

Board of directors in SMEs: A review and research agenda.



A re-examination of the topic 15 years
after Morten Huse (*ERD* 2000) review

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Agenda

- Huse (2000) *ERD*. A seminal paper
- Data selection and gathering (2000-2016)
- Descriptive patterns: When, who, where?
- Theories and concepts
- Forms of research
- Impact of research
- Concluding remarks

1

Huse seminal paper

ERD special issue on “boards of directors in SMEs”, 2000. 5 papers

Emerging topic. 19 articles considered



Lamp-syndrome: the ‘focus’ question

Hammer-syndrome: the ‘method’ question

- Need for alternative samples, issues and methods

Replication 15 years later

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2

Data selection and gathering

Enlargement of the database (new journals, a shared topic)

Scopus, ScienceDirect, Business Source, Wiley, Sage, etc., from 2000 to 2015

“board” or “director” or “board of directors”

AND “small business” or “SME”

Elimination of irrelevant articles

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2

Data selection and gathering

Four types of characteristics

The authors

The journal

The contents (theories and concepts)

The method(s)

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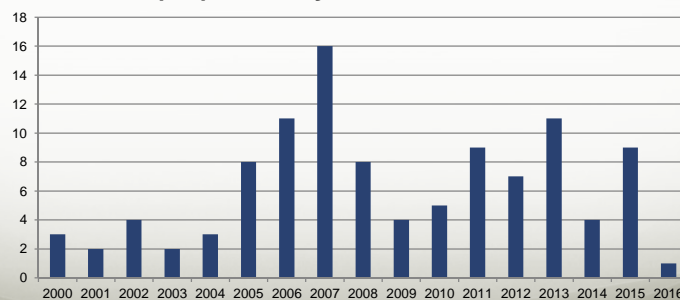
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Descriptive patterns: When and where?

107 articles

Around 7 papers a year



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6

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Descriptive patterns: When and where?

107 articles
37 different journals (three types)

Ent., SME, Family Firms	Corporate gov & finance	General management
63	19	24
ET&P 16 FBR 11 JSBM 10 SBE 9	CGIR 11 CG:IJBS 3	BJM 3 JMS 3

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7

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Descriptive patterns: Who and where?

107 articles, 196 different authors
86 research teams (80,4%)

Nb. of articles	Nb. of authors
6	1
5	1
4	5
3	8
2	16
1	164

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8

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Descriptive patterns: Who, where, what?

Authors		Affiliation	Prominent topics
Morten Huse	6	Norway, BI	SME. Review, framework
Anita Van Gils	5	Netherlands, Maastricht	Bd roles & composition Family firms
Igor Filatotchev	4	UK, Cass	Life cycle, IPO, succession
Matthias Nordqvist	4	Sweden, Jönköping	TMT, Bd composition
Wim Voordeckers	4	Belgium, Hasselt	Bd roles & comp FF
Nick Wilson	4	UK, Leeds	Survival, processes, FF
Alessandro Zattoni	4	Italy, Parthenope & Bocconi	Involvement, qualitative methods

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9

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Theories and concepts

107 articles
14 articles without theoretical background

Agency theory	45
Agency + stewardship	22
Resource, resource-dependency, stewardship	37
Others (social network, human/social capital, power, process, etc.)	

**Integrative approach + diversity + openness
most common in recent papers**

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10

Theories and concepts

Huse's framework for analysing and researching board of directors (p.277)

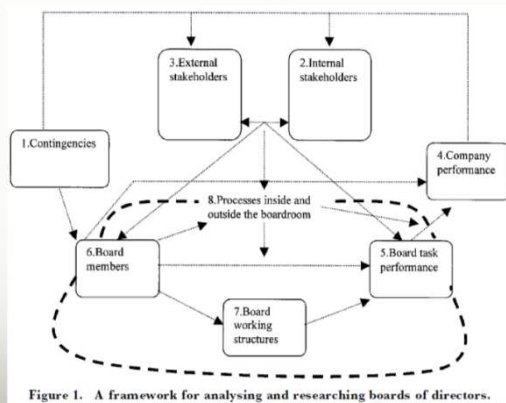


Figure 1. A framework for analysing and researching boards of directors.

Theories and concepts

Concepts	Nb. articles	Main items	Examples of works for every sub-concept
Contingencies	41	Life-cycle (age, threshold)	Zahra et al. (2009). How do threshold firms sustain corporate entrepreneurship? The role of boards and absorptive capacity. <i>JBV</i> .
		Firm size	Wilson et al. (2013). Family business survival and the role of boards. <i>ETP</i> .
Internal stakeholders	33	Environmental context (industry, country, hostility...)	Westhead (2003). Succession decision-making outcomes reported by private family companies. <i>ISBJ</i> .
		Management (CEO)	Tsai et al. (2006). CEO tenure in Taiwanese family and nonfamily firms: An agency theory perspective. <i>FBR</i>
External stakeholders	11	Owners	De Cleyn et al. (2012). Do board composition and investor type influence innovativeness in SMEs? <i>International Entrepreneurship and Management Journal</i> .
		Equity, economic and environmental stakeholders	Yildirim-Öktem, Üsdiken (2010). Contingencies versus External Pressure: Professionalization in Boards of Firms Affiliated to Family Business Groups in Late-Industrializing Countries. <i>British Journal of Management</i> .

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4 Theories and concepts

Concepts	Nb. articles	Main items	Examples of works for every sub-concept
Company performance (most of the time, performance is a dependent variable)	50	Financial performance	Zattoni et al. (2015). Does family involvement influence firm performance? Exploring the mediating effects of board processes and tasks. <i>Journal of Management</i> .
		Internationalization, strategic change, innovation, diversification	Arrègle et al. (2012). Internationalization of family-controlled firms: a study of the effects of external involvement in governance. <i>ETP</i> .
		Survival, longevity	Fahed-Sreih, Djoundourian (2006). Determinants of longevity and success in Lebanese family businesses: An exploratory study. <i>Family Business Review</i> .

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13

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4 Theories and concepts

Concepts	Nb. of articles	Main items	Examples of works for every sub-concept
Board members	85	Board size	Bennedsen et al. (2008). The causal effect of board size in the performance of small and medium-sized firms. <i>Journal of Banking & Finance</i> .
		Ceo duality	Braun, Sharma (2007). Should the ceo also be chair of the board? An empirical examination of family-controlled public firms. <i>Family Business Review</i> .
		Insider/outsider ratio	Vandenbroucke et al. (2016). Outside Board Human Capital and Early Stage High-Tech Firm Performance. <i>Entrepreneurship Theory and Practice</i> .
		Women	Torchia et al. (2011). Women directors on corporate boards: From tokenism to critical mass. <i>Journal of Business Ethics</i> .
		Family members	Fiegner (2010). Locus of ownership and family involvement in small private firms. <i>Journal of Management Studies</i> .

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14

4

Theories and concepts

Concepts	Nb. of articles*	Main items	Examples of works for every sub-concept
Board task performance	18	Roles of the board (control, service)	Knockaert et al. (2015). Joining forces: Top management team and board chair characteristics as antecedents of board service involvement. <i>JBV</i> . Minichilli, Hansen (2007). The board advisory tasks in small firms and the event of crises. <i>JM&G</i> .
Board working structures	7	Meetings, agenda, formality, procedures	Kula (2005). The impact of the roles, structure and process of boards on firm performance: Evidence from Turkey. <i>CGIR</i> .
Processes inside and outside the boardroom	32	Rules, reciprocity, trust, emotions, power, alliances, cognitive conflict, skills	George et al. (2001). Networking strategy of boards: Implications for small and medium-sized enterprises. <i>ERD</i> . Huse, Zattoni (2008). Trust, firm life cycle, and actual board behavior: Evidence from "one of the lads" in the board of three small firms. <i>ISMO</i> .

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15

4

Theories and concepts

Concepts	Nb. of articles	Main items	Examples of works for every sub-concept
Relationships between concepts	92	On performance	Ciampi (2015). Corporate governance characteristics and default prediction modeling for small enterprises. An empirical analysis of Italian firms. <i>Journal of Business Research</i> .
		On board work	Fiegenger (2005). Determinants of board participation in the strategic decisions of small corporations. <i>Entrepreneurship Theory and Practice</i> .

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16

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Forms of research

Techniques	Number of studies	Main features of data gathering
Non empirical papers	9	Integrative model, frameworks, reviews
Surveys	38	Mail questionnaires to CEOs or board members
Databases and archival	39	Stock exchange data / Public databases Company websites Press or journal databanks
Mixed techniques	10	Archival data and questionnaire Archival data and interviews
Qualitative methods	9	Single-case / multiple-case studies Semi-structured interviews / long. Archival data, public documentation
Quantitative methods	68	Regression models (OLS, multiple, etc) Longitudinal tools (panel, CAAR, survival) Structural equation modeling

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17

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Forms of research (contexts)

National contexts
21 different contexts, 2 comparative studies



Europe 53 FB, board comp, tasks and processes
North-Am. 22 IPOs, compensation, gender, new ventures

A focus on family businesses 48 papers

Relationships firm-family (and within the family)
Generations (life-cycle)
Non-family directors (control, resource roles)

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18






6 **Impact of research?**

Are the papers of the database cited?

Total citations	8001
Mean	74.76 per paper
SD	80.45
Citation per year	9.57
SD	8.05


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6 **Impact of research?**

References	(1)	(2)	(3)
Huse, M. (2005). Accountability and creating accountability: A framework for exploring behavioural perspectives of corporate governance. <i>British Journal of Management</i> .	473	11	43,0
Klein, S. B. (2000). Family businesses in Germany: Significance and structure. <i>Family Business Review</i> .	346	16	21,6
Certo, S. T., Daily, C. M., & Dalton, D. R. (2001). Signaling firm value through board structure: An investigation of initial public offerings. <i>Entrepreneurship Theory and Practice</i> .	314	15	20,9
Corbetta, G., & Salvato, C. A. (2004). The Board of Directors in family firms: one size fits all? <i>Family Business Review</i> .	274	12	22,8
Boeker, W., & Karichall, R. (2002). Entrepreneurial transitions: Factors influencing founder departure. <i>Academy of Management Journal</i> .	256	14	18,3
Brunninge, O., Nordqvist, M., & Wiklund, J. (2007). Corporate governance and strategic change in SMEs: The effects of ownership, board composition and top management teams. <i>Small Business Economics</i> .	224	9	24,9
Zahra, S. A., Filatotchev, I., & Wright, M. (2009). How do threshold firms sustain corporate entrepreneurship? The role of boards and absorptive capacity. <i>Journal of Business Venturing</i> .	201	7	28,7

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6


Impact of research?

Year	Recent promising references	(1)	(2)
2015	Zattoni, A., Gnan, L., & Huse, M. (2015). Does family involvement influence firm performance? Exploring the mediating effects of board processes and tasks. <i>Journal of Management</i> .	17	17,0
2014	Scholes, L., & Wilson, N. (2014). The importance of family firm trusts in family firm governance. <i>ETP</i> .	38	19,0
2013	Deephouse, D. L., & Jaskiewicz, P. (2013). Do family firms have better reputations than non-family firms? An integration of socioemotional wealth and social identity theories. <i>JMS</i> .	94	31,3
	Calabrò, A., & Mussolino, D. (2013). How do boards of directors contribute to family SME export intensity? The role of formal and informal governance mechanisms. <i>JM&G</i> .	51	17,0
	McNulty, T., Zattoni, A., & Douglas, T. (2013). Developing corporate governance research through qualitative methods: A review of previous studies. <i>CGIR</i> .	46	15,3
	Wilson, N., Wright, M., & Scholes, L. (2013). Family business survival and the role of boards. <i>ETP</i> .	38	12,7

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21





7

Concluding remarks

A particularly well-studied topic (107 papers, various journals, various contexts, cited contributions)

- + Field of study: (1) really international, (2) based on various theories and empirical designs, (3) most concepts studied
- Agency theory still dominates
- Processes, working structures less studied
- Specificity of family firms (vs./among) SMEs

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22