.</li> </ul> <ul style="list-style-type: none"> <li>Explore NEDs' perceptions of their role and corporate strategy.</li> <li>Explore ease of use of pilot tool, timing, location, etc.</li> </ul>	<p>Review outcomes via confirming discussions.</p> <p>Review outcomes via confirming discussions.</p> <ul style="list-style-type: none"> <li>Outcomes meaningful?</li> <li>What is missing?</li> <li>Depth of information...</li> </ul> <p>Instigate feedback from confirming discussions. Take on board the COVID-19 impact i.e., moratorium on collection of primary data.</p>	<p>Not applicable.</p> <p>Review data collected and analysis and incorporate supervisors' feedback and concerns as well as any likelihood to improve data analysis outcomes.</p> <p>Review inputs and outputs subsequent to COVID-19 impact on my thesis with supervisory team for capacity to continue research without a lengthy interruption.</p> <p>Incorporate the views of Academics/Professors to refocus thesis based upon documentary data.</p>
<b>Documentary Data</b> – from own research RQ 2-4.	<b>RQ. 4</b>	<p>Utilise data outcomes from RQ1 – 3 to analyse new and additional discussion/analysis.</p> <p>Operationalisation issues arising?</p>	Potential for thematic analysis: Am I missing something? Am I collecting data which I am not utilising?	Review inputs and outputs for prospective improvements, omissions, oversights prior to going live on data collection.

Source: Lisson (2022), conceptual methods framework.

D.10.10 Pilot Questionnaire coding and mapping

D.10.11 Pilot Coding mapping

<b>S</b>	<b>C</b>	<b>D</b>	<b>C</b>	<b>M</b>	<b>N</b>	<b>RQ</b>
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**Methodological Issues:**

**S: Shaping** - includes directing corporate strategy,

**C: Conducting** - includes formulating corporate strategy,

**D: Deciding** - includes approval and monitoring corporate strategy,

**Theoretical Issues:**

**C: Coercive** - refers to the need for companies to “*comply or explain*”,

**M: Mimetic** - refers to companies emulation of other successful companies,

**N: Normative** - refers to company peer pressure to adopt norms and values,

**RQ: Research Question:**

Depicts the links between theoretical concepts and methodological issues raised within this thesis.

During the pilot phase it is expected adjustments to mapping may need to be undertaken prior to go-live actual analysis.

D.10.12 Comprehensive coding and mapping to Institutional Theory and methodological fit.

Each question is carefully selected to elicit where and when NEDs are involved in corporate strategy within their company against the influence of Institutional Theory and the chosen methodology. The mapping informs the analysis.

## D.10.13 Pilot questionnaire mapping

**Non-Executive Directors and Corporate Strategy**

Tick here to confirm you have read and signed the informed consent form	
---	--

In your role as a NED/Chair how many such positions have you held in your career? \_\_\_\_\_

Spanning how many years? \_\_\_\_\_ In which industry(ies)? \_\_\_\_\_ SIC: \_\_\_\_\_

Have you completed this questionnaire before? Circle your answer: Yes / No / Unsure

**With regard to the company you have served longest as a NED/Chair:**

Tick your involvement as appropriate to your NED/Chair circumstances: **Map to methodology** / **Inst.Theory** / **R.Q.:** Y = Yes, N = No

		S	C	D	C	M	N	RQ	Rational
NED FTSE 350		Y	Y	Y	Y			All	CA '06 s171
Chair FTSE 350		Y	Y	Y	Y			All	CA '06 s171
NED FTSE All Share(captured audience)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	Discrete elimination
Chair FTSE All Share(captured audience)		N/A	N/A	N/A	N/A	N/A	N/A	N/A	Discrete elimination
FTSE Board level director		Y	Y	Y	Y			All	CA '06 s171
FTSE Company Secretary/Governance		Y	Y	Y	Y			All	CA '06 s171
<b>Formal</b> corporate Strategy Committee		Y	Y	Y			Y	RQ2	Higgs 2003 / Walker 2009

Appendix

		S	C	D	C	M	N	RQ	Rational
Nomination Committee		Y	Y	Y	Y	Y	Y	RQ2	Higgs 2003
Audit Committee		Y	Y	Y	Y	Y	Y	RQ2	Higgs (2003)
Remuneration Committee		Y	Y	Y	Y	Y	Y	RQ2	Higgs (2003)
Risk and Control Committee		Y	Y	Y	Y	Y	Y	RQ2	Higgs (2003)
IT and Cyber Committee		Y	Y	Y	Y	Y	Y	RQ2	UK CGC (2018)
Other: .....?		Y	Y	Y	Y	Y	Y	RQ2	UK CGC (2018)
<b><u>Informal</u></b> Corporate Strategy Committee		Y	Y	Y	Y	Y	Y	RQ2	Higgs (2003) / Walker (2009)

Please estimate in the past 12 months using total time spent, or total % time you spent on governance and compliance and that specifically on corporate strategy:

Activity	Total Hours	Governance and Compliance Hours	Specifically, on Corporate strategy Hours	S	C	D	C	M	N	RQ	Rational
Board Meetings				Y	Y	Y	Y			RQ3	CA '06, s171 + s4, Higgs '03 / Walker '09, UK CGC '18
Committee Meetings				Y	Y	Y	Y			RQ3	
Preparing for meetings				Y	Y	Y	Y			RQ3	
Other				Y	Y	Y			Y	RQ3	
Other				Y	Y	Y		Y		RQ3	

Do you have a NED contract which specifies specific time or days? If yes, how many: \_\_\_\_\_

Continued...../

No.	Question	Yes	No	N/A	S	C	D	C	M	N	RQ	Rational
1	Does your company(s) have a written board strategy statement?  If yes, how many years into the future is strategy planned?  1 – 2 years goals ____; 3 – 5 years goals ____; 6 years and beyond ____.				Y	Y	Y	Y	Y	Y	RQ1	CA '06, s171 + s4,  Higgs '03 / Walker '09,  UK CGC '18
2	Is corporate strategy a specific item on <b>all</b> Board meeting agendas?  Or is it singled out to specific meetings?				Y	Y	Y		Y	Y	RQ1	Higgs '03 / Walker '09,
3	Does your company(s) have specific corporate strategy <b>away days</b> ?  If yes, how many per year? _____ Are they hijacked by current issues?				Y	Y	Y		Y	Y	RQ1	Higgs '03 / Walker '09,
4	Within the various regular board and Sub-Committee meetings is corporate strategy specifically discussed?				Y	Y	Y		Y	Y	RQ2	Higgs '03 / Walker '09,

5a	From your experience, do NEDs participate most in corporate strategy by: Directing/Leading __; Participating/Conducting __; Deciding/Monitoring ____.				Y	Y	Y		Y		RQ1	Higgs '03 / Walker '09,
5b	From your experience do NEDs participate in strategic oversight management (review implementation plans) based upon a pre-agreed formal corporate strategy?				Y	Y	Y		Y		RQ1	Higgs '03 / Walker '09,
5c	Do NEDs ratify the corporate strategy as presented at the BoD meetings?						Y	Y	Y	Y	RQ3	Higgs '03 / Walker '09,
6	From your experience is the best use being made of NEDs' corporate strategy capabilities within your company(s)?				Y	Y	Y			Y	RQ3	Higgs '03 / Walker '09,
7	Do NEDs have enough time and resources available to actively engage in corporate strategy discussions within your company(s)?				Y	Y	Y	Y		Y	RQ1	Higgs '03 / Walker '09,
8	Would NEDs benefit from formal development and qualification in strategic thinking? Comments .....				Y	Y	Y			Y	RQ4	UK CGC '18
9	Does your company(s) have a specific board level Corporate Strategy Committee dedicated to support the board corporate strategy?				Y	Y	Y		Y	Y	RQ2	Higgs '03 / Walker '09,



## D.10.14 Pilot investigation of data tools and analysis

This thesis leverages existing understandings and utilises known tools as well as specifically developing tailor-made data collection and analysis tools for this specific research. This researcher appreciates the importance of conducting the pilot to investigate and undertake pretesting to increase awareness in terms of likely contextual ambiguities which could occur with the various data collection tools. Moreover, availability of participants, place, time, etc. and other possible challenges or opportunities which may arise can be probed and solutions identified prior to the actual data collection commencing.

## D.10.15 Access and interrogation of data

Accessing company websites, Bloomberg, FAME and other databases the various data elements are deemed easily accessible. The data included proforma NED Letter of Appointment, Terms of Engagement/Reference, UK CA 2006 and its amendments, UK CGC (2018) and various governance guidelines, access to FTSE 350 constituents as at 9 April 2019, Strategic Reports as well as overseas legislation and CG codes.

A cross-sector industry sample of the proposed data collected is gathered and analysed. The advanced ‘find function’ in the .pdf tool bar is utilised to search for the number of times ‘strategy’ and its derivatives are mentioned. This is explored on a literature article, with file extension ‘.pdf’ which quickly released the number of observations per document.

An initial review takes place where a small sample of data documents are selected for NVivo analysis and training purposes to ensure they are suitable for full scale deployment by the researcher. Once more this advanced data analysis tool proved helpful and is deployed in the actual data analysis and presentation of information.

The researcher shares and discusses the research inputs and outcomes with the supervisory team as well as through conference presentations, so academic feedback can be acquired and postulated prior to full data collection and analysis deployment. Lessons learned from piloting the data collection along with the impending analysis are considered. The capacity to take on board feedback from various data sources is acknowledged.

A small-scale pilot is undertaken of the data collection tools and their ease of use for the researcher, as well as methods of analysis on a small number of companies prior to the full data collection. The main reason for undertaking the pilot is to explore the extent to which the data collection instruments are capable of unearthing relevant material to inform this thesis. The purpose of this pilot is to tease out any ambiguities in the access and completion of analysis along with any practical implications. This aids clarity and ensures tasks are not unreasonable from the perspective of the researcher.

#### D.10.16 Access to primary data subjects

A conscious decision is taken not to pilot the semi-structured interviews just the questionnaire. This is reflected in individual answers to open questions being likely to be different for each NED. The preliminary academic and professional discussions indicated the tool is suitable for full deployment.

#### D.10.17 Pilot questionnaire, semi-structured interview templates and analysis methods

The questionnaires and semi-structured interview templates are prepared and mapped to Institutional Theory and methodological framework. These forms are as a result of an iterative process commencing with academic colleagues and professional friends to identify and summarise the data collection requirements within single A4 sheets of paper so as to capture and gain acceptance from the intended audience.

The ease of use and ability to capture primary data via the questionnaire is piloted with a target population of 3 - 5 respondents. Having obtained ethical approval in advance, the questionnaire is trialled on 7 February 2020 at IoD reception, 116 Pall Mall, London. Unfortunately, whilst there were many NEDs signed in at the reception none from FTSE 350 companies between the hours of 9 – 12.00 noon on the day. A more tailored approach is required.

Alternatives are considered and included opportunistic requests for NEDs whilst attending other events to complete the questionnaire. This is moderately successful. NEDs requested an eVersion of the questionnaire, and this is prepared and is yet to be deployed. In addition to collection of the data, ease of use and NED understanding, and perceptions are checked. The pilot subjects are also be asked if they have suggestions as to questions which may have been omitted. All suggestions and recommendations are considered prior to 'go-live'.

Finally, due to Covid-19 pandemic primary data collection is not a feasible option within this research.

A small number of pilot questionnaires were distributed late February and early March 2020 prior to the moratorium on primary data collection because of Covid-19. There is scope for further review and refinement post-doctoral research.

Data documents are analysed using NVivo specifically seeking the relevant importance of corporate strategy, long-term sustainable business and other future focused phrases within pdf files to ascertain the viability of utilising this software to obtain greater insights into the phenomenon of NEDs and corporate strategy. Specifically, the number of times 'strategy' and 'leadership' is mentioned. It is noted the context in which these terms appear can be further analysed and reported upon.

#### D.10.18 Development and deployment of potential themes

The analysis of archival and secondary data is utilised to afford the researcher greater insights into the chosen themes. Additionally, this facilitated a rich discussion between the researcher and her doctoral supervisors. Outcomes of these preliminary discussions afforded greater focus and depth to be obtained in the actual thesis thus enhancing the validity of the outcomes and recommendations. Moreover, the pilot outcomes clearly indicates this particular research has the capability to reveal a contribution to knowledge.

## D.10.19 Initial findings and pertinent points from pilot phase

Frechette *et al* (2020 p6) recommend operationalising the research via an “*exemplar study*”. They continue and suggest seeking out participants “*old and new*” and maximising the variation in participants. This researcher communicated with a small number of dissimilar NEDs and diverse academically informed participants from the pilot phase to provide informed feedback on understanding and any suggestions arising. Feters (2019) signals those researchers should be mindful of what participants say versus what they actually do. Having identified a small group of data subjects suitable for piloting data collection tools, feedback is initially intended to be incorporated prior to live data collection.

## D.10.20 Ability to identify NEDs’ oversight contribution to corporate strategy

NED attitudes to corporate strategy are important when attempting to understand their contribution. Oppenheim (1998, pp 177-177) concedes various “*attitudes are linked to each other horizontally*”. He continues and recognises “*as a rule, attitudes are acquired or modified by absorbing, or reacting to the attitudes of others.*” It is interesting to establish whether this phenomenon occurs within the FTSE 350 NED community. Oppenheim continues and recommends after the initial pilot data collection phase, one reconsiders the likely linkages and undercurrents of such attitudes within the over-sight of the research.

The pilot phase of data analysis unearths NEDs’ foreseen and unforeseen strategic requirements in terms of corporate strategy. From the experience of a board-level recruitment specialist the following points were gleaned: The company would need to clearly specify the strategic capability required for prospective NED candidates to be questioned. Usually there are strategic questions and are supported via the personality questionnaire – examples such as individuals Wave or Risk Compass are administered. Furthermore, companies are likely to sacrifice lack of ‘bigger picture’ to gain another skill e.g., legal or accountancy which they perceive as a higher priority.

Professional discussions indicated during semi-structured interviews NED candidates are asked strategic questions. When the final candidate selection is being made strategy is a lessor component to of role specific requirements required of the Sub-Committees i.e.,

Audit, Nomination, Remuneration, Committee requirements. Thus, highlighting the need for a Corporate Strategy Committee.

Academic and professional conversations revealed strategy days are heavily connected with ‘team-building’ rather than corporate strategy. Moreover, whilst strategy is mentioned during boardroom practices, it is usually to ratify specific requirements. Board strategic discussions tend to be ‘off-line’ i.e., not formally recorded in the minutes.

#### D.10.21 Outcomes from pilot phase

The pilot phase, this being a mini version of the full-scale study (Van Teijlingen and Hundley 2001) is completed by this researcher to ensure the feasibility of the data collection tools, instruments organisation, research protocols, methods of analysis are suitable for full-scale deployment within the actual research. Reflecting upon the lessons learned within the pilot phase, this researcher makes amendments and clarifications to the actual data collection tools and analysis. Having undertaken the pilot, the decision based upon its feasibility is to continue to actual full-scale research. The following points illuminate where changes and heightened awareness is necessary prior to actual data collection.

- Data collection and storage: LSBU and GDPR requirements are fully complied with and are included within the instruction statement.
- Health and Safety: No intimate contact is required. Piloted in public buildings located in the UK, primarily London meeting places, which have their own health and safety requirements in place. No additional safety requirements required.
- Professional body respondents and their organisations are be afforded the same level of privacy as the individual NEDs.

Good practice suggests the piloted data collected should not be included in the main analysis, this is a given for this thesis.

This researcher recognises it is not practical to select FTSE 350 NEDs randomly thus acknowledges data limitations. It is possible the sample of FTSE 350 NEDs approached are not all willing to fully participate in this research. The comments provided represent the

individual NED's opinion and not necessarily of their company. Future enquiries could extend their examination to a broader range of companies both in the UK and globally.

Having reflected upon the pilot phase outcomes and enhanced the clarity of the data collection tools and analysis, this researcher is confident actual small sample primary data collection is justifiable and has the potential to compensate for the requirement of large-scale actual data collection being undertaken.

This researcher deems the research tools are ready for actual data collection and the research outcomes are improved and enhanced by having undertaken such a pilot phase. Through this methodological stringency, the researcher secures from the pilot a questionnaire and semi-structured interview virtually free from ambiguities.

**TABLE 52 PILOT DATA TOOL DEVELOPMENT: GUIDING PRIMARY DATA COLLECTION**

Data Collection Reservoir	Research Questions	Proposed Data Analysis	Identify possible improvements in data collection instruments/timing/etc	Request feedback from participants i.e., potential inclusions/exclusions
<b>Data in the public domain</b> <ul style="list-style-type: none"> <li>• CA (2006)</li> <li>• Various Corporate Governance Codes</li> <li>• LSE listings</li> <li>• IoD, ICSA, proforma templates</li> <li>• Proforma NEDs' Letter of Appointment, Terms of Engagement and Reference</li> <li>• FTSE 350 published NED biographies</li> <li>• FTSE 350 Published Strategic Reports</li> <li>• FTSE 350 company profitability and liquidity ratios</li> </ul>	<b>RQ. 1</b>	Run a search for <b>'Leadership'</b> and <b>'Strategy'</b> and its derivatives within a multitude of documents. <ul style="list-style-type: none"> <li>• Explore NEDs' role and corporate strategy, possible use of proxies,</li> <li>• Industry sector analysis as may be useful to explain specific examples,</li> <li>• Quantity of strategy discussions,</li> <li>• Location of strategy discussions,</li> <li>• Explore ease of use of pilot tool, timing, location etc.</li> </ul>	Review outcomes with Director of Studies and 2 <sup>nd</sup> Supervisor and others for probable improvements. <ul style="list-style-type: none"> <li>• What is missing?</li> <li>• Depth of information</li> </ul>	Review data collected and analysed with practicing NEDs and Professors
	<b>RQ. 2</b>	<ul style="list-style-type: none"> <li>• Responses provided within pilot,</li> <li>• Any organisational issues?</li> <li>• Utilise data outcomes from RQ1 – 3 to tease out new and additional discussion and analysis.</li> </ul>	Review outcomes with Director of Studies and others for impending improvements. <ul style="list-style-type: none"> <li>• What is missing?</li> <li>• Depth of information</li> </ul>	Review inputs and outputs with selected candidates for possible improvements, omissions, oversights prior to full data collection.
	<b>RQ. 3</b>	<ul style="list-style-type: none"> <li>• Operationalisation issues arising. – COVID-19, BREXIT and GDPR.</li> </ul>	Instigate feedback from academic and professional colleagues, Director of Studies, and 2 <sup>nd</sup> Supervisor. Make changes as necessary	Incorporate the views of practicing NEDs and Professors.
	<b>RQ. 4 (All Qs reworded for actual research enquiry)</b>		Thematic Analysis: Am I missing something? Am I collecting Data which I am not utilising?	Review inputs and outputs with selected candidates for likely improvements, omissions, oversights prior to full data collection.

## D.10.22 Critical events outside the control of researcher – Covid-19

An unprecedented Coronavirus pandemic hit the UK commencing January 2020 and by 23 March 2020 the country is in lock-down for all but essential contact. Teti *et al* (2020), recognised “*COVID-19 is not just a medical pandemic; it is a social event that is disrupting our social order.*” This researcher Covid-19 experienced a ‘vu jade’ moment i.e., never happened before, nor could one have anticipated the need to have a contingency plan for this particular event.

The original research intention uses primary, archival and secondary data to provide empirical insights into NEDs and corporate strategy. The primary data collection is severely hampered by the LSBU doctoral academy moratorium arising from the Coronavirus outbreak meaning no face-to-face contact with data subjects or supervisors is permitted. On-line mechanisms are developed to overcome the obstacles in the collection of primary data; however, one has to accept access to NEDs is severely hampered at this time and for the foreseeable future. Health and safety for both researcher and participants is paramount.

Many companies are forbidding the use of online chat rooms e.g., Zoom etc. because of serious security problems (Kara 2020). Importantly, working from home utilising chatroom forums is not General Data Protection Regulation compliant. This consideration needs to be factored into furthering the primary data collection and storage. EcoDa (2020) recognises all sectors and companies are impacted and “*Board members have to make bold decisions.... And the question of survival replaced the question of sustainability for now*”. This researcher recognises the severity of this situation and is outside the worst possible scenario in her research plan to collect actual data. Kara (2020) and Cardiff Met (2020 p9) acknowledges ‘accessibility’ as a critical matter in research and reworking the aims and objectives to meet the prevailing circumstances. Trede and Higgs (2009 p13) acknowledge qualitative researchers are frequently required to reconsider their research questions and ways of posing questions according to the availability of data sources. This researcher experiences such an impact as a direct result of COVID-19 pandemic announced in Wuhan in January 2020 and spreading worldwide by March 2020 resulting in people and businesses being placed in lock-down and avoiding all unnecessary social contact. LSBU closed the university campus during the week commencing 16 March 2020.



This severely impacts this researcher's initial chosen primary data collection methods i.e., questionnaires and semi-structured interviews as these require face to face contact. This necessitates an agile rethink in terms of delivering the research strategy. Having reflected and deliberated, this researcher selected to go ahead with her research based upon a refinement of data collected (Kara 2020). Reflecting upon documentary research, i.e., collecting and analysing data to provide insights into the truth has a place in business and provides a unique opportunity to break down barriers for the future (Kara 2020). Once the pandemic is under control and a vaccine or treatment is available and business returns to the 'new' normal, then during the post-doctoral research phase the primary data collection and analysis can resume.

Having reflected and discussed same with her supervisors, the safest way forward is to work with document research and analysis and recognise the primary data can be collected and analysed in post-doctoral research.

#### D.10.23 Pilot phase feedback

A summary of the proposed data and analysis for the pilot phase by research question is provided. A review of the pilot phase findings incorporating potential feedback from NEDs along with any prospective improvements in data collection instruments and analysis techniques are taken on board prior to requesting ethical approval for live data collection. The following table depicts the pilot phase feedback from both NEDs as well as data collection tools.

### D.11 Ethical Application for Data Collection Tools

#### D.11.1 Pilot phase research ethics application

This researcher observes LSBU ethical guidelines and believes in honesty and authenticity. No specific ethical approval is required for the collection and analysis of publicly available data. The pilot phase did include a questionnaire which is processed by LSBU Ethics Committee and granted permission on 26 December 2019. Subsequent to granting ethical approval a worldwide pandemic of COVID-19 resulted in a LSBU moratorium being issued

for the collection of primary data. This is complied with and subsequently the researcher reverted to archival and secondary data to continue her thesis. A successful ethics application is submitted 26 December 2019 for the pilot of the tailor made and designed questionnaire. Ethical application work undertaken but not submitted do to Covid-19 mortarium on face-to-face data collection.

D.11.2 Actual Semi-structured interview questions  
(University Logo – including Doctoral Academy)

## **Semi-Structured Interview Questions:**

- 1. Within the various board meetings attended tell me how and when corporate strategy is discussed?**
- 2. In your own words tell me what involvement NEDs have in board strategy, both formal and informal within your experiences?**
- 3. What skills and knowledge do you feel have a significant impact on your company's corporate strategy?**
- 4. What further contribution do you think NEDs should make to corporate strategy to promote long term sustainable business strategy and value creation?**
- 5. In your involvement as a NED/Chair is there something significant NEDs contribute to corporate strategy which is not covered within this semi-structured interview?**
- 6. Have you any pertinent thoughts relevant to NEDs and Corporate strategy?**

*Muriel Lisson, PhD research student.*

Interviewers sheet

D.11.3 Draft semi-structured interview questions Interviewers' sheet  
(University Logo – including Doctoral Academy)

# Semi-Structured Interview Questions:

(Interviewers sheet)

- 1. Within the various board meetings attended tell me how and when corporate strategy is discussed?**

.....Are key drivers of competitive advantage ranked in order of economic importance?

..... where does 'customer experience' come in the ranking?

Short-term Vs long-term strategic thinking?

How does the Chair manage board strategy discussions? (Legal issues? – off camera debates)

.....timing on agenda? 1<sup>st</sup> ....> Last? ..... duration of discussion? How do you know it's the right strategy?

.....Is your company's corporate strategy independently audited and validated? What are the key indicators used to know that the strategy is not working? How are changes proposed and handled?

- 2. In your own words tell me what involvement NEDs have in board strategy, both formal and informal within your experiences?**

..... Terms of Reference for Committees > potential link to several stages of strategy communications ..... corporate strategy Vs risks?

Could you give some examples of where NEDs contributed to corporate strategy discussions?

**3. What skills and knowledge do you feel have a significant impact on your company's corporate strategy?**

.... Look for broadening thinking.....

*Any unexpected perspectives.....*

Skills mix, proven record, replacement?

**4. What further contribution do you think NEDs should make to corporate strategy to promote long term sustainable business strategy and value creation?**

Links to CSR

**5. In your involvement as a NED/Chair is there something significant NEDs contribute to corporate strategy which is not covered within this semi-structured interview?**

Corporate culture, risk, fund raising

**6. Have you any pertinent thoughts relevant to NEDs and Corporate strategy?**

In your opinion is enough emphasis placed on having a corporate strategy? If not, why not?

Is having a Corporate Strategy Committee a good idea?

Thank you for participating in this semi-structured interview, your time and effort is much appreciated.

*Muriel Lisson, PhD research student.*

## D.12 Semi-structured mapping for use in actual data gathering

# Semi-Structured Interview Questions:

(Interviewers sheet)

Map to methodology / **Inst.Theory** / **R.Q.:** Y = Yes, N = No

1. Within the various board meetings attended tell me how and when corporate strategy is discussed?

<b>S</b>	<b>C</b>	<b>D</b>	<b>C</b>	<b>M</b>	<b>N</b>	<b>R</b> <b>Q</b>	<b>Rational</b>
Y	Y	Y	Y	Y	Y	All	CA06, s171 + s4, Higgs 03 / Walker 09, UKCGC 18

.....Are key drivers of competitive advantage ranked in order of economic importance?

..... where does 'customer experience' come in the ranking?

Short-term Vs long-term strategic thinking?

How does the Chair manage board strategy discussions? (Legal issues? – off camera debates)

.....timing on agenda? 1<sup>st</sup> ....> Last? ..... duration of discussion? How do you know it's the right strategy?

.....Is your company's corporate strategy independently audited and validated? What are the key indicators used to know that the strategy is not working? How are changes proposed and handled?

2. In your own words tell me what involvement NEDs have in board strategy, both formal and informal within your experiences?

S	C	D	C	M	N	RQ	Rational
Y	Y	Y	Y	Y	Y	All	CA06, s171 + s4, Higgs 03 / Walker 09, UKCGC 18

..... Terms of Reference for Committees > potential link to several stages of strategy communications ..... corporate strategy Vs risks?

Could you give some examples of where NEDs contributed to corporate strategy discussions?

**3. What skills and knowledge do you feel have a significant impact on your company's corporate strategy?**

S	C	D	C	M	N	RQ	Rational
Y	Y	Y	Y	Y	Y	RQ3, RQ4	CA06, s171 + s4, Higgs 03 / Walker 09, UKCGC 18

.... Look for broadening thinking.....

*Any unexpected perspectives.....*

Skills mix, proven record, replacement?

**4. What further contribution do you think NEDs should make to corporate strategy to promote long term sustainable business strategy and value creation?**

S	C	D	C	M	N	RQ	Rational
Y	Y	Y	Y	Y	Y	RQ3, RQ4	CA06, s171 + s4, Higgs 03 / Walker 09, UKCGC 18

Links to CSR

**5. In your involvement as a NED/Chair is there something significant NEDs contribute to corporate strategy which is not covered within this semi-structured interview?**

Corporate culture, risk, fund raising

<b>S</b>	<b>C</b>	<b>D</b>	<b>C</b>	<b>M</b>	<b>N</b>	<b>RQ</b>	<b>Rational</b>
Y	Y	Y	Y	Y	Y	<b>RQ4</b>	<b>CA06, s171 + s4, Higgs 03 / Walker 09, UKCGC 18</b>

**6. Have you any pertinent thoughts relevant to NEDs and Corporate strategy?**

<b>S</b>	<b>C</b>	<b>D</b>	<b>C</b>	<b>M</b>	<b>N</b>	<b>RQ</b>	<b>Rational</b>
Y	Y	Y	Y	Y	Y	<b>RQ4</b>	<b>CA06, s171 + s4, Higgs 03 / Walker 09, UKCGC 18</b>

Is having a Corporate Strategy Committee a good idea?

Thank you for participating in this semi-structured interview, your time and effort is much appreciated.

*Muriel Lisson, PhD research student.*

## D.13 Summary of key research design literature review

**TABLE 53 SUMMARY OF KEY RESEARCH DESIGN LITERATURE REVIEW**

#	Year	Author(s)	Title: Research Focus	Methodological Framework	Design / sample / instruments	Illustrative examples between publication and this research	Source of Publication
1	1985	Lincoln and Guba	Naturalistic Inquiry.	Paradigm informs and guides the research.	Qualitative Research.	<b><i>“Credibility, Transferability, Dependability and Confirmability.”</i></b> Findings of this research are consistent and could be repeated.	Sage Publications ISBN 9780803924314
2	2006	Bryman	Integrating quantitative and qualitative research.	Triangulation of findings.	Mixed-methods.	Archival and cross-sectional research, mixed-method, parallel-layered data analysis is performed.	Sage Publications DOI: 10.1177 / 1468794106058877
3	2012	Farquhar	Case Study Research for Business.	Mixed-method, parallel layered.	Solid qualitative research design.	Iterative tabulation of observable evidence affording enhanced validity and measurability allowing for emerging patterns.	Sage Publications ISBN 9781849207775
4	2014	Creswell	Research Design.	Qualitative inquiry, link to theoretical lens.	Use of multiple resources and methods.	Deployment of data repository to compile the various data resources utilised.	Sage Publications ISBN 9789353287351
5	2019	Saunders, Lewis, and Thornhill	Research Methods for Business Students.	Research design.	Research design framework.	Research headings: Philosophy, Approach, Strategy, Choices, Timeframe, Data Collection and Analysis.	Pearson Education Ltd. ISBN 13: 9781292208787
6	2020	Silverman	Qualitative Research.	Qualitative and quantitative research.	Mixed-method research.	Improve understanding and workarounds.	Sage Publications ISBN 9781529712971



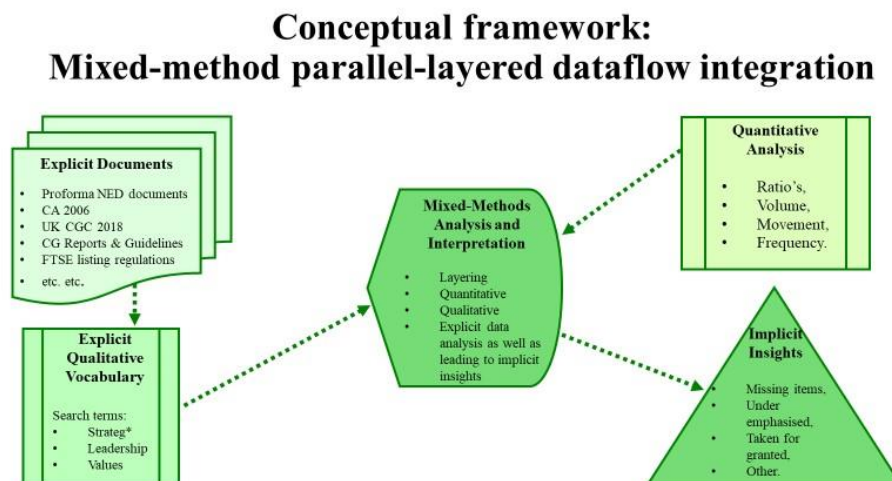
## Appendix E Theoretical and Empirical Analysis and Insights

### E.1 Primary data collection impediments

Primary data collection coincided with the Coronavirus pandemic. This limited the researcher's methods and ability to collect primary data as the anticipated NED conferences and seminar settings were cancelled. Whilst face-to-face meetings are adversely impacted e-Communications were feasible and primary data collection tools were adapted to cope.

### E.2 Record of data collection

**FIGURE 22 TAXONOMY: DATA SOURCING AND ANALYSIS TO ANSWER RESEARCH QUESTIONS**



Source: Lisson (2022).

**TABLE 54 RECORD OF DATA REPOSITORY COLLECTION**

<b>Record of data collection</b>			
<b>Date</b>	<b>Live data collection</b>	<b>Search Location</b>	<b>Outcome</b>
19 March 2019, 20 March 2019	UK Corp Gov. guidelines	Google	Document number pages and the number of times strategy was mentioned in each of the corporate governance guidelines.
21 March 2019	CA 2006 and Financial Services Act 2016	Google	Document listing the number of times strategy was mentioned
22 March 2019	London Stock Exchange Listing requirements	Google	Document number pages and the number of times strategy was mentioned
23 March 2019	Overseas corporate governance codes	Google	Document number pages and the number of times strategy was mentioned
23 April 2019	FTSE 350 Company data	LSBU, FAME database	Very large excel spreadsheet data dump which lists FTSE companies in order of capital, NED names etc.
January 2020	Pilot Questionnaire	IoD London	IoD's restriction to the reception desk proved an impediment. Discretely identifying FTSE 350 NEDs from all visitors to the building is an issue. On reflection a semi-captured audience attending a specific event would be more fruitful.  Actual Questionnaire and Semi-Structured Interviews: Postponed due to Covid-19 – available for post doctoral research.
2019 - 2020	Professional body and FTSE 350 company NED data	IoD, ICSA, FTSE 350 Companies	Proforma Letter of Appointment, Terms of Engagement and Terms of Reference, as well as a sample of FTSE 350 companies NED biography reviewed for 'strategy' and leadership
07 September 2020	FTSE 350 Financial data	FAME	Very large excel spreadsheet data dump which lists FTSE companies, share price movement, profitability, and liquidity.

## E.3 FTSE 350 Company search of NED Biographies, and contractual documents

TABLE 55 FTSE 350 COMPANY: EXTRACTS OF NED BIOGRAPHIES AND CONTRACTUAL DOCUMENTS

FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference			
FTSE 350 Company	NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:	No. of pages	# instances of strategy
HSBC	ToE are linked to the board not specific to NEDs. Strategy is mentioned in terms of delivering strategic objectives and link to risk profile. Downloaded 1 May 2019	5-Page	3 instances within one paragraph.
BP Plc.	ToE for NEDs are linked to the Sub-Committees e.g., remuneration was accessible via google search. Downloaded 1 May 2019	Web extract	Not available
Royal Dutch Shell Plc.	ToE for NEDs are linked to the Sub-Committees e.g., nomination and board engagement day were accessible via google download 31 December 2019 <a href="https://www.shell.com/investors/environmental-social-and-governance/board-of-directors.html">https://www.shell.com/investors/environmental-social-and-governance/board-of-directors.html</a> . Two NEDs indicate 'strategy' as one of their relevant skills.	1-page per active NED	4 instances within one paragraph.
AstraZeneca Plc.	ToA for NEDs – strategy linked to annual review and performance of company. Downloaded 1 May 2019	7-page	1 instance
GlaxoSmithKline Plc.	ToR are linked to Sub-Committees e.g., Audit, Nomination and Remuneration, Committee – with zero mentions of strategy. Downloaded 1 May 2019	Web extract	Not available
Diageo Plc.	Board of Directors named. No Terms of Engagement/Reference available on their website. NED Appointment announcement. Downloaded 12 November 2019	2-page	None
British American Tobacco Plc.	Board of Directors named. No Terms of Engagement/Reference available on their website. Audit, Nomination and Remuneration, Committees' Terms of Reference published.  <i>"The Main Board is responsible to the shareholders for the success of the Group and for its overall strategic direction and governance"</i> . Downloaded on 31 December 2019 from <a href="https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOBB9HYM">https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOBB9HYM</a>	Single statement.	1 instance in responsibility statement.
Rio Tinto Plc.	Board of Directors named. No mention of Corporate Strategy Committee. Senior Independent Director does not list 'strategy' within his skills and experience. Downloaded	9-Page	None

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
	ToR are available at Sub-Committees level only. Audit, Nomination and Remuneration, and Sustainability Committees' Terms of Reference downloaded 31 December 2019 <a href="https://www.riotinto.com/aboutus/corporate-governance-22039.aspx#faq-3">https://www.riotinto.com/aboutus/corporate-governance-22039.aspx#faq-3</a> . .		
Unilever Plc.	NED names and biographies listed downloaded 31 December 2019 <a href="https://www.unilever.com/about/who-we-are/our-leadership/">https://www.unilever.com/about/who-we-are/our-leadership/</a> . Senior Independent Director Prof. Moon has a strategic background from Harvard. The code of business principles refers to standard of conduct, no mention of Corporate Strategy Committee.	1-page per board member	1 instance
Lloyds Banking Group Plc.	NED Terms of Reference are linked to 5 Sub-Committees, one of which is responsible Business Committee – with zero mentions of strategy. NED biographies are provided. Downloaded 3 May 2019	Web extract	0 instances
Glencore Plc.	A 2018 corporate governance report listing the board members and Committees is available. Within this report there is an operating focus on Strategic Report which focuses upon the procedural matters within the various Sub-Committees and the link to this year's financial accounts. Vague statement of long-term viability strategy provided. Downloaded 3 May 2019	122-page	43 instances
Prudential Plc.	The NEDs are named, and the biography is available along with the Sub-Committees they are assigned to is also provided. Published 2 Sept. 2019. NED profiles downloaded 31 December 2019	Web extract	
Rickitt Benckiser Plc.	NED Terms of Reference are linked to 3 Sub-Committees, one of which is responsible for corporate responsibility, ethics, sustainability and compliance – with zero mentions of strategy. NED biographies are provided. Downloaded 3 May 2019	4-page	1 instance
BHP Group Plc.	Lists appointments and retirement of the various NEDs. No statement of Terms of Engagement provided. Downloaded 3 May 2019	Web extract	
Vodafone Group Plc.	Board role is published which clearly states “ <i>the likely consequences of any decision in the long-term;</i> ” as one of its duties. The instances of strategy are somewhat procedural in context. Downloaded 3 May 2019	9-page	8 instances

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Relx Plc.	<p>The NEDs are named, and the biography is available along with the Sub-Committees they are assigned to is also provided - downloaded 31 December 2019 <a href="https://www.relx.com/investors/corporate-governance/board-of-directors">https://www.relx.com/investors/corporate-governance/board-of-directors</a></p> <p>Press releases of appointments and retirement of the various NEDs. No statement of Terms of Engagement provided. In addition to Audit, Nomination, Remuneration Committees there is a Corporate Governance Committee linked to annual board evaluation.</p>	1-page per board member	none
The Royal Bank of Scotland Group Plc.	<p>Board ToR is published which clearly links to strategic aims. NED standard terms and conditions published with mention of ‘annual strategic offsite’. Strategy is mentioned once within board responsibilities statement in respect of risk appetite. No Corporate Strategy Committee listed.</p> <p>Downloaded 31 December 2019 <a href="https://www.rbs.com/rbs/about/board-and-governance/board-and-committees/group-board.html">https://www.rbs.com/rbs/about/board-and-governance/board-and-committees/group-board.html</a></p>	5-page	12 instances
Anglo American Plc.	<p>The NEDs are named, and brief biography is available along with the Sub-Committees they are assigned to is also provided. No mention of a Corporate Strategy Committee. ToR for Sub-Committees are available. Downloaded 31 December 19 <a href="https://www.angloamerican.com/about-us/leadership-team/board">https://www.angloamerican.com/about-us/leadership-team/board</a></p>	1-page per board member	None
Barclays Plc.	<p>The NEDs are named, and their individual biography is available along with the Sub-Committees they are assigned downloaded 31 December 2019 <a href="https://home.barclays/who-we-are/our-governance/board-committees/">https://home.barclays/who-we-are/our-governance/board-committees/</a>. Strategy is recognised albeit within ‘medium-term and short-term plans’. NED role includes “<i>point 10. Ensure that individual business decisions conform to agreed strategies and policies.</i>”</p> <p><a href="https://home.barclays/who-we-are/our-governance/board-responsibilities/">https://home.barclays/who-we-are/our-governance/board-responsibilities/</a></p> <p><i>“In preparation for structural reform Barclays is establishing a ring-fenced bank (Barclays UK) as a member of the Barclays Group, comprising UK retail banking, business banking, consumer credit cards and wealth management. The Chairman of Barclays UK is now looking to appoint a high calibre Board which will include a number of appointments including a Chair of Audit, Chair of Risk and Chair of the Remuneration Committee.</i></p> <p><i>Working with the Barclays PLC Board, the Board of Barclays UK will be responsible for development and oversight of Barclays UK’s strategy and constructively challenging Management and holding them to account for delivery of the strategy.</i></p>	Numerous reports and sections.	9 instances.

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
	<p><i>Key experience and personal qualities required include the following:</i></p> <p><i>Non-Executive Directors will be proven Board leaders, ideally with FTSE 100 or equivalent size organisation experience</i></p> <p><i>Candidates will be financially literate with a good understanding of retail and business banking and consumer financial services regulation</i></p> <p><i>Candidates should have experience of organisational transformation, particularly with a focus on customer, digital and technology</i></p> <p><i>Committee Chairs should have prior experience of chairing Board Committees and retail banking experience at the highest level</i></p> <p><i>Candidates should be collaborative and comfortable to challenge constructively</i></p> <p><i>Individuals will be of the highest integrity, have strong values and the reputation to sit on a financial service Board.</i></p> <p><i>Please apply by sending a CV and covering letter by email to <a href="mailto:lcieslik@heidrick.com">lcieslik@heidrick.com</a>. The closing date for applications is 25 June 2017."</i></p> <p><i>Downloaded 5 May 2019 from <a href="https://home.barclays/news/2017/06/non-executive-directors-for-uk-retail-bank/">https://home.barclays/news/2017/06/non-executive-directors-for-uk-retail-bank/</a></i></p>		
National Grid Plc.	<p>NED profiles are available as well as identifying Sub-Committees appointment. Matters reserved for the board indicates Board's responsibilities as <i>1.9 Approval and review of the business strategy and long-term strategic objectives of National Grid in light of the agreed principal risks and risk appetite</i>" downloaded 31 December 2019 <a href="https://www.nationalgrid.com/document/1261/download">https://www.nationalgrid.com/document/1261/download</a></p>	2-page Matters Reserved for the Board	10 Instances
Compass Group Plc.	<p>NEDs are named, biographies provided as well as naming the Committees they are assigned to. No Corporate Strategy Committee mentioned. Downloaded 31 December 2019. <a href="https://www.compass-group.com/en/who-we-are/leadership.html#item-undefined">https://www.compass-group.com/en/who-we-are/leadership.html#item-undefined</a></p>	2-pages Corporate Governance statement	6 instances

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Tesco Plc.	NEDs are named, biographies provided as well as naming the Committees they are assigned to. Downloaded 31 December 2019. <i>“Our Non-executive Directors have the wide range of skills and experience necessary to enable them to provide constructive challenge, scrutinise performance and help to develop our strategy.”</i>	1-page; ToE for the Sub-Committees e.g., Audit, Nomination and Remuneration, etc.	1 instance
Imperial Brands Plc.	No overarching NED Terms of Engagement. The Sub-Committees level does have Terms of Reference. As an example, the Remuneration committed document is searched for links to strategy. Downloaded 5 May 2019	4-page document for Remuneration Committee	1 instance
BT Group Plc.	NEDs individual profiles are available as well as stating Sub-Committees appointments. Some 7 Sub-Committees of the board are listed including one named Executive Committee. The Terms of Reference for the Executive Committee clearly include focus on corporate strategy. Downloaded 5 May 2019	4-page document for Executive Committee	8 instances.
Standard Chartered Plc.	<i>“Our six Board committees play an important role in supporting the Board. The committees all consist of non-executive directors, and our Board Financial Crime Risk also includes three external advisors.”</i> One of these boards is named <i>“Matters reserved for the board”</i> which includes Management and Strategy. Downloaded 5 May 2019	Sub-Committees – 6-page: e.g., Matters reserved for the Board	4 instances
CRH Plc.	Terms of Reference for 6 Sub-Committees are available. None specifically focused upon corporate strategy. NED profiles published and states Sub-Committees assignments. Governance mentions strategic Plans <a href="https://www.crh.com/about-crh/governance/">https://www.crh.com/about-crh/governance/</a> downloaded 31 December 2019	1-page per NED	1 instance
Experian Plc.	NEDs’ profiles published. No specific links to corporate strategy within the 3 Sub-Committees published i.e., Audit, Nomination, Remuneration, and corporate governance Terms of Reference. Downloaded 5 May 2019	Corporate Governance	1 instance

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Associated British Foods Plc.	Very brief NEDs' profiles published. ToR for Sub-Committees published. Schedule of matters reserved for the board include strategic matters downloaded 31 December 2019 <a href="https://www.abf.co.uk/documents/pdfs/board_committees/matters_reserved_for_the_board.pdf">https://www.abf.co.uk/documents/pdfs/board_committees/matters_reserved_for_the_board.pdf</a> .	6-page	9 instances
Legal and General Group Plc.	NED names published along with very brief profiles. NED involvement within 5 Sub-Committees stated supported with ToR. No Corporate Strategy Committee. A clear corporate governance statement is provided as downloaded on 31 December 2019 <a href="https://www.legalandgeneralgroup.com/about-us/corporate-governance/">https://www.legalandgeneralgroup.com/about-us/corporate-governance/</a>  The Corporate Governance report mentions 'Strategy' 89 times in the context of Group operations and deliverance of strategy. <a href="https://www.legalandgeneralgroup.com/media/2540/corporate-governance.pdf">https://www.legalandgeneralgroup.com/media/2540/corporate-governance.pdf</a>	Corporate Governance media report	89 instances
London Stock Exchange Group Plc.	LSEG Plc lists NEDs and their biographies. No specific Terms of Reference published. There is a link with NEDA re training and professional development for NEDs. No mention of strategy! Downloaded 6 May 2019	Web extract	
Rolls Royce Holdings Plc.	NEDs' names and career history listed. Identifies Sub-Committees memberships. A 76-page NED Terms and Conditions published. <a href="https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/about/terms-and-conditions-of-non-exe-dir-01-03-2019.pdf">https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/about/terms-and-conditions-of-non-exe-dir-01-03-2019.pdf</a>  Extract from NED appointment letter p2: <i>"In addition to these requirements of all directors, your role may be expected to include the following key elements:</i>  <i>"Strategy – to constructively challenge and help develop proposals on strategy alongside the executive directors;"</i>  Corporate governance documents published <a href="https://www.rolls-royce.com/about/leadership/corporate-governance.aspx">https://www.rolls-royce.com/about/leadership/corporate-governance.aspx</a> Downloaded 31 December 2019	Published NED Terms and Conditions	39 instances of strategy within various NED Letters of Appointment.
Aviva Plc.	No NED Terms of Reference. 5 Specific Sub-Committees have Terms of Reference, none directly linked to strategy. <i>"long-term shareholder value and business success"</i> Downloaded 14 April 2019.	Lists 5 Committees:  E.g., Governance Committee	5 instances of strategy.



<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
BAE Systems Plc.	NED biography posted. No mention of Sub-Committees memberships. A clear statement on Governance framework is provided and downloaded on 31 December 19 <a href="https://www.baesystems.com/en/our-company/corporate-responsibility/how-our-business-works/governance-framework">https://www.baesystems.com/en/our-company/corporate-responsibility/how-our-business-works/governance-framework</a> in which ‘Strateg’ is mentioned just once in relation to risk!	1 page	1 instance of strategy
Smith and Nephew Plc.	NED biography posted. States 6 Sub-Committees and their terms of reference. Role of senior independent director provided. Downloaded 6 May 2019	1-page	Zero mention of strategy!
Ferguson Plc.	<p>NED biographies listed. States membership of 4 Sub-Committees. Interestingly they state a further 4 committees for strategy matters.</p> <ul style="list-style-type: none"> <li>• Executive – linked directly to strategy.</li> <li>• Treasury</li> <li>• Disclosure</li> <li>• Ad-hoc</li> </ul> <p><i>“The Executive Committee meets at least 10 times each year. These meetings usually take place prior to Board meetings,”</i> which do not necessarily have NEDs present.</p> <p><i>“The Executive Committee addresses operational business issues and is responsible for implementing Group strategy and policies, day-to-day management and monitoring business performance”.</i></p> <p>Downloaded 1 January 2020 <a href="https://www.fergusonplc.com/en/who-we-are/corporate-governance.html">https://www.fergusonplc.com/en/who-we-are/corporate-governance.html</a></p>	1-page	1 instance of strategy
WPP Plc.			
SSE Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
International Consolidated Airlines Group Plc.			
3I Group Plc.	<i>“Constructively challenge and help develop proposals on strategy; this occurs at meetings of the Board, and in particular at the annual review meeting to discuss ongoing strategy, the most recent of which took place in December 2017.”</i> Downloaded 19 November 2019	4-page	7 instances of which 2 refer to NEDs
Hargreaves Lansdown Plc.			
Ashtead Group Plc.			
Informa Plc.			
Antofagasta Plc.			
Ocado Group Plc.	NEDs’ names and career histories listed. NED appointment letter provided. Downloaded 1 January 2020 <a href="https://www.ocadogroup.com/~media/Files/O/Ocado-Group/documents/Ocado-Group-plc-NED-appointment-letter-2%20February-2015.pdf">https://www.ocadogroup.com/~media/Files/O/Ocado-Group/documents/Ocado-Group-plc-NED-appointment-letter-2%20February-2015.pdf</a> Lists Sub-Committees memberships. No mention of Corporate Strategy Committee.	7-page	2 instances
Evrast Plc.			
Melrose Industries Plc.			
Intercontinental Hotels Plc			
Intertek Group Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Whitbread Plc.			
Burberry Group Plc.	NEDs' names and career histories listed. Lists Sub-Committees memberships. No mention of Strategy Committee. Downloaded 1 January 2020 <a href="https://www.burberryplc.com/content/dam/burberry/corporate/Company/Corporate_Governance/Role%20and%20Responsibilities%20of%20SID.pdf">https://www.burberryplc.com/content/dam/burberry/corporate/Company/Corporate_Governance/Role%20and%20Responsibilities%20of%20SID.pdf</a>	1-page	1 instance
Bunzl Plc.			
Next Plc.	NEDs names and career history listed. Lists Sub-Committees memberships. No mention of Strategy Committee. Downloaded 1 January 2020 <a href="https://www.nextplc.co.uk/about-next/our-board">https://www.nextplc.co.uk/about-next/our-board</a>	1-page	Zero
Scottish Mortgage Investment Trust Plc.			
Micro Focus International Plc.			
The Sage Group Plc.			
Carnival Plc.			
Persimmon Plc.	NEDs names and career history listed. Downloaded 1 January 2020 <a href="https://www.persimmonhomes.com/corporate/investors/corporate-governance/board-of-directors">https://www.persimmonhomes.com/corporate/investors/corporate-governance/board-of-directors</a> <a href="https://www.persimmonhomes.com/corporate/investors/corporate-governance/board-committees">https://www.persimmonhomes.com/corporate/investors/corporate-governance/board-committees</a> Lists 3 Sub-Committees and their memberships. No mention of a Strategy Committee. Terms of Reference for Sub-Committees provided.	Web extract	
Segro Plc.			

FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference			
FTSE 350 Company	NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:	No. of pages	# instances of strategy
Schroders Plc.			
Rentokill Initial Plc.	NED Letter of appointment identify strategy as an element of the role – “ <i>strategy: non-executive directors should constructively challenge and help develop proposals on strategy;</i> ”. Downloaded 19 November 2019	6-page	2 instances within the same sentence.
Standard Life Aberdeen Plc.			
DCC Plc.			
Land Securities Group Plc.			
Croda International Plc.			
Johnson Matthey Plc.			
Halma Plc.			
Pearson Plc.	NED names listed with biography and assigned Sub-Committees, which have a ‘ <i>nomination and governance committee</i> ’ which oversees strategy. Notably Pearson’s have a <i>Chief Strategy Officer</i> within the Executive Leadership Team supporting the Board. Downloaded 10 December 2019	9-page	Zero instances
Admiral Group Plc.			
Mondl Plc.			
Barratt Developments Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Taylor Wimpey Plc.			
Smiths Group Plc.			
Centrica Plc.			
Spirax-Sarco Engineering Plc.			
St. James's Palace Plc.			
J D Sports Fashion Plc	No NED Terms of Reference. Specific Committees have Terms of Reference. Downloaded 14 April 2019	Lists 3 committees	No instance of strategy
Fresnillo Plc.			
British Land Company Plc.			
ITV Plc.	NED Letter of Appointment identify strategy as an element of the role. <i>"Sets the Company's strategic aims..." "Strategy. Non-executive directors should constructively challenge and help develop proposals on strategy;"</i> Downloaded 19 November 2019	2-page	3 instances
Smurfit Kappa Group Plc.			
RSA Insurance Group Plc.			
United Utilities Group Plc.			

FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference			
FTSE 350 Company	NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:	No. of pages	# instances of strategy
Kingfisher Plc.			
Aveva Group Plc.			
WH Morrisson Supermarket Plc.	NEDs' names listed – biographies published. Chairman's role and responsibilities published. No mention of strategy. Downloaded 26 November 2019	1	Nil
NMC Health Plc.			
Phoenix Group Holdings Plc.			
Paddy Power Betfair Plc.			
Autotrader Group Plc.			
J Sainsbury's Plc.	NEDs' names listed. Lists Sub-Committees Terms of Reference and memberships. No mention of Strategy Committee.  <i>"The Board is collectively responsible for the <b>long-term success</b> of the Group and we achieve this through the creation and delivery of <b>sustainable shareholder value</b>. In addition to setting the Group's <b>strategy</b> and overseeing its implementation by management, we <b>provide leadership to the business</b> including on culture, values and ethics, monitoring the Group's overall financial performance, and ensuring effective corporate governance and succession planning. The Board is also responsible for ensuring that effective internal control and risk management systems are in place."</i> Downloaded 19 November 2019	5-page	6 instances
Just Eat Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
The Berkeley Group Holdings Plc.			
DS Smith Plc.			
EasyJet Plc.	Letter of Appointment mention bi-annual Board strategy away-day. Downloaded 19 November 2019	5-page	1 instance
Rightmove Plc.			
Directline Insurance Group Plc.			
Severn Trent Plc.	Letter of Appointment published. 6 Sub-Committees, no mention of Strategy Committee. Downloaded 19 November 2019	5-page	0 instance
Weir Group Plc.			
Marks and Spencer Plc.	Brief statement of Letter of Appointment stating the Committees which the Chair/NEDs are members. No Corporate Strategy Committee. Downloaded 19 November 2019	1	Zero
Cineworld Group Plc.			
Jardine Lloyd Thompson Group Plc.			
Meggitt Plc.			
Hikma Pharmaceuticals Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Bellway Plc.	Brief statement of LoA stating the Committees which the Chair/NEDs are members of. All NEDs are appointed to Audit, Nomination and Remuneration Committees. No mention of Strategy Committee. Downloaded 1 January 2020 <a href="https://www.bellwayplc.co.uk/investor-centre/governance/board-members">https://www.bellwayplc.co.uk/investor-centre/governance/board-members</a>	2-page	2 instances, as background to one independent NED.
Polymetal International Plc.			
GVC Holdings Plc.			
Homeserve Plc.			
F&C Investment Trust Plc.			
Merlin Entertainment Plc.			
G4S Plc.			
Travis Perkins Plc.			
Investec Plc.			
Derwent London Plc.			
John Wood Group Plc.			
Kaz Minerals Plc.			



<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Tate & Lyle Plc.	Brief individual profile statement stating the Committees which the Chair/NEDs are members of. <a href="https://www.tateandlyle.com/about-us/board-directors">https://www.tateandlyle.com/about-us/board-directors</a> No mention of Strategy Committee. Group strategy setting and implementation are within Board's responsibilities. Downloaded 1 January 2020	3-page	3 instances
Intermediate Capital Group Plc.			
Ashmore Group Plc.			
Tullow Oil Plc.			
Renishaw Plc.			
RIT Capital Partners Plc.			
BTG Plc.			
Spectris Plc.			
RPC Group Plc.			
SSP Group Plc.			
Howden Joinery Group Plc.	Board members listed along with a short career biography. General statement of Terms of Engagement, Letter of Appointment published. A very broad strategy statement provided. Downloaded 26 November 2019	Several web pages	2 instances.
CYBG Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Pennon Group Plc.			
Beazley Plc.			
HICL Infrastructure Co. Ltd.			
Quilter Plc.			
Electrocomponents Plc.			
IMI Plc.			
Rotork Plc.			
BBA Aviation Plc.			
Cobham Plc.			
Dechra Pharmaceuticals Plc.			
Inchcape Plc.			
Babcock International Group Plc.			
Shaftesbury Plc.			
Convatec Group Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Royal Mail Plc.	Brief NED biographies published. <a href="https://www.royalmailgroup.com/en/about-us/management-and-committees/royal-mail-group-board/">https://www.royalmailgroup.com/en/about-us/management-and-committees/royal-mail-group-board/</a> No Terms of Engagement published. Some NED's profiles have strategy and leadership skills backgrounds. No specific Strategy Committee. <a href="https://www.royalmailgroup.com/media/10225/matters-reserved-for-the-board-march-2019.pdf">https://www.royalmailgroup.com/media/10225/matters-reserved-for-the-board-march-2019.pdf</a> Downloaded 1 January 2020	5-page, Matters reserved for the board	10 instances
Alliance Trust Plc.			
Tritax Big Box Reit Plc.			
Hammerson Plc.			
Wizz Air Holdings Plc.	NED brief biographies published. Sub-Committee Terms of Reference published. No Strategy Committee. Downloaded 26 November 2019	Web extract	nil
Mediclinic International Plc.			
Immarsat Plc.			
Britvic Plc.			
The Unite Group Plc.			
Close Brothers Group Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
International Public Partnerships Plc.			
Man Group Plc.			
W H Smith Plc.	NED very brief biographies published downloaded 8 January 2020, <a href="http://www.whsmithplc.co.uk/about_whsmith/directors/">http://www.whsmithplc.co.uk/about_whsmith/directors/</a> . 4 Sub-Committee brief Terms of Reference published. No Strategy Committee.		
3I Infrastructure Plc.			
Redrow Plc.			
Hays Plc.			
Victrex Plc.			
Aggreko Plc.			
Grafton Group Plc.			
Capita Plc.			
Green King Plc.			
Capital & Counties Properties Plc.			
National Express Group Plc.	Brief NED biographies published. Web pages downloaded 1 January 2020. <a href="https://www.nationalexpressgroup.com/about-us/our-management/board-of-directors/">https://www.nationalexpressgroup.com/about-us/our-management/board-of-directors/</a> No Terms of Engagement published. Within NED profiles provided, Dr Ashley Steel has a PhD in Management from Henley Business School	Several web pages	6 instances.

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
	and her skills include strategy development. No Corporate Strategy Committee mentioned. <a href="https://www.nationalexpressgroup.com/about-us/corporate-governance/">https://www.nationalexpressgroup.com/about-us/corporate-governance/</a>		
Great Portland Estates Plc.			
Templeton Emerging Markets Investment Trust Plc.			
MoneySupermarket.com Group Plc.	Brief NED biographies published. No NED Terms of Engagement rather ToR's for Sub-Committees. No Strategy Committee found. Downloaded 26 November 2019	Web extract	
IG Group Holdings Plc.			
Monks Investment Trust Plc.			
Witan Investment Trust Plc.			
John Laing Group Plc.			
Greggs Plc.			
Jupiter Fund Management Plc.			
Diploma Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Balfour Beatty Plc.	Brief NED biographies published. <a href="https://www.balfourbeatty.com/investors/leadership/">https://www.balfourbeatty.com/investors/leadership/</a> No Terms of Engagement published. No Strategy Committee mentioned. Downloaded 1 January 2020	36-page CG document	78 instances within Corporate Governance Report
Polar Capital Technology Trust Plc.			
The Renewables Infrastructure Group Ltd.			
Dunelm Group Plc.			
Workspace Group Plc.			
Greencoat UK Wind Plc.			
Dixon Plc.	Brief biographies published. <a href="https://www.dixonscarphone.com/en/our-business/corporate-governance/board-of-directors">https://www.dixonscarphone.com/en/our-business/corporate-governance/board-of-directors</a> No NED Terms of Reference. <a href="https://www.dixonscarphone.com/en/our-business/corporate-governance">https://www.dixonscarphone.com/en/our-business/corporate-governance</a> Specific Committees have Terms of Reference. Corporate Governance Report – p50 of Annual Report <a href="https://www.dixonscarphone.com/sites/dixons-carphone/files/results%20and%20presentation/20190709-dixons-carphone-plc-ara-final.pdf">https://www.dixonscarphone.com/sites/dixons-carphone/files/results%20and%20presentation/20190709-dixons-carphone-plc-ara-final.pdf</a> Downloaded 2 January 2020	1-page CG Statement Lists 4 Committees	1 instance
Sophos Group Plc.			
Softcat Plc.			
Page Group Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Big Yellow Group Plc.			
Syncona Ltd.			
Ferrexpo Plc.			
Vesuvius Plc.			
Caledonia Investments Plc.			
BCA Marketplace Plc.			
Qinetiq Group Plc.			
Finsbury Growth & Income Trust Plc.			
Bodycote Plc.			
The Mercantile Investment Group Plc.			
Sports Direct International Plc.	NED biography provides their 'key skills'; no mention of strategy <a href="https://www.sportsdirectplc.com/about-us/leadership.aspx">https://www.sportsdirectplc.com/about-us/leadership.aspx</a> . ToR for 3 Sub-Committees published <a href="https://www.sportsdirectplc.com/investor-relations/corporate-governance.aspx">https://www.sportsdirectplc.com/investor-relations/corporate-governance.aspx</a> . No mention of Strategy Committee. Downloaded 2 January 2020	1-page per NED	Nil
Petrofac Ltd.			
Vivo Energy Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
TP ICAP Plc.			
The City of London Investment Trust Plc.			
Grainger Plc.			
UDG Healthcare Plc.			
Genus Plc.			
Murray International Trust Plc.			
Countryside Properties Plc.			
Bovis Homes Group Plc.			
Primary Health Properties Plc.			
Cranswick Plc.			
Hastings Group Holdings Plc.			
William Hill Plc.	Brief NED biographies published. No Terms of Engagement published. <a href="http://www.williamhillplc.com/media/13128/division-of-responsibilities-chairman-ceo-and-sid-final-august-2019.pdf">http://www.williamhillplc.com/media/13128/division-of-responsibilities-chairman-ceo-and-sid-final-august-2019.pdf</a> Division of responsibilities listed which includes	3-page	5 instances



<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
	<i>“to ensure that the appropriate strategy and risk appetite for the company is developed by the CEO, as a proposal for the Board, and to ensure that the Company’s strategy is fully considered and successfully implemented by the CEO”</i> . <a href="http://www.williamhillplc.com/investors/board-and-governance/">http://www.williamhillplc.com/investors/board-and-governance/</a> Downloaded 2 January 2020		
Millennium & Copthorne Hotels Plc.			
Ascential Plc.			
Talktalk Telecom Group Plc.	NEDs listed with brief biographies. Sub-Committees ToR listed – no Strategy Committee. Downloaded 26 November 2019		
A J Bell Plc.			
J D Wetherspoon Plc.	NED listed – brief educational statement provided. A schedule of matters reserved for the board is provided which commences with <i>“strategy and management”</i> – predominance of regulatory and approval procedures. Sub-Committee ToR published. No Strategy Committee. Downloaded 26 November 2019	5-page	6 instances
Synthomer Plc.			
Londonmetric Property Plc.			
Drax Group Plc.			
Intru Properties Plc.			
Serco Group Plc.			
Assura Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Fidelity China Special Situations Plc.			
Euromoney Institutional Investor Plc.			
Playtech Plc.			
Contourglobal Plc.			
Worldwide Healthcare Trust Plc.			
Safestore Holdings Plc.			
Rathbone Brothers Plc.			
Savills Plc.	Brief NED biographies published <a href="https://ir.savills.com/company-information/leadership">https://ir.savills.com/company-information/leadership</a> . No Terms of Engagement published. No Corporate Strategy Committee. Terms of Reference for Sub-Committees published <a href="https://ir.savills.com/company-information/corporate-governance">https://ir.savills.com/company-information/corporate-governance</a> . Tax strategy is mentioned. Downloaded 4 January 2020	1-page per profile	none
Provident Financial Plc.			
Energean Oil and Gas Plc.			
Integrafin Holdings Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Games Workshop Group Plc.			
Marshalls Plc.			
The Edinburgh Investment Trust Plc.			
TR Property Investment Trust Plc.			
FirstGroup Plc.	Brief NED biographies published. <a href="https://www.firstgroupplc.com/about-firstgroup/leadership/board-of-directors.aspx">https://www.firstgroupplc.com/about-firstgroup/leadership/board-of-directors.aspx</a> No Terms of Engagement published. No Corporate Strategy Committee. Strategic objectives stated are focused upon operational strategy. Downloaded 4 January 2020	1-page per NED	1 (Julia Steyn profile)
Amigo Holdings Plc.			
Computacentre Plc.			
Coats Group Plc.			
Paragon Banking Group Plc.			
Domino's Pizza Group Plc.			
J P Morgan Emerging Markets Investment Trust Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Smithson Investment Trust Plc.			
Pantheon International Plc.			
Aberforth Smaller Companies Trust Plc.			
Mitchells & Butlers Plc.			
Essentra Plc.	Brief NED biographies published <a href="https://www.essentraplc.com/en/about-us/board-of-directors">https://www.essentraplc.com/en/about-us/board-of-directors</a> downloaded 4 January 2020. No Terms of Engagement published. No Corporate Strategy Committee. Sub-Committee participation noted within profiles.	1-page per NED	1 – Nicki Demby ‘Career Strategy’
UK Commercial Property Trust Plc.			
Funding Circle Holdings Plc.			
GCP Infrastructure Investments Ltd.			
Telecom Plus Plc.			
The Bankers Investment Trust Plc.			
TI Fluid Systems Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
One Savings Bank Plc.			
UltraElectronics Holdings Plc.	Brief NED biographies published <a href="https://www.ultra-electronics.com/about-us/our-board">https://www.ultra-electronics.com/about-us/our-board</a> . No Terms of Engagement published. No Corporate Strategy Committee. Downloaded 4 January 2020	1-page per NED	1 instance. Board approves strategy.
IBSTOCK Plc.			
Hunting Plc.			
Elementis Plc.			
Hill and Smith Holdings Plc.			
Crest Nicholson Holdings Plc.			
IP Group Plc.			
Greencore Group Plc.			
FDM Group (Holdings) Plc.			
James Fisher and Sons Plc.	Very succinct NED biographies published. No Terms of Engagement published. No Corporate Strategy Committee. ToR for Sub-Committees published. Downloaded 10 December 2019	Several web pages	2 instances. Board approves strategy within sub-committees.
CLS Holdings Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Sirius Minerals Plc.			
Cairn Energy Plc.			
EI Group Plc.			
Personal Assets Trust Plc.			
Dairy Crest Group Plc.	Acquired by Saputo April 2019 – excluded.		
F & C Commercial Property Trust Plc.			
J P Morgan American Investment Trust Plc.			
Fidelity European Values Plc.			
Senior Plc.			
Daejan Holdings Plc.			
Brewin Dolphin Holdings Plc.			
A G Barr Plc.			
Hochschild Mining Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Centamin Plc.			
St. Modwen Properties Plc.			
Temple Bar Investments Trust Plc.			
Herald Investment Trust Plc.			
Spirent Communications Plc.			
Genesis Emerging Markets Fund Ltd.			
Charter Court Financial Services Group Plc.			
SIG Plc.			
Sanne Group Plc.	Brief NED biographies published <a href="https://www.sannegroup.com/about-us/board-of-directors/">https://www.sannegroup.com/about-us/board-of-directors/</a> No Terms of Engagement published. Detailed Sub-Committee Terms of Reference. No Corporate Strategy Committee. Downloaded 4 January 2020	1-page per NED	1 instance – linked to remuneration of senior executives.
PZ Cussons Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Jupiter European Opportunities Trust Plc.			
TBC Bank Group Plc.			
Premier Oil Plc.			
Polypipe Group Plc.			
Bank of Georgia Group Plc.			
British Empire Trust Plc.			
Equiniti Group Plc.			
The Go-Ahead Group Plc.			
HGCapital Trust Plc.			
Hilton Food Group Plc.			
Perpetual Income and Growth Investment Trust Plc.			
Metro Bank Plc.	Brief NED biographies published <a href="https://www.metrobankonline.co.uk/about-us/press-releases/news/metro-bank-plc-board-changes/">https://www.metrobankonline.co.uk/about-us/press-releases/news/metro-bank-plc-board-changes/</a> . No Terms of Engagement published. Sub-Committees listed along with their membership.	Several web pages	1, 3 instances



<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
	Catherine Brown lists strategy within her competencies as well as positions previously held. Downloaded 4 January 2020		
BMO Global Smaller Companies Plc.			
Morgan Advanced Materials Plc.			
Schroder AsiaPacific Fund Plc.			
JPMorgan Indian Investment Trust Plc.			
Riverstone Energy Ltd.			
Woodford Patient Capital Trust Plc.			
Apax Global Alpha Ltd.			
Fidelity Special Values Plc.			
Pets at Home Group Plc.	Brief NED biographies published <a href="https://investors.petsathome.com/our-company/our-board-of-directors/">https://investors.petsathome.com/our-company/our-board-of-directors/</a> . No Terms of Engagement published. No Corporate Strategy Committee. Matters reserved for the board <a href="https://investors.petsathome.com/investors/governance/schedule-of-matters/">https://investors.petsathome.com/investors/governance/schedule-of-matters/</a> Downloaded 4 January 2020	Schedule of matters reserved for the board	5 instances
Bakkavor Group Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Baillie Gifford Japan Trust Plc.			
Clarkson Plc.			
Sabre Insurance Group Plc.			
Just Group Plc.			
Newriver Reit Plc.			
McCarthy & Stone Plc.			
Ted Baker Plc.	Brief NED biographies published. <a href="http://www.tedbakerplc.com/investor-relations/corporate-governance">http://www.tedbakerplc.com/investor-relations/corporate-governance</a> No Terms of Engagement published. No Corporate Strategy Committee. Downloaded 4 January 2020	Several web pages	4 instances
The Card Factory Plc.			
Blackrock Smaller Companies Trust Plc.			
Stagecoach Group Plc.			
Acacia Mining Plc.			
JPMorgan Japanese Investment Trust Plc.			
The Restaurant Group Plc.			

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
Saga Plc.	Brief NED biographies published <a href="https://corporate.saga.co.uk/about-us/board-of-directors/">https://corporate.saga.co.uk/about-us/board-of-directors/</a> . No Terms of Engagement published. No Corporate Strategy Committee. Orna NiChionna biography includes significant experience in strategy. Downloaded 4 January 2020	1-page per NED	1 instance
The Scottish Investment Trust Plc.			
The Rank Group Plc.			
Galliford Try Plc.			
Kier Group Plc.	Very brief NED biographies published. No Terms of Engagement published. No Corporate Strategy Committee. No documents downloaded	Several web pages	Zero
NB Global Floating Rate Income Fund Ltd.			
Stobart Group Ltd.			
888 Holdings Plc.			
Civitas Social Housing Plc.			
Indivior Plc.			
TUI AG			
Coca-Cola HBC AG	NED names published <a href="https://coca-colahellenic.com/en/about-us/corporate-governance/the-board/">https://coca-colahellenic.com/en/about-us/corporate-governance/the-board/</a> . No Terms of Engagement published. No Corporate Strategy Committee mentioned. Downloaded 4 January 2020	Several web pages – 1-page per NED	Zero

<b>FTSE 350 NED Biographies, Letter of Appointment, Terms of Engagement, and Terms of Reference</b>			
<b>FTSE 350 Company</b>	<b>NED Biographies, Letter of Appointment (LoA), Terms of Engagement (ToE) / Terms of Reference (ToR) / focus on:</b>	<b>No. of pages</b>	<b># instances of strategy</b>
B & M European Value Retail SA.			
IWG Plc.			
Hiscox Ltd.			
RHI Magnesita NV.			
Entertainment One Ltd.	Leadership rather than Board biographies published <a href="https://www.entertainmentone.com/about-eone/darren-throop/">https://www.entertainmentone.com/about-eone/darren-throop/</a> . No Terms of Engagement published. No Committees stated. Downloaded 4 January 2020	Several web pages	none
Lancashire Holding Ltd.			
Sequoia Economic Infrastructure Income Fund Ltd.			
BBGI SICAV SA			

Sources: FTSE 350 listing downloaded from FAME on 23 April 2019 (Data for 6 listed companies was not available on date data downloaded 23/4/19).  
 NED Letter of Appointment, Terms of Engagement/Reference: Google web searches of published information April 2019 - January 2020.

**TABLE 56 MAPPING PROFORMA NED CONTRACTUAL DOCUMENTATION ANALYSIS**

## NED Proforma Letter of Engagement

<b>NED proforma Letter of Appointment</b>	<b>C</b>	<b>M</b>	<b>N</b>	<b>P</b>	<b>L</b>	<b>S</b>	<b>C</b>	<b>D</b>
Written NED strategic responsibilities			✓					✓
Written NED leadership responsibilities			✓					✓
General statements including leadership and/or strategy	✓	✓						✓

## Proforma NED Terms of Engagement

<b>NED proforma Terms of Engagement</b>	<b>C</b>	<b>M</b>	<b>N</b>	<b>P</b>	<b>L</b>	<b>S</b>	<b>C</b>	<b>D</b>
Written NED strategic responsibilities			✓					✓
Written NED leadership responsibilities			✓					✓
General statements including leadership and/or strategy		✓						✓

## NED proforma Terms of Reference for Sub Committees

<b>NED proforma Terms of Reference (ToR): Sub-Committees</b>	<b>C</b>	<b>M</b>	<b>N</b>	<b>P</b>	<b>L</b>	<b>S</b>	<b>C</b>	<b>D</b>
Proforma ToR for Nomination Committee			✓					✓
Proforma ToR for Remuneration Committee			✓					✓
Proforma ToR for Audit Committee	✓	✓						✓

## E.4 FTSE 350 Share Price Analysis - extended extract

Formula:  $((\text{Low Share Price} - \text{High Share Price}) / \text{High Share Price}) \times 100$ .

**TABLE 57 EXTENDED EXTRACT OF FTSE 350 COMPANY SHARE PRICE ANALYSIS**

	Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	Market price - Current GBP	Market price - Year to date - High GBP	Market price - Year to date - Low GBP	Stock price movement High - Low: Relative %
341.	FINABLR PLC	11485051	64205	31/12/2018	0.18	1.75	0.03	-98.15
88.	CINEWORLD GROUP PLC	05212407	59140	31/12/2019	0.58	2.23	0.18	-91.81
167.	PREMIER OIL PLC	SC234781	06100	31/12/2019	0.19	1.21	0.10	-91.70
203.	ELEMENTIS PLC	03299608	20140	31/12/2019	0.73	1.86	0.18	-90.27
83.	CAPITA PLC	02081330	70229	31/12/2019	0.31	1.77	0.20	-88.76
164.	TULLOW OIL PLC	03919249	09100	31/12/2019	0.20	0.63	0.07	-88.69
117.	SIG PLC	00998314	43290	31/12/2019	0.33	1.26	0.15	-88.15
178.	THE RESTAURANT GROUP PLC	SC030343	56302	29/12/2019	0.65	1.68	0.20	-87.92
256.	HAMMERSON PLC	00360632	41100	31/12/2019	2.65	15.79	1.98	-87.47
103.	NATIONAL EXPRESS GROUP PLC	02590560	49319	31/12/2019	1.17	4.85	0.67	-86.20
168.	MARSTON'S PLC	00031461	56302	28/09/2019	0.50	1.30	0.18	-85.84
223.	CARD FACTORY PLC	09002747	47190	31/01/2020	0.35	1.52	0.22	-85.55
149.	WILLIAM HILL PLC	04212563	92000	31/12/2019	1.79	1.96	0.29	-85.23
30.	CARNIVAL PLC	04039524	50100	30/11/2019	11.32	37.28	5.81	-84.41
79.	THE GO-AHEAD GROUP PLC	02100855	49100	29/06/2019	6.69	22.42	3.90	-82.60
53.	FIRSTGROUP PLC	SC157176	49319	31/03/2020	0.40	1.34	0.25	-81.37
100.	SSP GROUP PLC	05735966	56103	30/09/2019	2.61	6.94	1.37	-80.29
115.	MITCHELLS & BUTLERS PLC	04551498	56302	28/09/2019	1.67	4.65	0.92	-80.15
158.	WH SMITH PLC	05202036	46499	31/08/2019	12.25	26.36	5.86	-77.79
175.	SENIOR PLC	00282772	30300	31/12/2019	0.51	1.87	0.42	-77.58
23.	INTERNATIONAL CONSOLIDATED AIRLINES GROUP	#0070837	51101	31/12/2018	2.19	6.84	1.55	-77.32
207.	MCCARTHY & STONE PLC	06622199	41100	31/10/2019	0.69	1.60	0.37	-77.19
264.	NEWRIVER REIT PLC	10221027	68100	31/03/2020	0.56	2.06	0.48	-76.86
109.	MICRO FOCUS INTERNATIONAL PLC	05134647	62090	31/10/2019	2.83	11.48	2.71	-76.44
55.	JOHN WOOD GROUP PLC	SC036219	70100	31/12/2019	2.34	4.26	1.01	-76.34
106.	VIRGIN MONEY UK PLC	09595911	66110	30/09/2019	0.90	1.94	0.46	-76.29
335.	RIVERSTONE ENERGY LIMITED	GG56689	64205	31/12/2018	3.11	4.54	1.08	-76.21
199.	THE RANK GROUP PLC	03140769	92000	30/06/2019	1.39	3.29	0.78	-76.19
228.	INTERMEDIATE CAPITAL GROUP PLC	02234775	64999	31/03/2020	12.45	18.96	4.53	-76.09
156.	STAGECOACH GROUP PLC	SC100764	49319	02/05/2020	0.42	1.64	0.40	-75.77
210.	HOCHSCHILD MINING PLC	05777693	07290	31/12/2019	2.32	3.27	0.80	-75.40
60.	EASYJET PLC	03959649	51102	30/09/2019	6.44	15.67	4.10	-73.84
122.	INVESTEC PLC	03633621	66190	31/03/2019	1.41	4.55	1.23	-73.08

See electronic data appendix and analysis for full listing.

## E.5 FTSE 350 EBIT Analysis – extended extract

See electronic data appendix and analysis for full listing.

EBIT recognises the financial impact of the board of directors.

**TABLE 58 EXTENDED LIST OF FTSE 350 COMPANIES' EBIT MARGIN SHOWN AS A %**

	Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	EBIT margin (%) Last avail. yr
164.	TULLOW OIL PLC	03919249	09100	31/12/2019	<b>-82.32</b>
292.	CAPITAL & COUNTIES PROPERTIES PLC	07145051	41100	31/12/2019	<b>-73.32</b>
264.	NEWRIVER REIT PLC	10221027	68100	31/03/2020	<b>-67.27</b>
327.	PANTHEON INTERNATIONAL PLC	02147984	64301	31/05/2019	<b>-34.76</b>
328.	POLAR CAPITAL TECHNOLOGY TRUST PLC	03224867	64301	30/04/2019	<b>-26.10</b>
38.	RECKITT BENCKISER GROUP PLC	06270876	17220	31/12/2019	<b>-15.21</b>
107.	WEIR GROUP PLC(THE)	SC002934	71129	31/12/2019	<b>-12.10</b>
137.	OCADO GROUP PLC	07098618	47110	01/12/2019	<b>-10.62</b>
91.	MEDICLINIC INTERNATIONAL PLC	08338604	86101	31/03/2020	<b>-5.97</b>
29.	ROLLS-ROYCE HOLDINGS PLC	07524813	30300	31/12/2019	<b>-5.14</b>
117.	SIG PLC	00998314	43290	31/12/2019	<b>-4.07</b>
127.	GREENE KING LIMITED	00024511	56302	26/04/2020	<b>-4.04</b>
21.	CENTRICA PLC	03033654	35220	31/12/2019	<b>-3.74</b>
72.	BABCOCK INTERNATIONAL GROUP PLC	02342138	84220	31/03/2020	<b>-2.39</b>
53.	FIRSTGROUP PLC	SC157176	49319	31/03/2020	<b>-1.97</b>
178.	THE RESTAURANT GROUP PLC	SC030343	56302	29/12/2019	<b>-1.93</b>
76.	STANDARD LIFE ABERDEEN PLC	SC286832	66220	31/12/2019	<b>-0.55</b>
46.	DIXONS CARPHONE PLC	07105905	47421	02/05/2020	<b>-0.28</b>
83.	CAPITA PLC	02081330	70229	31/12/2019	<b>0.01</b>
235.	CLARKSON PLC	01190238	52290	31/12/2019	<b>0.39</b>
185.	UDG HEALTHCARE PUBLIC LIMITED COMPANY	IE012244	46460	30/09/2018	<b>0.42</b>
106.	VIRGIN MONEY UK PLC	09595911	66110	30/09/2019	<b>0.74</b>
149.	WILLIAM HILL PLC	04212563	92000	31/12/2019	<b>0.76</b>

## E.6 FTSE 350 Profit Margin Analysis – Extended extract

See electronic data appendix and analysis for full listing.

Profitability recognises the shareholders earnings.

**TABLE 59 EXTENDED EXTRACT OF FTSE 350 COMPANY PROFIT MARGIN ANALYSIS**

	Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	Profit margin (%) Last avail. yr
164.	TULLOW OIL PLC	03919249	09100	31/12/2019	-98.26
264.	NEWRIVER REIT PLC	10221027	68100	31/03/2020	-83.98
260.	THE UNITE GROUP PLC	03199160	68209	31/12/2019	-64.79
269.	PRIMARY HEALTH PROPERTIES PLC	03033634	68209	31/12/2019	-57.87
327.	PANTHEON INTERNATIONAL PLC	02147984	64301	31/05/2019	-52.81
328.	POLAR CAPITAL TECHNOLOGY TRUST PLC	03224867	64301	30/04/2019	-34.44
333.	JPMORGAN INDIAN INVESTMENT TRUST PLC	02915926	64999	30/09/2019	-33.27
246.	TRAINLINE PLC	11961132	62090	29/02/2020	-30.77
196.	EI GROUP LIMITED	02562808	56302	30/09/2019	-27.49
38.	RECKITT BENCKISER GROUP PLC	06270876	17220	31/12/2019	-16.40
127.	GREENE KING LIMITED	00024511	56302	26/04/2020	-14.23
107.	WEIR GROUP PLC(THE)	SC002934	71129	31/12/2019	-13.97
181.	INMARSAT GROUP HOLDINGS LIMITED	04886072	61300	31/12/2019	-13.30
137.	OCADO GROUP PLC	07098618	47110	01/12/2019	-12.21
91.	MEDICLINIC INTERNATIONAL PLC	08338604	86101	31/03/2020	-8.92
106.	VIRGIN MONEY UK PLC	09595911	66110	30/09/2019	-8.64
270.	LONDONMETRIC PROPERTY PLC	07124797	68100	31/03/2020	-5.91
29.	ROLLS-ROYCE HOLDINGS PLC	07524813	30300	31/12/2019	-5.37
117.	SIG PLC	00998314	43290	31/12/2019	-5.22
21.	CENTRICA PLC	03033654	35220	31/12/2019	-4.87
72.	BABCOCK INTERNATIONAL GROUP PLC	02342138	84220	31/03/2020	-4.00
53.	FIRSTGROUP PLC	SC157176	49319	31/03/2020	-3.86
178.	THE RESTAURANT GROUP PLC	SC030343	56302	29/12/2019	-3.48
149.	WILLIAM HILL PLC	04212563	92000	31/12/2019	-2.38
168.	MARSTON'S PLC	00031461	56302	28/09/2019	-1.70
83.	CAPITA PLC	02081330	70229	31/12/2019	-1.70
46.	DIXONS CARPHONE PLC	07105905	47421	02/05/2020	-1.38
109.	MICRO FOCUS INTERNATIONAL PLC	05134647	62090	31/10/2019	-1.02
96.	GVC HOLDINGS PLC	IM004685V	92000	31/12/2018	-0.64
70.	DRAX GROUP PLC	05562053	35110	31/12/2019	-0.06
235.	CLARKSON PLC	01190238	52290	31/12/2019	0.06
52.	G4S PLC	04992207	80100	31/12/2019	0.35
51.	QUILTER PLC	06404270	64205	31/12/2019	0.58
217.	RENISHAW P L C	01106260	26511	30/06/2020	0.63
185.	UDG HEALTHCARE PUBLIC LIMITED COMPANY	IE012244	46460	30/09/2018	0.64
45.	MARKS AND SPENCER GROUP P.L.C.	04256886	47190	28/03/2020	0.66
15.	J SAINSBURY PLC	00185647	47110	07/03/2020	0.88
42.	KINGFISHER PLC	01664812	47520	31/01/2020	0.89



## E.7 FTSE 350 Liquidity Analysis – Extended extract

See electronic data appendix and analysis for full listing.

Liquidity defines a company's ability to pay it staff and creditors.

**TABLE 60 EXTENDED EXTRACT OF FTSE 350 COMPANY LIQUIDITY ANALYSIS**

	Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	Increase(Decrease) Cash & Equiv. th GBP Last avail. yr
14.	BARCLAYS PLC	00048839	64110	31/12/2019	-24,431,000
4.	HSBC HOLDINGS PLC	00617987	64110	31/12/2018	-20,887,931
24.	STANDARD CHARTERED PLC	00966425	64191	31/12/2019	-14,923,877
33.	NATWEST GROUP PLC	SC045551	64110	31/12/2019	-8,348,000
1.	ROYAL DUTCH SHELL PLC	04366849	06100	31/12/2019	-6,640,000
41.	LEGAL & GENERAL GROUP PLC	01417162	65120	31/12/2019	-3,839,000
120.	WHITBREAD PLC	04120344	55100	27/02/2020	-2,892,500
11.	PRUDENTIAL PUBLIC LIMITED COMPANY	01397169	66190	31/12/2019	-2,253,542
12.	RIO TINTO PLC	00719885	08990	31/12/2019	-2,116,000
26.	BAE SYSTEMS PLC	01470151	30300	31/12/2019	-597,000
18.	COMPASS GROUP PLC	04083914	56210	30/09/2019	-579,000
83.	CAPITA PLC	02081330	70229	31/12/2019	-526,700
39.	M&G PLC	11444019	64205	31/12/2019	-520,000
140.	KAZ MINERALS PLC	05180783	46720	31/12/2019	-509,000
75.	PHOENIX GROUP HOLDINGS PLC	11606773	64205	31/12/2019	-460,000
29.	ROLLS-ROYCE HOLDINGS PLC	07524813	30300	31/12/2019	-413,000
112.	SMITHS GROUP PLC	00137013	26511	31/07/2019	-412,000
85.	INTERCONTINENTAL HOTELS GROUP PLC	05134420	55100	31/12/2019	-377,000
58.	SSE PLC	SC117119	49130	31/03/2020	-362,200
30.	CARNIVAL PLC	04039524	50100	30/11/2019	-353,000
21.	CENTRICA PLC	03033654	35220	31/12/2019	-330,000
80.	ANTOFAGAST A PLC	01627889	08990	31/12/2019	-282,635
17.	BRITISH AMERICAN TOBACCO P.L.C.	03407696	12000	31/12/2019	-236,000
84.	PERSIMMON PUBLIC LIMITED COMPANY	01818486	41100	31/12/2019	-204,200
109.	MICRO FOCUS INTERNATIONAL PLC	05134647	62090	31/10/2019	-203,523
94.	DIRECT LINE INSURANCE GROUP PLC	02280426	66220	31/12/2019	-196,100
20.	BT GROUP PLC	04190816	61900	31/03/2020	-186,000
36.	NATIONAL GRID PLC	04031152	46719	31/03/2020	-183,000
71.	PETROFAC LTD	JE81792	06100	31/12/2018	-177,000
54.	SMURFIT KAPPA GROUP PUBLIC LIMITED COMPANY	IE433527	70100	31/12/2019	-172,087
147.	FRESNILLO PLC	06344120	07290	31/12/2019	-169,008
127.	GREENE KING LIMITED	00024511	56302	26/04/2020	-163,600
128.	TBC BANK GROUP PLC	10029943	64205	31/12/2019	-163,328
105.	GALLIFORD TRY LIMITED	00836539	41201	30/06/2019	-153,800
302.	RIT CAPITAL PARTNERS PLC	02129188	64301	31/12/2019	-149,400
22.	ANGLO AMERICAN PLC	03564138	08990	31/12/2019	-127,000
15.	J SAINSBURY PLC	00185647	47110	07/03/2020	-126,000

## E.8 Extended extract of FTSE 350 Current Ratio Analysis

Current ratio = {current assets / current liabilities}

**TABLE 61 EXTENDED EXTRACT OF FTSE 350 COMPANY CURRENT RATIO ANALYSIS**

	Company name	Registered number	Primary UK SIC (2007) code	Latest accounts date	Current Assets th GBP Last avail. yr	Current Liabilities th GBP Last avail. yr	CA / CL times		
323.	HGCAPITAL TRUST PLC	01525583	64999	31/12/2019	252,516	-1,231	205.1308	:	1
333.	JPMORGAN INDIAN INVESTMENT TRUST PLC	02915926	64999	30/09/2019	25,384	-225	112.8178	:	1
312.	THE SCOTTISH INVESTMENT TRUST PLC	SC001651	64301	31/10/2019	74,837	-664	112.7063	:	1
330.	HERALD INVESTMENT TRUST PLC	02879728	64301	31/12/2019	90,838	-1,215	74.7638	:	1
317.	JPMORGAN AMERICAN INVESTMENT TRUST PLC	00015543	64999	31/12/2019	9,187	-290	31.6793	:	1
327.	PANTHEON INTERNATIONAL PLC	02147984	64301	31/05/2019	145,995	-4,682	31.1822	:	1
282.	TEMPLETON EMERGING MARKETS INVESTMENT TRUST PUBLIC LIMITED COMPANY	SC118022	64301	31/03/2020	98,566	-3,169	31.1032	:	1
314.	JPMORGAN EMERGING MARKETS INVESTMENT TRUST PLC	02618994	64999	30/06/2019	9,049	-315	28.7270	:	1
307.	FIDELITY EUROPEAN VALUES PLC	02638812	64301	31/12/2019	33,229	-1,369	24.2725	:	1
308.	THE BANKERS INVESTMENT TRUST PLC	00026351	64301	31/10/2019	104,071	-4,558	22.8326	:	1
324.	SMITHSON INVESTMENT TRUST PLC	11517636	64301	31/12/2019	33,211	-1,577	21.0596	:	1
304.	TEMPLE BAR INVESTMENT TRUST PLC	00214601	64301	31/12/2019	14,394	-1,066	13.5028	:	1
285.	THE MERCANTILE INVESTMENT TRUST PLC	00020537	64999	31/01/2020	76,973	-5,854	13.1488	:	1
258.	INTERNATIONAL PUBLIC PARTNERSHIPS LTD	GG45241	64301	31/12/2018	109,952	-8,673	12.6775	:	1
268.	THE RENEWABLES INFRASTRUCTURE GROUP LTD	GG56716	64301	31/12/2018	18,330	-1,683	10.8913	:	1
316.	SCHRODER ASIAPACIFIC FUND PLC	03104981	64301	30/09/2019	24,848	-2,369	10.4888	:	1
94.	DIRECT LINE INSURANCE GROUP PLC	02280426	66220	31/12/2019	7,971,200	-785,200	10.1518	:	1

See electronic data appendix and analysis for full listing.

## E.9 FTSE 350 Strategic Report insights into long-term sustainable CS

Searching for the existence of a Corporate Strategy Committee and insights and long-term sustainable corporate strategy

**TABLE 62 SAMPLE OF FTSE 350 COMPANY STRATEGIC REPORT ANALYSIS**

FTSE 350 Strategic report insights into long-term sustainable corporate strategy			
FTSE 350 Company	Strategic Report	No. of pages	# instances strategy mentioned
HSBC			
BP Plc.			
Royal Dutch Shell Plc.			
AstraZeneca Plc.			
GlaxoSmithKline Plc.			
Diageo Plc.			
British American Tobacco Plc.			
Rio Tinto Plc.			
Unilever Plc.			
Lloyds Banking Group Plc.			
Glencore Plc.			
Prudential Plc.	No Corporate Strategy Committee. The business strategy statement is provided as follows: <i>"We use our capabilities, footprint and scale to meet the long-term savings and protection needs of an increasingly self-reliant middle class, creating value for both our customers and our shareholders. We focus on three markets,</i>		

# Appendix

FTSE 350 Strategic report insights into long-term sustainable corporate strategy			
FTSE 350 Company	Strategic Report	No. of pages	# instances strategy mentioned
	<i>Asia, the US and the UK, where the need for our products is strong and growing.”</i> Downloaded 31 December 2019		
Rickitt Benckiser Plc.			
BHP Group Plc.			
Vodafone Group Plc.			
Relx Plc.			
The Royal Bank of Scotland Group Plc.			
Anglo American Plc.			
Barclays Plc.	<i>“Our strategy is to deliver strong returns, by building on our strengths as a transatlantic consumer and wholesale bank, with global reach. This strategy is designed to ensure that we are resilient across the economic cycle, by being well diversified both in our business, and in our geographic footprint”.</i> Source: Barclays 2018 annual report downloaded 5 May 2019.	12-page	
National Grid Plc.			
Compass Group Plc.			
Tesco Plc.			
Imperial Brands Plc.	<i>“Our strategy is aligned to our purpose of creating something better for the world’s smokers and focuses on driving results in three key areas. In Tobacco we are maximising opportunities for our Growth Brands in priority markets. Through our growing portfolio of Next Generation Products we are providing adult smokers with a range of less harmful alternatives to cigarettes, with a particular focus on the vapour category.”</i>	6-page	1 instance. Key statement focuses on the here and now!

FTSE 350 Strategic report insights into long-term sustainable corporate strategy			
FTSE 350 Company	Strategic Report	No. of pages	# instances strategy mentioned
	<i>Downloaded 5 May 19 <a href="https://www.imperialbrandsplc.com/About-us/Our-strategy.html">https://www.imperialbrandsplc.com/About-us/Our-strategy.html</a></i>		
BT Group Plc.			
Standard Chartered Plc.	<p><i>“Our Board is collectively responsible for our long-term success, and for ensuring that the Group is led within a framework of effective controls. The Board sets our strategic direction, approves our strategy and takes appropriate action to ensure that we have the resources we need to achieve our strategic aspirations”</i></p> <p><i>Downloaded on 5 May 19 source: <a href="https://www.sc.com/en/about/our-people/">https://www.sc.com/en/about/our-people/</a></i></p> <p>2018 strategic report is published.  <a href="https://av.sc.com/corp-en/content/docs/our-strategy-2018.pdf">https://av.sc.com/corp-en/content/docs/our-strategy-2018.pdf</a></p>	4-page strategic review.	<p>Focus on what has been achieved since 2015 strategy review. Reports actual achievements and current strategic deliverables. Very low on specifics for long-term sustainable business.</p> <p>14 instances of strategy and its derivatives.</p>
CRH Plc.	<p><i>“CRH’s strategy is to continue to grow and improve our business and in doing so to maximise long-term value and deliver superior returns for our shareholders and for society.</i></p> <p><i>Since the Group’s foundation in 1970, CRH has successfully refined and honed its strategy, in continuously evolving market environments. We have implemented this strategy by strengthening existing positions and developing new platforms for growth. While the Group continues to grow in scale, we remain resolutely focused on serving the unique needs of our customers in local and regional markets around the world. We provide a world class service with the personal touch of a local supplier. This focus on delivery for customers through strong local businesses is a key factor in enabling CRH to realise its vision of becoming the global leader in building materials.</i></p> <p><i>Each day, millions of people around the world come into contact with our materials and products. From the roads we drive on, to the pavements we walk down, the buildings we work in, the schools our children attend, the restaurants and theatres we are entertained in, to the fitting out of the homes we live in, CRH supplies materials and products that build our world.</i></p>	4-page	9 instances of strategy.

# Appendix

FTSE 350 Strategic report insights into long-term sustainable corporate strategy			
FTSE 350 Company	Strategic Report	No. of pages	# instances strategy mentioned
	<p><i>We are committed to improving the built environment and we understand the wider impact our businesses can have in supporting human activity, through the delivery of superior building materials and products for use in the construction industry. Delivery of the Group's strategy is centred on:</i></p> <p><i>Maximising performance and returns in our business</i>  <i>Conducting our business responsibly and sustainably</i>  <i>Expanding our balanced portfolio of diversified products and geographies”.</i></p> <p>Downloaded 5 May 19 <a href="https://www.crh.com/our-group/strategy">https://www.crh.com/our-group/strategy</a></p>		
Experian Plc.			
Associated British Foods Plc.	<p>Strategic Report 2015 is published on their web-site. Clearly this is 4 years out of date in 2019.</p> <p>Downloaded 31 Dec 2019.</p>	59-page	120 instances of 'Strategy' mentioned however this includes the header repeats and the thumbnail repeats (59x2 = 118-120) thus just 2 instances within the text!
Legal and General Group Plc.	No strategic report publicly available via google search.		
London Stock Exchange Group Plc.	2018 Regulatory Strategy Report is published. No mention of strategy!	4-page	
Rolls Royce Holdings Plc.	<p>The strategic report focuses on past performance, financial information and reports from the Sub-Committees of the board. No Corporate Strategy Committee.</p> <p>Downloaded 6 May 2019</p>	55-page	110 instances of 'Strategy' mentioned however this includes the header repeats and the thumbnail repeats (55x2 = 110-147) thus 37 instances within the text.
Aviva Plc.	<p>The strategic report is one section of the annual report.</p> <p>Downloaded 6 May 2019</p>		Regulatory focus. Lacks long-term sustainably element.

FTSE 350 Strategic report insights into long-term sustainable corporate strategy			
FTSE 350 Company	Strategic Report	No. of pages	# instances strategy mentioned
BAE Systems Plc.	5 Bullet Point Strategic Plan available on website Downloaded 31 December 2019	3-page	5 instances – all headings
Smith and Nephew Plc.	5 strategic imperatives listed within vision and values. Downloaded 6 May 2019	2-page	5 instances – 4 are headings. 5 <sup>th</sup> is a medium-term strategic statement.
Ferguson Plc.	<i>“We have four key priorities for the Group which are defined below. To achieve our key priorities we must drive profitable growth across our regions through three areas of focus which set out how we will win in our local markets, outperform our competitors and drive strong financial results. Our businesses are not homogeneous, and they require customised strategies and each of our business units are prioritising them appropriately, depending on their local market and competitive environment.”</i> Downloaded 6 May 2019	2-page	Strategy focuses upon the here and now, prioritising financial returns. No mention of how it aims to attain a long-term sustainable future.
WPP Plc.			

## E.10 FTSE 350 Published NED Biographies

TABLE 63 FTSE 350 COMPANY WEBSITE: PUBLISHED NED BIOGRAPHIES ETC.

<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
HSBC	ToE are linked to the board not specific to NEDs. Strategy is mentioned in terms of delivering strategic objectives and link to risk profile. Downloaded 1 May 2019	5-Page	3 instances within one paragraph.
BP Plc.	ToE for NEDs are linked to the Sub-Committees e.g. remuneration was accessible via google search. Downloaded 1 May 2019	Web extracts	Not available
Royal Dutch Shell Plc.	ToE for NEDs are linked to the Sub-Committees e.g. nomination and board engagement day were accessible via google download 31December 2019 <a href="https://www.shell.com/investors/environmental-social-and-governance/board-of-directors.html">https://www.shell.com/investors/environmental-social-and-governance/board-of-directors.html</a> . Two NEDs indicate 'strategy' as one of their relevant skills.	1-page per active NED	4 instances within one paragraph.
AstraZeneca Plc.	ToA for NEDs – strategy linked to annual review and performance of company.	7-page	1 instance
GlaxoSmithKline Plc.	ToR are linked to Sub-Committees e.g., Audit, Nomination, Remuneration, and Risk Committee – with zero mentions of strategy.	Web extracts	Not available
Diageo Plc.	Board of Directors named. No Terms of Engagement/Reference available on their website. NED Appointment announcement	2-page	None



<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
British American Tabaco Plc.	Board of Directors named. No Terms of Engagement/Reference available on their website. Audit, Nomination and Remuneration, Committees' Terms of Reference published.  "The Main Board is responsible to the shareholders for the success of the Group and for its overall strategic direction and governance". Downloaded on 31 December 2019 from <a href="https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOBB9HYM">https://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOBB9HYM</a>	Single statement.	1 instance in responsibility statement.
Rio Tinto Plc.	Board of Directors named. No Corporate Strategy Committee. Senior Independent Director does not list 'Strategy' within his skills and experience.  ToR are available at Sub-Committee level only. Audit, Nomination, Remuneration, and Sustainability Committees' Terms of Reference downloaded 31 December 2019 <a href="https://www.riotinto.com/aboutus/corporate-governance-22039.aspx#faq-3">https://www.riotinto.com/aboutus/corporate-governance-22039.aspx#faq-3</a> .	9-page	None
Unilever Plc.	NED names and biographies listed downloaded 31 December 2019 <a href="https://www.unilever.com/about/who-we-are/our-leadership/">https://www.unilever.com/about/who-we-are/our-leadership/</a> . Senior Independent Director Prof. Moon has a strategic background from Harvard.  The code of business principles refers to standard of conduct. No Corporate Strategy Committee.	1-page per board member	1 instance
Lloyds Banking Group Plc.	NED Terms of Reference are linked to 5 Sub-Committees, one of which is responsible Business Committee – with zero mentions of strategy. Matters reserved for the Board – 6 generic mentions of strategy. NED biographies are presented.	Multi-page website	6 instances
Glencore Plc.	A 2018 corporate governance report listing the Board Members and Committees is available. Within this report there is an operating focus on Strategic Reporting which focuses upon the procedural matters within the various Sub-Committees and the link to this year's financial accounts. Vague statement of long-term viability strategy presented.	122-page	43 instances
Prudential Plc.	The NEDs are named, and the biography is available along with the Sub-Committee they are assigned to is also presented. Published 2 Sept. 2019. NED profiles downloaded 31 December 2019	Multi-page website	No specific mentions of strategy.
Rickitt Benckiser Plc.	NED Terms of Reference are linked to 3 Sub-Committees, one of which is responsible for corporate responsibility, ethics, sustainability, and compliance – with zero mentions of strategy. NED biographies are presented.	4-pages	1 instance

<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
BHP Group Plc.	Lists appointments and retirement of the various NEDs. No statement of Terms of Engagement presented.	Web extracts	None
Vodafone Group Plc.	Board role is published which clearly states <i>“the likely consequences of any decision in the long-term;”</i> as one of its duties. Please note the spelling error is a direct replication of the published document. The instances of strategy are somewhat procedural in context.	9-page	8 instances
Relx Plc.	The NEDs are named, and the biography is available along with the Sub-Committee they are assigned to is also presented - downloaded 31 December 2019 <a href="https://www.relx.com/investors/corporate-governance/board-of-directors">https://www.relx.com/investors/corporate-governance/board-of-directors</a>  Press releases of appointments and retirement of the various NEDs. No statement of Terms of Engagement presented. In addition to Audit, Nomination, Remuneration Committee there is a Corporate Governance Committee linked to annual board evaluation.	1-page per board member	None
The Royal Bank of Scotland Group Plc.	Board ToR is published which clearly links to strategic aims. NED standard terms and conditions published 1page A4 with mention of ‘annual strategic offsite’. Strategy is mentioned once with board responsibilities statement in respect of risk appetite. No Corporate Strategy Committee. Downloaded 31 December 2019  <a href="https://www.rbs.com/rbs/about/board-and-governance/board-and-committees/group-board.html">https://www.rbs.com/rbs/about/board-and-governance/board-and-committees/group-board.html</a>	5-page	12 instances
Anglo American Plc.	The NEDs are named, and brief biography is available along with the Sub-Committee they are assigned to is also presented – downloaded 31 December 19 <a href="https://www.angloamerican.com/about-us/leadership-team/board">https://www.angloamerican.com/about-us/leadership-team/board</a> No Corporate Strategy Committee unearth. ToR for Sub-Committees are available	1-page per board member	None
Barclays Plc.	The NEDs are named, and the biography is available along with the Sub-Committee they are assigned downloaded 31 December 2019 <a href="https://home.barclays/who-we-are/our-governance/board-committees/">https://home.barclays/who-we-are/our-governance/board-committees/</a> . Strategy is recognised albeit within ‘medium-term and short-term plans’. NED role includes <i>“point 10. Ensure that individual business decisions conform to agreed strategies and policies.”</i>  <a href="https://home.barclays/who-we-are/our-governance/board-responsibilities/">https://home.barclays/who-we-are/our-governance/board-responsibilities/</a>  <i>“In preparation for structural reform Barclays is establishing a ring-fenced bank (Barclays UK) as a member of the Barclays Group, comprising UK retail banking, business banking, consumer credit cards and wealth management. The</i>	Numerous reports and sections.	9 instances.

<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	<b>NED Company Website Biography / Profile,</b> <b>Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /</b>	No. of pages	# instances strategy mentioned
	<p><i>Chairman of Barclays UK is now looking to appoint a high calibre Board which will include a number of appointments including a Chair of Audit, Chair of the Remuneration Committee and Chair of Risk.</i></p> <p><i>Working with the Barclays PLC Board, the Board of Barclays UK will be responsible for development and oversight of Barclays UK's strategy and constructively challenging Management and holding them to account for delivery of the strategy.</i></p> <p><i>Key experience and personal qualities required include the following:</i></p> <p><i>Non-Executive Directors will be proven Board leaders, ideally with FTSE 100 or equivalent size organisation experience</i></p> <p><i>Candidates will be financially literate with a good understanding of retail and business banking and consumer financial services regulation</i></p> <p><i>Candidates should have experience of organisational transformation, particularly with a focus on customer, digital and technology</i></p> <p><i>Committee Chairs should have prior experience of chairing Board Committees and retail banking experience at the highest level</i></p> <p><i>Candidates should be collaborative and comfortable to challenge constructively</i></p> <p><i>Individuals will be of the highest integrity, have strong values and the reputation to sit on a financial service Board.</i></p> <p><i>Please apply by sending a CV and covering letter by email to <a href="mailto:lcieslik@heidrick.com">lcieslik@heidrick.com</a>. The closing date for applications is 25 June 2017."</i></p> <p><i>Downloaded 5 May 2019 from <a href="https://home.barclays/news/2017/06/non-executive-directors-for-uk-retail-bank/">https://home.barclays/news/2017/06/non-executive-directors-for-uk-retail-bank/</a></i></p>		
National Grid Plc.	<p>NED profiles are available as well as identifying Sub-Committee appointment. Matters reserved for the board indicates Boards responsibilities as <i>1.9 Approval and review of the business strategy and long-term strategic objectives of National Grid in light of the agreed principal risks and risk appetite</i>" downloaded 31 December 2019  <a href="https://www.nationalgrid.com/document/1261/download">https://www.nationalgrid.com/document/1261/download</a></p>	2-page Matters Reserved for the Board	10 Instances

<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
Compass Group Plc.	NEDs are named, biography presented as well as naming the Committees they are assigned. No Corporate Strategy Committee. <a href="https://www.compass-group.com/en/who-we-are/leadership.html#item-undefined">https://www.compass-group.com/en/who-we-are/leadership.html#item-undefined</a>	2-page CG statement	6 instances
Tesco Plc.	NEDs are named, biography presented as well as naming the Committees they are assigned downloaded 31 December 2019. ToE for the Sub-Committees e.g., Audit, Nomination and Remuneration, etc.  <i>“Our Non-executive Directors have the wide range of skills and experience necessary to enable them to provide constructive challenge, scrutinise performance and help to develop our strategy.”</i>  Downloaded 23 March 2019 from TESCO.com	1-page;	1 instance
Imperial Brands Plc.	No overarching NED Terms of Engagement published. The Sub-Committee level does have Terms of Reference. As an example, the Remuneration committed document is searched for links to strategy.	4-page document for Remuneration Committee	1 instance
BT Group Plc.	NEDs individual profile is available as well as identifying Sub-Committee appointment. Some 7 Sub-Committees of the board are listed including one named Executive Committee. The Terms of Reference for the Executive Committee clearly include focus on corporate strategy.	4-page document for Executive Committee	8 instances.
Standard Chartered Plc.	<i>“Our six Board committees play an important role in supporting the Board. The committees all consist of non-executive directors, and our Board Financial Crime Risk also includes three external advisors.”</i> One of these boards is named <i>“Matters reserved for the board”</i> which includes Management and Strategy.	Sub-Committees - 6: e.g., Matters reserved for the Board	4 instances
CRH Plc.	Terms of Reference for 6 Sub-board Committees is available. None specifically focused upon corporate strategy. NED profiles published and states Sub-Committee assignments. Governance mentions strategic Plans <a href="https://www.crh.com/about-crh/governance/">https://www.crh.com/about-crh/governance/</a> downloaded 31 December 2019	1-page per NED	1 instance

<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
Experian Plc.	NEDs profiles published. No specific links to corporate strategy within the 3 Sub-Committees published i.e., ToE for the Sub-Committees e.g., Audit, Nomination and Remuneration, etc... and corporate governance Terms of Reference.	Corporate Governance	1 instance
Associated British Foods Plc.	Very brief NEDs profiles published. ToR for Sub-Committees published. Schedule of matters reserved for the board include strategic matters downloaded 31 December 2019 <a href="https://www.abf.co.uk/documents/pdfs/board_committees/matters_reserved_for_the_board.pdf">https://www.abf.co.uk/documents/pdfs/board_committees/matters_reserved_for_the_board.pdf</a> .	6-page	9 instances
Legal and General Group Plc.	NED names published along with very brief profile. NED involvement within 5 Sub-Committee stated supported with ToR. No Corporate Strategy Committee. A clear corporate governance statement is provided as downloaded on 31 December 2019 <a href="https://www.legalandgeneralgroup.com/about-us/corporate-governance/">https://www.legalandgeneralgroup.com/about-us/corporate-governance/</a>  The Corporate Governance report mentions 'Strateg' 89 times in the context of Group operations and deliverance of strategy. <a href="https://www.legalandgeneralgroup.com/media/2540/corporate-governance.pdf">https://www.legalandgeneralgroup.com/media/2540/corporate-governance.pdf</a>	Corporate Governance media report	89 instances
London Stock Exchange Group Plc.	LSEG Plc lists NED and their biography. No specific Terms of Reference published. There is a link with NEDA re training and professional development for NEDs. No mention of strategy!	Web extracts	None
Rolls Royce Holdings Plc.	NEDs names and career history listed. Identifies Sub-Committee memberships. A 76-page NED terms and conditions published. <a href="https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/about/terms-and-conditions-of-non-exe-dir-01-03-2019.pdf">https://www.rolls-royce.com/~media/Files/R/Rolls-Royce/documents/about/terms-and-conditions-of-non-exe-dir-01-03-2019.pdf</a>  Extract from NED appointment letter p2: <i>"In addition to these requirements of all directors, your role may be expected to include the following key elements:</i>  • <i>Strategy – to constructively challenge and help develop proposals on strategy alongside the executive directors;"</i>  Corporate governance documents published <a href="https://www.rolls-royce.com/about/leadership/corporate-governance.aspx">https://www.rolls-royce.com/about/leadership/corporate-governance.aspx</a>	Published NED Terms and Conditions	39 instances of strategy within various NED appointment letter.

<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
Aviva Plc.	No NED Terms of Reference published. 5 Specific Sub-Committee have Terms of Reference none directly linked to strategy.  <i>“long-term shareholder value and business success”</i>	Lists 5 Committees:  E.g., Governance Committee	5 instances of strategy.
BAE Systems Plc.	NED biographies posted. No mention of Sub-Committee memberships. A clear statement on Governance framework is provided and downloaded on 31 December 19 <a href="https://www.baesystems.com/en/our-company/corporate-responsibility/how-our-business-works/governance-framework">https://www.baesystems.com/en/our-company/corporate-responsibility/how-our-business-works/governance-framework</a> in which ‘Strateg’ is mentioned just once in context of; risk!	1-page	1 instance of strategy
Smith and Nephew Plc.	NED biographies posted. States 6 Sub-Committee and their Terms of Reference. Role of senior independent director provided.	1-page	Zero mention of strategy!
Ferguson Plc.	NED biographies listed. States membership of 4 Sub-Committee. Interestingly they state a further 4 Committees for strategy matters. <ul style="list-style-type: none"> <li>• Executive – linked directly to strategy.</li> <li>• Treasury</li> <li>• Disclosure</li> <li>• Ad-hoc</li> </ul> <i>“The Executive Committee addresses operational business issues and is responsible for implementing Group strategy and policies, day-to-day management and monitoring business performance.</i>  <i>The Executive Committee meets at least 10 times each year. These meetings usually take place prior to Board meetings.”</i> Downloaded 1 January 2020 <a href="https://www.fergusonplc.com/en/who-we-are/corporate-governance.html">https://www.fergusonplc.com/en/who-we-are/corporate-governance.html</a>	1-page	1 instance of strategy
3I Group Plc.	<i>“Constructively challenge and help develop proposals on strategy; this occurs at meetings of the Board, and in particular at the annual review meeting to discuss ongoing strategy, the most recent of which took place in December 2017.”</i>	4-page	7 instances of which 2 refer to NEDs

<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
Ocado Group Plc.	NEDs' names and career history listed. NED Letter of Appointment provided.  Downloaded 1 January 2020 <a href="https://www.ocadogroup.com/~media/Files/O/Ocado-Group/documents/Ocado-Group-plc-NED-appointment-letter-2%20February-2015.pdf">https://www.ocadogroup.com/~media/Files/O/Ocado-Group/documents/Ocado-Group-plc-NED-appointment-letter-2%20February-2015.pdf</a>  Lists Sub-Committee memberships. No mention of Strategy Committee.	7-page	2 instances
Burberry Group Plc.	NEDs' names and career history listed. Lists Sub-Committee memberships. No mention of Strategy Committee. Downloaded 1 January 2020 <a href="https://www.burberryplc.com/content/dam/burberry/corporate/Company/Corporate_Governance/Role%20and%20Responsibilities%20of%20SID.pdf">https://www.burberryplc.com/content/dam/burberry/corporate/Company/Corporate_Governance/Role%20and%20Responsibilities%20of%20SID.pdf</a>	1-page	1 instance
Next Plc.	NEDs' names and career history listed. Lists Sub-Committee memberships. No mention of Strategy Committee. Downloaded 1 January 2020 <a href="https://www.nextplc.co.uk/about-next/our-board">https://www.nextplc.co.uk/about-next/our-board</a>	1-page	None
Persimmon Plc.	NEDs' names and career histories listed. Downloaded 1 January 2020  <a href="https://www.persimmonhomes.com/corporate/investors/corporate-governance/board-of-directors">https://www.persimmonhomes.com/corporate/investors/corporate-governance/board-of-directors</a>  <a href="https://www.persimmonhomes.com/corporate/investors/corporate-governance/board-committees">https://www.persimmonhomes.com/corporate/investors/corporate-governance/board-committees</a>  Lists 3 Sub-Committee and their memberships. No mention of a Strategy Committee. Terms of Reference for Sub-Committee provided.		
Rentokill Initial Plc.	NED Letter of Appointment identify strategy as an element of the role – “ <i>strategy: non-executive directors should constructively challenge and help develop proposals on strategy;</i> ”	6-page	2 instances within the same sentence.
Pearson Plc.	NED names listed with biography and assigned Sub-Committee, which have a ‘ <i>nomination and governance committee</i> ’ which oversees strategy. Notably Pearson’s have a <i>Chief Strategy Officer</i> within the Executive Leadership Team supporting the Board.	9-page	Zero instances

<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
J D Sports Fashion Plc	No NED Terms of Reference published. Specific Committees have Terms of Reference.	Lists 3 Committees	No instance of strategy
ITV Plc.	NED Letter of Appointment identify strategy as an element within the role. <i>“Sets the Company's strategic aims...” “Strategy. Non-executive directors should constructively challenge and help develop proposals on strategy;”</i>	2-page	3 instances
WH Morrisson Supermarket Plc.	NEDs names listed – biographies published. Chairman’s role and responsibilities published. No mention of strategy.	1	Nil
J Sainsbury’s Plc.	NEDs names listed. Lists Sub-Committee Terms of Reference and memberships. No mention of Strategy Committee. <i>“The Board is collectively responsible for the <b>long-term success</b> of the Group and we achieve this through the creation and delivery of <b>sustainable shareholder value</b>. In addition to setting the Group’s <b>strategy</b> and overseeing its implementation by management, we <b>provide leadership to the business</b> including on culture, values and ethics, monitoring the Group’s overall financial performance, and ensuring effective corporate governance and succession planning. The Board is also responsible for ensuring that effective internal control and risk management systems are in place.”</i>	5-page	6 instances
EasyJet Plc.	Letter of Appointment mention bi-annual Board strategy away-day	5-page	1 instance
Severn Trent Plc.	Letter of Appointment published. 6 Sub-Committees, no mention of Strategy Committee.	5-page	0 instance
Marks and Spencer Plc.	Brief statement of Letter of Appointment stating the Committees which the Chair/NEDs are members. No Corporate Strategy Committee.	1-page	Zero
Bellway Plc.	Brief statement of ToA stating the Committees which the Chair/NEDs are members. All NEDs are appointed to ToE for the Sub-Committee e.g., Audit, Nomination and Remuneration, etc. Committees. No mention of Strategy Committee. Downloaded 1 January 2020 <a href="https://www.bellwayplc.co.uk/investor-centre/governance/board-members">https://www.bellwayplc.co.uk/investor-centre/governance/board-members</a>	2-page	2, as background to one independent NED.



<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
Tate & Lyle Plc.	Brief individual profile statement stating the Committees which the Chair/NEDs are members. <a href="https://www.tateandlyle.com/about-us/board-directors">https://www.tateandlyle.com/about-us/board-directors</a> No mention of Strategy Committee. Group strategy setting and implementation are within Boards responsibilities.	3-page	3 instances
Howden Joinery Group Plc.	Board members listed along with a short career biography. General statement of Terms of Engagement and Letter of Appointment published. A very broad strategy statement provided.	Several web pages	2 instances.
Royal Mail Plc.	Brief NED biographies published. <a href="https://www.royalmailgroup.com/en/about-us/management-and-committees/royal-mail-group-board/">https://www.royalmailgroup.com/en/about-us/management-and-committees/royal-mail-group-board/</a> No Terms of Engagement published. Some NEDs profiles have strategy and leadership skills backgrounds. No specific Strategy Committee. <a href="https://www.royalmailgroup.com/media/10225/matters-reserved-for-the-board-march-2019.pdf">https://www.royalmailgroup.com/media/10225/matters-reserved-for-the-board-march-2019.pdf</a>	5-page, Matters reserved for the board	10 instances
Wizz Air Holdings Plc.	NED brief biographies published. Sub-Committee Terms of Reference published. No Strategy Committee.	nil	nil
W H Smith Plc.	NED very brief biographies published downloaded 8 January 2020, <a href="http://www.whsmithplc.co.uk/about_whsmith/directors/">http://www.whsmithplc.co.uk/about_whsmith/directors/</a> . 4 Sub-Committee brief Terms of Reference published. No Strategy Committee.	Web extracts	None
National Express Group Plc.	Brief NED biographies published. Web pages downloaded 1 January 2020. <a href="https://www.nationalexpressgroup.com/about-us/our-management/board-of-directors/">https://www.nationalexpressgroup.com/about-us/our-management/board-of-directors/</a> No Terms of Engagement published. Within NED profiles provided, Dr Ashley Steel has a PhD in Management from Henley Business School and her skills include strategy development. No Corporate Strategy Committee mentioned. <a href="https://www.nationalexpressgroup.com/about-us/corporate-governance/">https://www.nationalexpressgroup.com/about-us/corporate-governance/</a>	Several web pages	6 instances.
MoneySupermarket.com Group Plc.	Brief NED biographies published. No NED Terms of Engagement rather Terms of Reference for Sub-Committee. No Strategy Committee found.		
Balfour Beatty Plc.	Brief NED biographies published. <a href="https://www.balfourbeatty.com/investors/leadership/">https://www.balfourbeatty.com/investors/leadership/</a> No Terms of Engagement published. No Strategy Committee mentioned.	36-page CG document	78 instances within CG Report

**FTSE 350 Company websites: published NED Biographies**  
**(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)**

FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
Dixon Plc.	Brief biographies published. <a href="https://www.dixonscarphone.com/en/our-business/corporate-governance/board-of-directors">https://www.dixonscarphone.com/en/our-business/corporate-governance/board-of-directors</a> No NED Terms of Reference published. <a href="https://www.dixonscarphone.com/en/our-business/corporate-governance">https://www.dixonscarphone.com/en/our-business/corporate-governance</a> Specific Committees have Terms of Reference. Corporate Governance Report – p50 of Annual Report <a href="https://www.dixonscarphone.com/sites/dixons-carphone/files/results%20and%20presentation/20190709-dixons-carphone-plc-ara-final.pdf">https://www.dixonscarphone.com/sites/dixons-carphone/files/results%20and%20presentation/20190709-dixons-carphone-plc-ara-final.pdf</a>	1-page CG Statement  Lists 4 Committees	1 instance
Sports Direct International Plc.	NED biography provides their ‘key skills’ no mention of strategy <a href="https://www.sportsdirectplc.com/about-us/leadership.aspx">https://www.sportsdirectplc.com/about-us/leadership.aspx</a> . ToR for 3 Sub-Committee published <a href="https://www.sportsdirectplc.com/investor-relations/corporate-governance.aspx">https://www.sportsdirectplc.com/investor-relations/corporate-governance.aspx</a> . No mention of Strategy Committee.	1-page per NED	Nil
William Hill Plc.	Brief NED biographies published. No Terms of Engagement published. <a href="http://www.williamhillplc.com/media/13128/division-of-responsibilities-chairman-ceo-and-sid-final-august-2019.pdf">http://www.williamhillplc.com/media/13128/division-of-responsibilities-chairman-ceo-and-sid-final-august-2019.pdf</a>  Division of responsibilities listed which includes  <i>“to ensure that the appropriate strategy and risk appetite for the company is developed by the CEO, as a proposal for the Board, and to ensure that the Company’s strategy is fully considered and successfully implemented by the CEO”.</i> <a href="http://www.williamhillplc.com/investors/board-and-governance/">http://www.williamhillplc.com/investors/board-and-governance/</a>	3-page	5 instances
Talktalk Telecom Group Plc.	NEDs listed with brief biography. Sub-Committees ToR listed – no Strategy Committee.	Web extracts	None
J D Wetherspoon Plc.	NED listed – brief educational statement provided. A schedule of matters reserved for the board is provided which commences with <i>“strategy and management”</i> – predominance of regulatory and approval procedures. Sub-Committee ToR published. No Strategy Committee.	5-page	6 instances
Savills Plc.	Brief NED biographies published <a href="https://ir.savills.com/company-information/leadership">https://ir.savills.com/company-information/leadership</a> . No Terms of Engagement published. No Corporate Strategy Committee. Terms of Reference for Sub-Committee published <a href="https://ir.savills.com/company-information/corporate-governance">https://ir.savills.com/company-information/corporate-governance</a> . Tax strategy is mentioned.	1-page per profile	none

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FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
FirstGroup Plc.	Brief NED biographies published. <a href="https://www.firstgroupplc.com/about-firstgroup/leadership/board-of-directors.aspx">https://www.firstgroupplc.com/about-firstgroup/leadership/board-of-directors.aspx</a> No Terms of Engagement published. No Corporate Strategy Committee. Strategic objectives stated are focused upon operational strategy.	1-page per NED	1 (Julia Steyn profile)
Essentra Plc.	Brief NED biographies published <a href="https://www.essentraplc.com/en/about-us/board-of-directors">https://www.essentraplc.com/en/about-us/board-of-directors</a> downloaded 4 January 2020. No Terms of Engagement published. No Corporate Strategy Committee. Sub-Committee participation noted within profiles.	1-page per NED	1 – Nicki Demby ‘Career Strategy’
UltraElectronics Holdings Plc.	Brief NED biographies published <a href="https://www.ultra-electronics.com/about-us/our-board">https://www.ultra-electronics.com/about-us/our-board</a> . No Terms of Engagement published. No Corporate Strategy Committee.	1-page per NED	1 instance. Board approves strategy.
James Fisher and Sons Plc.	Very succinct NED biographies published. No Terms of Engagement published. No mention of a Corporate Strategy Committee. ToR for Sub-Committee published.	Several web pages	2 instances. Board approves strategy within sub-committees.
Dairy Crest Group Plc.	Acquired by Saputo April 2019 – excluded.		
Sanne Group Plc.	Brief NED biographies published <a href="https://www.sannegroup.com/about-us/board-of-directors/">https://www.sannegroup.com/about-us/board-of-directors/</a> No Terms of Engagement published. Detailed Sub-Committee Terms of Reference. No Corporate Strategy Committee published.	1-page per NED	1 instance – linked to remuneration of senior executives.
Metro Bank Plc.	Brief NED biographies published <a href="https://www.metrobankonline.co.uk/about-us/press-releases/news/metro-bank-plc-board-changes/">https://www.metrobankonline.co.uk/about-us/press-releases/news/metro-bank-plc-board-changes/</a> . No Terms of Engagement published. Sub-Committees listed along with their membership. Catherine Brown lists strategy within her competencies as well as positions previously held.	Several web pages	1, 3 instances

<b>FTSE 350 Company websites: published NED Biographies</b> <b>(Where available; Letter of Appointment, Terms of Engagement, and Terms of Reference)</b>			
FTSE 350 Company	NED Company Website Biography / Profile, Where available: Letter of Appointment (LoA), Terms of Engagement (ToE), Terms of Reference (ToR) /	No. of pages	# instances strategy mentioned
Pets at Home Group Plc.	Brief NED biographies published <a href="https://investors.petsathome.com/our-company/our-board-of-directors/">https://investors.petsathome.com/our-company/our-board-of-directors/</a> . No Terms of Engagement published. No Corporate Strategy Committee. Matters reserved for the board <a href="https://investors.petsathome.com/investors/governance/schedule-of-matters/">https://investors.petsathome.com/investors/governance/schedule-of-matters/</a>	Schedule of matters reserved for the board	5 instances
Ted Baker Plc.	Brief NED biographies published. <a href="http://www.tedbakerplc.com/investor-relations/corporate-governance">http://www.tedbakerplc.com/investor-relations/corporate-governance</a> No Terms of Engagement published. No Corporate Strategy Committee.	Several web pages	4 instances
Saga Plc.	Brief NED biographies published <a href="https://corporate.saga.co.uk/about-us/board-of-directors/">https://corporate.saga.co.uk/about-us/board-of-directors/</a> . No Terms of Engagement published. No Corporate Strategy Committee. Orna NiChionna biography includes significant experience in strategy.	1-page per NED	1 instance
Kier Group Plc.	Brief NED biographies published. No Terms of Engagement published. No Corporate Strategy Committee published.	Several web pages	Zero
Coca-Cola HBC AG	NED names published <a href="https://coca-colahellenic.com/en/about-us/corporate-governance/the-board/">https://coca-colahellenic.com/en/about-us/corporate-governance/the-board/</a> . No Terms of Engagement published. No Corporate Strategy Committee mentioned.	Several web pages - 1-page per NED	Zero
Entertainment One Ltd.	Leadership rather than Board biographies published <a href="https://www.entertainmentone.com/about-eone/darren-throop/">https://www.entertainmentone.com/about-eone/darren-throop/</a> . No Terms of Engagement published. No Committees stated.	Several web pages	None

Sources: Extracted from FTSE 350 listing downloaded from FAME on 23 April 2019 (6 companies' data not available on date data downloaded 23/4/19).

NED Letter of Appointment, Terms of Engagement, Terms of reference: Google web searches of published information April 2019 - January 2020.

Summarised below is a listing of UK Corporate Governance Codes and Reports, supporting the need for NEDs strategic leadership commencing with The Cadbury report (1992) through to 2019. This list is not intended as exhaustive; rather indicative of the quantity of guidelines issued to date; whilst worse and or catastrophic UK corporate failings continue to occur.

**TABLE 64 UK CORPORATE GOVERNANCE CODES HIGHLIGHTING INSTANCES OF STRATEGY AND LEADERSHIP**

<b>UK Corporate Governance Codes highlighting instances of strategy and leadership</b>						
<b>Year</b>	<b>Report Name</b>	<b>Focus</b>	<b>Possibly provoked by:</b>	<b>Pages</b>	<b># Instances</b>	
					<b>Strategy</b>	<b>Leadership</b>
1992	The Cadbury Report	Financial Aspects of Corporate Governance	Mirror Group Scandal 1987, Robert Maxwell, Polly Peck and BCCI.	90-page	6	3
1992 And 2013	COSO	Committee of Sponsoring Organisations: Internal Control	Tredway Commission	194-page	57	14
1994	Rutteman Report	Guidance on Internal Control	Need to publish within Financial Report. Concentrates on Audit Committee.	14-page	0	1
1995	The Greenbury Report	Executive Directors Remuneration, which may not be able to be amended once granted.	In responses to public and shareholders concerns to directors' remuneration policies. Does mention performance, concentrates on Remuneration Committee.	54-page	0	0
1995 revised 1996/7/8	Nolan Committee Report	Standards in public life: 7 Principles	Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership	1-page	0	1

UK Corporate Governance Codes highlighting instances of strategy and leadership						
Year	Report Name	Focus	Possibly provoked by:	Pages	# Instances	
					Strategy	Leadership
1998	The Hampel Report	Review of the Cadbury and Greenbury Reports and its achievements.	The outcomes of which led to the Combined Code.	65-page	7	7
1999	The Turnbull Report	Internal Control: Guidance for Directors on the Combined Code. Need for strategy for significant risks.	Focused on obligations under the Combined Code for FTSE listed companies.	18-page	1	0
2001	The Myners Review	Institutional Investment in the UK	Relative passivity of institutional investors	201-page	117	1
2003	The Higgs Report	Review of the role and effectiveness of NEDs	Aiming at improving and strengthening Combined Code.	126-page	32	13
2003 revised 2009	The Turner Review	Global Banking Crisis: Recommends focus on the business models.	A review post Turner Report which continues to indicate governance issues for the future – not least Directors.	126-page	24	1
2003	The Tyson Report	Recruitment and Development of NEDs.	Optimising board membership is vital to its performance.	34-page	16	10
2003 and revised 2008	The Smith Report	Focus on Corporate Governance and independence of Auditors	Follows the collapse of Arthur Andersen post Enron scandal.	52-page	0	0
2003,2006 ...revised 2018	The UK Combined Code	Corporate Governance: “ <i>Comply or Explain</i> ”	2006, Appointments to the board and identifying their development needs.	20-page	18	0
2003	Financial Stability Review	Encourage informed debate on Financial Stability issues	Banking crises of 2001	180-page	30	0

UK Corporate Governance Codes highlighting instances of strategy and leadership						
Year	Report Name	Focus	Possibly provoked by:	Pages	# Instances	
					Strategy	Leadership
2005	The Hampton Report	Regulation inspections an Enforcement	Promote efficient and effective approaches to regulatory inspection and enforcement	48-page	22	0
2006	Accounting Standards Board	Operational and Financial Review	Includes statement on company's future performance (strategy)	69-page	44	1
2008	Financial Reporting Council	A review of narrative reporting in UK listed companies	Narrative reporting required in both the year end and half yearly reporting.	80-page	22	2
2009	The Walker Review	A CG review of Banks and Financial investments.	Focuses particularly on risk within Banks. However, NEDs to spend 50% more time on the job.	184-page	144	60
2010, revised 2012	The UK Stewardship Code	Setting out optimal principles for shareholder scrutiny	Institutional investors will publicly disclose their policy on how they will discharge their stewardship duties.	14-page	5	1
2011	Guidance on Board Effectiveness	Guidance to the UK CGC (2010) specifically section A and B.	Provision of clarity on NEDs' role pp. 5-6. Suggests the CEO is responsible for proposing and delivering <b>strategy</b> .	18-page	9	8
2011	NED Conference; Delivering Fair Treatment for Consumers of Financial Services	FSA guidance consultation – retail conduct risk. Re-engage NEDs on their important role in challenging their firms to deliver on their regulatory responsibilities to customers.	Strategy mentions are clearly linked to risk of a firm treating its retail customers unfairly and delivering inappropriate outcomes.	11-page	14	1

UK Corporate Governance Codes highlighting instances of strategy and leadership						
Year	Report Name	Focus	Possibly provoked by:	Pages	# Instances	
					Strategy	Leadership
2011	Boards and Risk	FRC summary of discussions with companies, investors and advisors.	Monitoring the company's exposure to risk and the key risks could undermine its strategy, reputation and long-term viability.	17-page	22	1
2011	Women on Boards	Lord Davis promotes women on FTSE 100 boards	Gender diversity. 12% women in 2011. Women are predominantly appointed as NEDs.	44-page	5	3
2012	The Kay Review	UK Equity Markets and Long-Term Decision Making	Reiterates s172 of CA (2006)  Board members are responsible for strategic aims of the company.	112-page	53	1
2010, 2012 / 2016  See separately 2018	The UK Corporate Governance Code:  Lays out 5 principles of "Comply and Explain"	NEDs' role is to assist company's leadership. The Chairman's role is to lead and manage the board, and to play a role in facilitating the discussion of the Company's strategy by the board.	S. (A1) ... <i>"boards to provide entrepreneurial leadership..."</i>  S.(A4) ... <i>"Non-Executive Directors should constructively challenge and help develop proposals on strategy".</i>  S.(B) ... <i>"The board should have the required balance of skills to effectively discharge their duties".</i>	37-page	19	0
2013	House of Lords and House of Commons	Changing Banking for Good Vol 1 and 2	Resulted in PRA and FCA strengthening regulatory frameworks within banks.	503-page	85	25
2013	The Salz Review	The Legal Framework for internal controls in Banks and Fin. Institutions	Barclays Plc. Independent review on aggressive trading policy. Leadership focuses upon characteristics, values and standards – Barclays Bank failings.	163-page	49	217



UK Corporate Governance Codes highlighting instances of strategy and leadership						
Year	Report Name	Focus	Possibly provoked by:	Pages	# Instances	
					Strategy	Leadership
2014, revised 2017, 2018	FRC: Guidance on Strategic Report	The non-financial statement should be guided by the standard of materiality.	Links to corporate disclosures.	104-page	546	0
2015	FCA: Approach to NED in Banking	Strengthening individual accountability in Banking and Insurance.	Formalised individual responsibilities and codes of conduct.	113-page	9	0
2015	Davis Review:	Improving the gender balance on British boards	Majority of FTSE 350 boards were all male in 2010	226-page	96	2
2017	The Parker Review	The Ethnic Diversity of UK Boards	Improvements to; leadership, brands, culture and supply chain	39-page	36	61
2017	The Deloitte Academy	Corporate Governance Disclosure Checklist	Regulatory disclosure checklist	32-page	12	5
2017	The 2017 Good Governance Report	Good Governance Index	Deliver long-term success of company.	30-page	4	5
2017	McGregor-Smith Review	Race in the Workplace.	BAME groups in the workplace.	95-page	24	46
2017	The Stakeholder voice in board decision making	ICSA and Investment Association issue joint guidance.	Interests of key stakeholders when taking strategic decisions.	32-page	11	0
2018	Hampton-Alexander Review	FTSE Women Leaders: Drivers include long-term sustainable companies.	FTSE-350 companies to build 33% women on boards, as well as being able to fulfil a company's potential.	76-page	11	70

UK Corporate Governance Codes highlighting instances of strategy and leadership						
Year	Report Name	Focus	Possibly provoked by:	Pages	# Instances	
					Strategy	Leadership
2018	Guidance on Board Effectiveness	Stimulate board's thinking on how they carry out their duties and promote continuous review.	Building long-term effective boards.	50-page	37	11
2018	UK CGC	Consolidation of earlier UK CGCs and brevity of expression.	Every increasing and widening board responsibilities.	20-page	18	4
2018	Guidance on the Strategic Report	An annual statement addressing s172.1 CA (2006) clearly stating how well the directors are performing and <i>"enlightened shareholder value"</i> .	The need to present a fair, balanced and understandable report to the shareholders for them to assess ... the business model and strategy.	104-page	546	0
2018	Corporate Governance Review	Compliance with prevailing corporate governance code.	FTSE 350 organisations lack of compliance. <i>"All but two companies now include a strategic report in their annual report; <b>60% comply</b> with all strategic report requirements"</i> .	65-page	95	15
2019	On the board Agenda	Deloitte: raises the profile of CA s172 – recognises the need for Strategic Report.	CA (2006 s172): Matters that are critical to the long-term success of the company need more board focus.	68-page	123	0

Source: Lisson (2022), compilation of published reports supported by commentary and analysis.

## E.11 Empirical search and discovery

This investigation scrutinises using mixed-method parallel-layered data collection and analysis during 2019-2020, pursuing archival and secondary materials including the evolution of FTSE 350 NEDs' strategic oversight responsibilities. Incorporated within this research is an evaluation and analysis along with a reflexive theoretical and empirical evaluating phase. It is accepted the role performed by FTSE 350 NEDs adds value to their companies' strategic competencies and should continue to do so. However, this role needs to be clearly re-defined so the value of NED participation in strategic leadership and management can be optimised and the strategic knowledge passed-on to the incoming NEDs.

This researcher questions whether FTSE 350 NEDs actively deliver corporate strategy oversight is fit for purpose, and in the arena of corporate strategy itself, is found wanting. A mindful balance is sought between FTSE 350 NEDs part-time oversight position and their obligation to oversee their company's good CG as well as providing inspiring and meaningful long-term strategy needs clearer understanding.

This research through advanced practice and relevant scholarship, develops theoretical ideals and recognises the rich diversity of NED good practice i.e., ability to conceptualise on much wider horizon in a down-to-earth manner which supports their individual company's board. A comprehensive and balanced evaluation is presented to make more effective use of FTSE 350 NEDs' involvement in their company's corporate strategy.

## Appendix F Conclusions, Implications and Recommendations

### F.1 Further research areas emanating from this research

#### F.1.1 Theoretical and methodological issues raised within this research

The selected theoretical and methodological underpinnings invariably influence the empirical conclusions revealed and value of contributions made. Overreliance on these theories could limit further potential findings. Moreover, this researcher recognises the potential for a new theory emanating out of the combination of IT with IST. Additionally, there is significant scope to take a much broader view of alternative theories including Stakeholder Theory and a possibility to create a theory. Potential for future theoretical and methodological reviews depends upon and may include some or many of the following suggestions:

- Strategic Management Theory, exploring strategy outside the concepts of CG,
- Stakeholder Theory and the ethics in relation to NEDs contribution to corporate strategy,
- Stakeholder Theory lens specifically the impact on all stakeholders versus NEDs value agenda,
- Agency Theory, potential to comment upon the methodological approach selected.
- IT with IST deployed have ‘fuzzy’ boundaries thus leading the researcher to believe there is potential to develop an alternative theory,
- Potential to adopt alternative theoretical lenses to review NEDs contributions to corporate strategy,
- Methodological issues, potential to select alternative criteria leading to alternative conclusions,
- Undertake a meta-study to exploit outcomes of a qualitative meta-analysis,
- Conduct a comparative literature review focused upon Boards and their NEDs and corporate strategy,
- Obtain in advance specific professional body support and access to membership of relevant and pertinent participants to secure primary data collection channel,
- There is a possibility for further theory development which will assist understanding and potential to aid value creation.

## F.1.2 Suggestions for enhancing FTSE 350 NED strategic oversight

The importance of NEDs contribution to corporate strategy appears to be overshadowed by their more clearly defined CG oversight roles. Bearing this in mind, much further research needs to be conducted to enhance this aspect of NEDs oversight role. Suggestions include:

- Specific NED leadership and strategic qualities, interdisciplinary skill sets and core competencies, including corporate strategy, along with potential for a NED body of knowledge certification, leading to a specific professional identity,
- Primary research into specific NED involvement within the interdisciplinary nature of providing corporate strategic oversight covering: Shaping, Conducting and Deciding,
- Number of concurrent NED positions held, versus ability to deliver expected levels of oversight,
- NEDs independence, the concept as a bastion against bias,
- Specific reason(s) for a particular NED appointment,
- Specific motivation of individual NED's, and their belief in the purpose of the company,
- The value of having PhD level candidates on UK boards to uncover and navigate opportunities and navigate problem solving,
- Further research into defining the role of NEDs - explore how NEDs' can be more effective in strategy – linkup with “*centre for future studies*”,
- Clearly describe and specify the expected strategic contributions of a NED i.e., oversight in setting direction and of steering corporate strategy,
- Possibility the executive board may not wish to have NEDs directly involved in leading and formulating of corporate strategy,
- Executives power and the implications for board decision-making,
- Senior Independent Directors (SIDs) ability to dispense their duties,
- Senior Independent Directors (SIDs) role in influencing as well as contributing to and promulgating corporate strategy. This is alongside their role of supporting NEDs contributing to corporate strategy,
- NEDs threshold and core strategic competencies clearly auditable,
- The decisive impact of NEDs contribution to all elements of corporate strategy,
- NED service contract, as well as number of number of years on the board,
- Explore the potential ineffectiveness of NEDs role within strategy,

- NED talent access and succession program, as well as bring people with them,
- Potential differences in NEDs oversight role and responsibilities depending upon the background and ranking of the FTSE 350 company,
- If NEDs do not contribute to corporate strategy, why not?
- Is the NED role simply too extensive to be properly fulfilled?
- Check NEDs' ability in board meetings to strategically advise, neutralise, debate, and discuss impending corporate strategies,
- Evaluate what information is provided to NEDs on corporate strategy and what further information is necessary,
- A potential serial position effect of when strategy is tabled on the board agenda,
- Do the NEDs need additional competencies and resources to better comprehend their company's corporate strategy?

#### F.1.3 Other FTSE Listings

- FTSE All Share companies,
- FTSE 500 companies versus largest unlisted UK company strategies,
- FTSE 500 companies compared with largest unlisted UK companies,
- FTSE 500 companies versus Fortune 500 companies,
- A longitudinal study rather than cross-sectional research.

#### F.1.4 Public Sector Organisations and Charities

- UK Public Sector Organisations – e.g., NHS, Education, Social Welfare,
- UK Local Government Organisations,
- Quasi-government Organisations,
- Charities – large and small, fitness for purpose.

#### F.1.5 Corporate Governance

- Re-evaluate the future of CG and FTSE 350 board performance to ensure a health future for their company post BREXIT and COVID-19,

- Relationship between good governance and long-term sustainable business performance, alongside the company's Strategic Report,
- Potential to learn from overseas e.g., Sarbanes-Oxley Act 2002 being a comprehensive single source of legislation rather than the plethora of UK legislation and governance codes,
- Ethical convergence within good CG frameworks,
- Key issue of trust and values, specifically those that are implicit – should they be explicit?
- Assess NEDs knowledge and corporate strategy skills are required to underpin corporate success,
- Research the current governance principles to ensure they support NEDs dispensing their duties as well as meeting the needs of FTSE 350 companies,
- Whether the potential failure of corporate strategy is truly a “*principal risk*” (McDonald Wood 2013, p3),
- A post completion audit in three to five years' time,
- Non-sustainable corporate strategies particularly around ethical behaviour,
- UK's commitment to the Paris Agreement on Net Zero Carbon Emissions,
- The potential need for public oversight resulting in a new body of knowledge for CG,
- A review of aspects of strategic language used as a starting point for more extensive interpretation of strategic understandings.

#### F.1.6 Corporate strategy building and continuance

- Corporate strategy is dynamic process, as such a possible weakness is the absence of a feedback loop to the board,
- Identification and categorisation of complex consequences of long-term issues which may lead to various business dislocations and or fall-out,
- Evaluate whether the board's (NEDs) stimulus i.e., interventions are effective. Appraise the need to enhance, train and improve NEDs existing corporate strategy core competencies,
- Capitalise upon strategic communications to enhance company profile,
- Appraise when corporate strategy issues are best scheduled for discussion to ensure the correct level of attention is afforded,
- Appraise actual interpersonal dynamics between NEDs and other members of the board,

- NEDs community sharing best practice and enlightenment,
- Are NEDs' Sub-Committees oversight Terms of Reference explicit in their contribution and support for corporate strategy?
- Do NEDs possess the necessary interdisciplinary corporate strategy competencies?

#### F.1.7 Corporate strategy and financial implications

- Industry sector strategic analysis may be fruitful.
- Appraise the potential strategic shift in profitability and liquidity positions post BREXIT and COVID-19,
- Appraise the potential for employees to become board members,

## **End of Appendix**