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The art of untangling: High North SME board directors' challenges in understanding strategy, control, and service tasks

HILDE FJELLVÆR, *NTNU Norwegian University of Science and Technology*

TRUDE HØGVOLD OLSEN [1] , *UiT The Arctic University of Norway*

and **ELSA SOLSTAD**, *UiT The Arctic University of Norway*

ABSTRACT

Boards of directors represent an important, but understudied, resource for business development of High North SMEs. We studied board director perceptions of what constitutes the most important board tasks and which activities each major task actually involved. We followed a local board development project with participants from several industries and companies in Northern Norway over a two-year period, collecting data through observation, surveys, and documents. This study identifies two challenges of the contribution of board directors to business development: (1) board directors had only a vague understanding of strategy and service tasks, and (2) there was a mismatch between what SME boards need (strategy) and what board directors seemed to focus on (control). This implies that board directors in High North SMEs may have an unrealized potential for contributing to business development. Development of board competence seems vital to fulfil this potential.

INTRODUCTION

The High North as a geographical region has been conceptualized in a variety of ways (Skagestad 2010). Whatever the conceptualization, the region faces challenges of demography, growth, and development (Arctic human development report 2004; Bjørnå and Mikalsen 2016). The contribution of several actors to growth and development in the region – such as mayors (Bjørnå and Mikalsen 2016) and global production networks (Nilsen and Jòhannesson 2016) – has been noted. However,

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several other actors also play important roles in development. Boards and board directors are one example. For small- and medium-sized enterprises (SMEs) and start-up firms in the High North, the board of directors may be crucial for growth and development. The reason is that directors bring in resources that complement the management's competences (Gabrielsson and Huse 2002; Knockaert and Ucbasaran 2013; Machold et al. 2011), particularly if they are able to help reduce the complexity and uncertainty associated with strategic decisions (Rindova 1999). Although Fiegener (2005) finds that strategic participation is not a dominant activity of directors in SMEs, Gabrielsson and Huse (2002) propose that board participation in innovation processes is especially crucial for small companies. Thus, small firms may be more dependent on the board for their future survival and growth (Huse 2000) than larger firms are. SMEs in peripheral regions may be even more dependent on external resources because they are situated outside densely populated areas with less available competences and networks.

For a long time, a majority of corporate governance studies focused on board monitoring tasks (Tricker 2012; Zattoni and Pugliese 2012). Although the focus has shifted over the last decade, the issue of boards as strategic partners is still understudied (Huse and Gabrielsson 2012; Pugliese et al. 2009). Machold et al. (2011, 368) propose that boards may contribute to business development because they "constitute an important organizational asset, … [and] add an important strategic dimension to small firms". Our study focuses on the board director as the unit of analysis (Knockaert and Ucbasaran 2013; Machold and Farquhar 2013), as this can shed light on how individuals' understanding of board tasks influences their contribution to board processes and results. Thus this paper adds to the already existing research on chair and CEO contributions (Minichilli and Huse 2011). The following research questions guided our study: how do board directors of SMEs in the High North describe (1) the balance between strategy, control, and service tasks and (2) their practice of these tasks? We followed a board development project with participants from several industries and companies in Northern Norway over two years. The project aimed to increase individual directors' competences.

This study contributes to the existing research in two ways. First, we augment the research on board tasks in small firms (Huse and Gabrielsson 2012; Pugliese et al. 2009; van den Heuvel, Van Gils, and Voordeckers 2006) by showing that individuals' perceptions of control, service, and strategy tasks vary in clarity. In particular, we have identified that directors labelled some strategy work as control tasks. Second,

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our data imply a mismatch between what the boards should do and what board directors actually focus on in their work. We discuss the implications of these findings for business development in the High North.

Following this introduction, we review the literature on board tasks in general and strategy involvement in particular. We then describe the empirical setting and the research methods applied. The empirical findings are presented and discussed before concluding remarks are offered and theoretical and practical implications are discussed.

LITERATURE REVIEW

SME boards have sometimes been assumed to be less involved in business development than large firm boards (Fiegener 2005). However, Nordqvist, and Minichilli (2009) suggest that this assumption is changing and that individual board directors' motivation can be an important determinant of their involvement in value-creating work. It is therefore interesting to pursue how individual board directors understand their tasks and how this influences their approach to board work.

The literature on how boards are involved in strategy tasks varies in scope and direction. Much of the literature focuses on antecedents to board involvement, such as the CEO influence (Fiegener 2005; Westphal 1999), ownership status (Fiegener 2005), or board size, tenure, composition, and power (Golden and Zajac 2001). Other studies consider the strategic perspective that boards take (Carpenter and Westphal, 2001) and the types of strategic involvement in which they engage (Gabrielsson and Politis 2009; Hendry and Kiel 2004; Pugliese and Wenstøp 2007). The purpose of our study is related to the latter concerns. Thus, to gain a deeper understanding of what boards actually do (Machold and Farquhar 2013) and how they play a role in developing business, we review the contributions discussing the overall tasks that boards are expected to undertake (Hung 1998; Huse, Gabrielsson, and Minichilli 2005) and which activities these entail (Machold et al. 2011).

Core board tasks

In the quest for the ideal configuration of effective boards, the focus varies according to different theoretical frameworks (Hendry and Kiel 2004), and authors take different views on what constitutes the most appropriate constellation (Johnson, Daily, and Ellstrand 1996).

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One large body of research on board work is geared towards the control tasks of the board (Tricker 2012; Van Ees, Gabrielsson, and Huse 2009). In particular, major parts of the corporate governance literature are concerned with the board as a monitoring and control device. Inspired by Fama and Jensen (1983) and Jensen and Meckling (1976), this research stream takes an agency perspective as its starting point (Zattoni and Pugliese 2012). Whether the discussion centres on how best the board can perform the control functions or the structures that need to be in place in order to sustain the monitoring role (Baysinger and Hoskisson 1990; Forbes and Milliken 1999), the primary focus is on the board as a monitoring device (Hoskisson and Turk 1990). However, if the aim is to contribute to innovation and firm development, this will not be enough. Boards must engage in multiple activities to "create long-term values and sustainable competitive advantage" (Huse and Gabrielsson 2012, 233). Certain characteristics, such as the overlapping of governance structures and scarce managerial competence (Nordqvist and Minichilli 2009, 384), indicate that, in SMEs, boards can and should contribute beyond a monitoring and control function (Kaufman and Englander 2005; Pugliese et al. 2009).

Board directors can also perform an important service task (Van den Heuvel, Van Gils, and Voordeckers 2006), implying more of a stakeholder view of firm development, where firms aim for something more than protecting shareholder value (Huse and Rindova 2001). The board is seen as a provider of advice and counsel to the management (Johnson et al. 1996), as well as supporting through networking (Gabrielsson and Huse 2002) and assuming a legitimizing capacity in relation to external stakeholders (Huse and Rindova 2001). As an important source of business development, the board can be considered to "provide resources such as legitimacy, advice and counsel, links to other organizations etc." (Hillman and Dalziel 2003, 383). However, the impacts of service activities on business development are expected to be indirect, as these resources are already drawn upon by the management (Borch and Huse 1993; Huse and Rindova 2001).

In the endeavour to understand how boards can contribute to business development, the strategy task is more promising. To contribute to business development means to contribute to resolving the complexity and uncertainty associated with strategic decision-making (Rindova 1999). Hence, various combinations of knowledge and information and problem-solving capabilities are essential (Rindova 1999). Numerous ideas concerning how boards can contribute to strategic decision-making in general

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(McNulty and Pettigrew 1999; Pugliese and Wenstøp 2007), and to innovation and entrepreneurship in particular (Gabrielsson and Politis 2009; Hoskisson et al. 2002), have been investigated.

One stream looks at how the formal structure and design promote strategic decision-making by studying the interaction between actors inside and outside the boardroom. Studies highlight the interactions and relationships influencing boards and board behaviours, such as directors' networks (Borch and Huse 1993; Carpenter and Westphal 2001; Van Ees et al. 2009), or they investigate the relationship between managers and directors, for example how CEOs involve board directors in strategic decision-making (Fiegener 2005; Westphal 1999). Board directors and executives share responsibility for the management of the firm's affairs (Hendry and Kiel 2004; Rindova 1999), and the degree of interaction and interdependence between them will thus influence the way in which directors participate in strategic issues. Issues such as ownership and board heterogeneity in terms of tenure, age, and occupational background also influence the level of board involvement in strategic development (Huse 1990). Although this might indicate that board involvement would be high in SMEs, Fiegener (2005) finds that board involvement in strategic decision-making is, in reality, low due to a shortage of time and information. Because of the challenges of demography, growth, and development facing the High North region (Arctic human development report 2004; Bjørnå and Mikalsen 2016), it is particularly interesting to learn how board directors in this region engage in strategy.

Types of strategic involvement

Strategic management is about processes of organizational renewal and growth, and the capacity to deliver change in a high quality and timely fashion (McNulty and Pettigrew 1999). To achieve this, boards need to be involved in the making and shaping of strategic decisions (Taylor 2001) inside and outside the organization (Minichilli and Huse 2011). Boards not only ratify decisions – which McNulty and Pettigrew (1999, 55) call "taking strategic decisions" – but they also influence the processes of strategic choice, strategic change, and strategic control. Rindova (1999, 953) suggests "that directors contribute to dealing with the complexity and uncertainty associated with strategic decisions", particularly when/if they possess valuable problem-solving expertise.

Board directors contribute to strategic decision-making by scanning the environment, by interpreting incoming information "to identify problems and develop solu-

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tions" (Rindova 1999, 964; Pugliese and Wenstøp 2007), by representing alternative frameworks and strategic understandings, and by counterbalancing the tendency for tunnel vision. In terms of exercising strategic control, directors possess a gate-keeping function: they contribute to building confidence and selecting the CEO and other executives (Stiles 2001). They are also a source of evaluation and selection of alternatives, and can have a substantial impact on shaping ideas through the methodologies and processes for content development (Hendry and Kiel 2004).

The studies discussed above certainly shed light on board tasks and boards' strategy involvement, yet they consider directors' understanding of what this role means in practice only to a limited degree. Machold and Farquhar (2013, 147) assert that due to a lack of studies on what boards actually do over time, we "have yet to see a complete picture of board task constellations". The aim of this paper is to show board directors' perceptions of the variety of tasks they take on, as well as their interpretation of the actual behaviour attached to these tasks, thereby adding to our understanding of how boards in SMEs can contribute to business development. This is particularly important in a High North context as the naturally limited availability of experienced board directors means that SMEs in such regions need to take extra care in their recruitment and selection of directors.

EMPIRICAL SETTING

A regional industrial incubator in Northern Norway initiated The Board Development Project (BDP) in cooperation with local businesses. The BDP was grounded in an analysis showing that the regions' businesses scored high on economic results but low on innovation and business development. Consequently, the aim of the BDP was to build stronger boards to assist business development in the region by providing board directors with necessary skills and by focusing on the recruitment and training of young chairs/board directors. The project lasted from May 2012 until April 2014, and the regional industrial incubator acted as the project manager. The first BDP sparked several similar board development projects in the region with similar focus and content; the most recent started in the spring of 2018. This suggests that the data is relevant for analysing contemporary challenges.

The BDP participants were experienced board directors and chairs, business people who wished to serve on boards, and young candidates with minimal board experience. The initial seminar took place in May 2012 with 45 participants, of whom 36 were

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experienced board directors, 16 with chair experience. During the project period, the number of participants increased to 57. Our data reveal the perceptions of actual and potential directors, filling a gap as most existing studies rely on the perceptions of chairs and CEOs (Minichilli and Huse 2011).

The project offered two different arenas for skill development: seminars and mentor–protégé relations. The seminars included experts' assessments of various board issues, highlighting that the board's tasks extend beyond merely following laws and regulations. In each seminar, discussion groups consisting of a mix of experienced and inexperienced board directors were organized. The mentors were experienced board directors and served as sparring partners for the protégés, who were young participants. In addition, the protégés enrolled as observers in an existing board, which offered them an opportunity to observe how the skills they learned at the seminars could be put into practice.

RESEARCH METHODS

We used triangulation of methods to increase the validity of our study (Saunders, Lewis, and Thornhill 2012; Yin 2009). First, we observed all the project-initiated seminars and meetings. This gave us first-hand knowledge of the content and structure of the programme, and we easily engaged in informal chats with the participants. We took notes separately and discussed and revised our notes systematically after each seminar. Second, documents provided deeper knowledge about the project context. Third, questionnaires, including items from the project management as well as research-related questions, were distributed to the project participants after three of the seminars. Table 1 presents an overview of the data sources.

This paper is mainly based on Survey 1 and Survey 3. Survey 1 was sent to all 45 participants at the initial seminar, yielding a response rate of 76% (N=34). The survey included two open-ended questions regarding board tasks: (1) "What do you consider as the board's main task?" and (2) "At the seminar on 30 May, three main tasks for the board were presented. Please prioritize these according to importance and explain your prioritization."

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Table 1: Data sources.

2012	Activity	Number of participants	Main content	Number of researchers present
30 May	Initial seminar	45	The board's tasks and responsibilities	3
June	Survey 1	34 respondents	Perceptions of the board's main tasks	
12 September	Meeting for protégés	5	Expectations to the mentor programme	2
15 October	Meeting for protégés and mentors	13 protégés 10 mentors	Establishment of the mentor–protégé relations	2
23 October	Seminar	45	Principles for excellent board work	1
October	Survey 2	24	Perceptions of the competence requirements for directors and chairs	

2013	Activity	Number of participants	Main content	Number of researchers present
21 January	Meeting for mentors	9 mentors	The dialogue as a tool in mentor–protégé relations	2
20 February	Seminar	57	The board's role in change processes and board development processes	2
March	Survey 3	24 respondents	Perceptions of the content of the board's main roles	
24 April	Meeting for protégés and mentors	8 protégés 12 mentors	The mentor's role in developing the board role	1
25 September	Regional conference	168	New forum for board work in the High North	3
11 November	Seminar	33	The board's monitoring task Perceptions of good board work	2

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2014	Activity	Number of partici-pants	Main content	Number of researchers present
20 February	Seminar	26	Two participants presented their businesses and their boards' strategic contributions	1
7 April	Meeting for protégés and mentors	10 protégés 7 mentors	Evaluation of the mentor programme	2
29 April	Seminar	31	Evaluation and closing of the programme	2

Table 1: Data sources, continued.

	N	Sex		Age			Board director		Chair		Ownership	
		Male	Fem.	20-35	36-50	51-65	Yes	No	Yes	No	Yes	No
Survey 1	34	17	17	13	20	1	28	6	13	21	19	15
Survey 3	24	14	10	9	10	5	18	6	7	17	9	15

Table 2: The characteristics of the respondents

Survey 3 was designed to complement data from Survey 1. It was sent to all the 57 participants in the BDP after the February 2013 seminar, yielding a response rate of 42% (N=24). The objective was to uncover the participants' perceptions of their practice of board tasks. We asked four open-ended questions: (1) "What do you consider as the board's tasks?", (2) "Please describe how you perform the board's control task", (3) "Please describe how you perform the board's service task", and (4) "How

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do you consider that the board can contribute to business development?" Question 4 was designed to capture the board's strategy tasks. In both surveys, the respondents offered comprehensive answers to these open-ended questions.

Table 2 shows the characteristics of the respondents in the two surveys. It is not possible to trace whether the respondents are the same in the two surveys. The BDP project manager explained that some participants contributed actively throughout the programme. Because respondents in both surveys participated at the June 2012 and February 2013 seminars, it is reasonable to assume that respondents in Survey 3 also responded to Survey 1.

We analysed data in several steps. First, all three researchers individually coded the open-ended data according to the control, strategy, and service tasks. Second, we compared the coding, discussed discrepancies, and agreed on a final coding. Third, we aimed to gain an understanding of the participants' perceptions of the balance between the board tasks. Fourth, we analysed the participants' descriptions of how they practised the different tasks.

We validated our findings at the November 2013 seminar by presenting the study and asking the participants three questions: (1) "Do the presented findings make sense to you?", (2) "Are our explanations for the findings plausible?", and (3) "Do you have other possible explanations?" The answers from 24 participants recognized and confirmed our findings and explanations.

EMPIRICAL FINDINGS

In this section, we present the empirical findings by focusing first on the emphasis that the respondents placed on the different board tasks and then on how they described their practice of these tasks.

The three board tasks

Our data show how the respondents prioritized the board tasks according to importance, and suggest that the individual's perceptions of task importance evolve over time. In Survey 1 and Survey 3, an open-ended question asked participants to describe the board's main task. In Survey 1, the respondents shared more quotes referring to control (30 quotes) than strategy (19 quotes) and service (10 quotes). In Survey 3, conducted nine months into the project, the participants seem to place greater stress

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on strategy tasks (25 quotes) than on control (22 quotes) or service (12 quotes). If the number of quotes is indicative of the understanding of board tasks, this finding suggests that respondents increased their focus on strategy tasks over time. However, the participants are not consistent in their responses in Survey 1. When asked to prioritize the tasks according to perceived importance, 62.5% of the respondents highlighted strategy as the most important board task, 28.1% indicated control as the most important, and 9.4 % opted for service.

Table 3 shows that the youngest respondents prioritized control tasks as most important, the older group prioritized strategy tasks, while experienced board directors rated strategy as most important. This indicates that, as the respondents acquired more knowledge about board work, the importance of the strategy task increased. Although these results should be interpreted with caution because of the small N, they do give an indication of how different groups of respondents prioritized the different board tasks.

The practice of board tasks

The practice of the strategy task is particularly interesting because the aim of the project was to contribute to business development in the High North. To understand how the participants in the BDP perceived actual board task performance, we asked

	N (%)	Sex		Age			Board director		Chair		Ownership	
		Male	Fem.	20-35	36-50	51-65	Yes	No	Yes	No	Yes	No
Strategy	20 (100)	9 (55)	11 (45)	5 (25)	15 (75)	0	19 (95)	1 (5)	8 (40)	12 (60)	12 (60)	8 (40)
Control	9 (100)	4 (44)	5 (56)	6 (67)	3 (33)	0	6 (67)	3 (33)	4 (44)	5 (56)	4 (44)	5 (56)
Service	3 (100)	2 (67)	1 (33)	1 (33)	2 (67)	0	3 (100)	o	1 (33)	2 (67)	2 (67)	1 (33)

Table 3: How different respondents
prioritized board tasks

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open-ended questions in Survey 3. Table 4 was developed based on a summary of previous research on board tasks and activities describing the investigated relations between tasks, task dimensions, and examples of related activities (Machold and Farquhar 2013, 155). The table compares illustrative examples from our data with subcategories and activities of different board tasks described in the literature.

As seen in Table 4, the respondents were quite specific in their ideas of the control task. The participants described the control task by referring to activities that they perform, and not only to the principles of control. These activities can be summarized as "making sure" that laws are followed in business operations, that the business operates within healthy economic frames, that the business operates according to the board's decisions, and that the owners' interests are taken care of. While it was not included in the presentations and discussions about the control task in the BDP, the respondents included strategic control in their descriptions of the control task.

The service task is particularly relevant in the dyadic relationship between the chair of the board and the CEO because most of the activities involved here have an indirect influence on value creation (van den Heuvel et al. 2006). When the participants described the service task, they referred to vital goals. However, their descriptions of the kind of activities involved were quite vague and associated with "helping the CEO". Although the respondents' perception of the service task as helping the CEO is appropriate, it is interesting that their descriptions of what they actually did were significantly less specific than their descriptions of control activities. For example, they described helping the CEO by sharing knowledge, but did not specify when, how, and what knowledge they shared. They highlighted situations in which it might be necessary to help the CEO, for example when making difficult decisions. However, they did not describe what they did to help the CEO in such situations or the type of decisions for which this help was required.

The perceptions of the strategy task were surprisingly underdeveloped by our respondents, bearing in mind that they considered this the most important task. "Long-term issues" seemed to be strongly associated with this as the participants described the goal of this task as long-term thinking. However, they did not include ideas of what

Table 4: The perceptions of board task practice (Next page)

Illustrative citations of board activities in our data
Control task
"Ensure that the laws are followed" "Control that the business is operating according to laws, ethics, and accountability" "Comply with formal criteria in different laws"
"Ensure financially secure operations" "Supervise the company's financial development" "Have competences to read the budget critically
"Control that the company is on the right course according to the strategy" "Ensure that the decisions of the board are implemented"
"To manage the owners' investments in the best possible ways" "Control that the administration manages the company to the best for the company, the owners, and the society" "Monitor potential conflicts that may harm the company"
Service task
"To adjust the course and coach the management" "Being a sparring partner for the management" "Make suggestions, contribute to finding the direction, sharing knowledge"
"Help the CEO to make difficult decisions" "Being a positive ambassador for the company" "Being available"
"Give advice in challenging decisions"
"Being a gatekeeper to the board directors' networks" "Making use of one's own network" "Being a door-opener"
Strategy task
"Make good decisions and make sure they are implemented" "The board should plot a course" "To set objectives and give direction to the company's activities" "The board's main role is to make sure that the strategy is correct" "Decide on a joint plan and create an understanding of the way ahead"
"Facilitate good decision processes"
"A good board with directors who complement each other regarding competences and opinions will be able to see challenges from different angles and therefore make better decisions" "Contribute with knowledge from other industries and companies" "Utilize the competence represented in the board"

Summary of activities described in our data	Subcategories in the literature (Machold and Farquhar 2013, 155)	Activities described in the literature
Make sure that laws are followed in business operations	Behaviour control (Huse 2007; Minichilli et al. 2009; Zona and Zattoni 2007)	Monitoring, review and control of procedures and policies (Machold and Farquhar 2013, 155)
Make sure that the business operates within healthy economic frames	Output/quantitative control (Huse 2007; Minichilli et al. 2009; Zahra and Pearce 1989)	Monitoring and control of activities and budgets (Machold and Farquhar 2013, 155)
Make sure that the business operates according to the board's decisions	Strategic control (Carpenter and Westphal 2001; Minichilli et al. 2009; Wan and Ong 2005)	Monitoring and control of business and strategic plans (Machold and Farquhar 2013, 155)
Make sure that owners' interests are taken care of	Control of the executive team (Carpenter and Westphal 2001; Huse 2007; Van den Heuvel et al. 2006; Zahra and Pearce 1989)	Initiate and follow up management control systems, assess top management, and determine incentives and sanctions, define decision power delegated to CEO
Help the CEO by sharing knowledge	Provision of resources (Hillman and Dalziel 2003; Wan and Ong 2005)	Access to financial and knowledge resources
Help the CEO	Mentoring (Huse 2007)	Follow-up of specific processes and details, work as a sounding board for new CEOs and SMEs, sources of information
Give advice to the CEO	Advice (Huse 2007; Minichilli et al. 2009; Wan and Ong 2005)	Discuss how to supplement existing knowledge and competencies
Help the CEO by introducing him/her to new networks and by using own networks to the benefit of the company	External networking and legitimacy (Huse 2007; Minichilli et al. 2009; Zahra and Pearce 1989; Huse and Rindova 2001)	Monitoring of rivals, access to information and people
Give long-term directions to the company's activities Make decisions	Taking strategic decisions (Judge and Zeithaml 1992; Huse 2007; Ruigrok et al. 2006; Stiles and Taylor 2002; Wan and Ong 2005)	Choose between strategic options, review and analyse the CEO's proposals
Facilitate decision processes	Shaping strategic decisions (Judge and Zeithaml 1992; Huse 2007; Minichilli et al. 2009; Ruigrok et al. 2006; Stiles and Taylor 2002)	Discuss the existing strategy and determine the degree of strategic renewal, identify and interpret
Utilize competences represented on the board	Influencing content, process, and conduct of strategy (Demb and Neubauer 1992; Huse 2007; Minichilli et al. 2009; Ruigrok et al. 2006; Pettigrew 1992a; Stiles 2001)	Make strategic proposals, take part in dealing with crises, determine and maintain the definition of borders

this meant or how to achieve it, nor did they mention networks and the role that networks can play in the strategy process when describing actual activities related to the strategy task. Instead, they regarded networks as part of the service task role.

While the respondents' descriptions of the activities related to the control and service tasks could be generalized into verbs such as "make sure" and "help", the descriptions of activities related to the strategy task rest with verbs such as "facilitate" and "give direction". Our respondents described a difference between facilitating good decision processes and actually making decisions. However, our data do not provide descriptions of what board directors actually did to facilitate and make decisions. These findings show that the respondents had a rather limited understanding of the service and strategy tasks.

DISCUSSION

The aim of the BDP was to develop the participants' understanding of board work, and by doing that the ultimate goal was to mentor board directors who could, in turn, contribute to SME business development. Surprisingly, although the programme highlighted a full range of tasks, we found that the respondents had difficulties grasping the meaning of the board's service and strategy tasks, resulting in a mismatch between boards' need to focus on strategy and service and respondents' primary focus on control tasks. However, we also found that the board directors' understanding of these tasks develops over time. These findings imply challenges for the potential of SME board directors and boards to contribute to business development.

We have seen that the individuals' perceptions of the detail of board tasks varied greatly. The respondents specifically described that they practised control tasks according to activities associated with four different types of control (Machold and Farquhar 2013): behaviour control, output control, strategic control, and control of the executive team. Even though most of the literature can give an impression that the control task is limited to control regarding ownership interests, financial control, and legal issues (Kaufman and Englander 2005; Tricker 2012), our respondents also included control of strategy (Carpenter and Westphal 2001; Machold and Farquhar 2013; Minichilli et al. 2009; Wan and Ong 2005). Activities associated with strategic control represent the board's indirect influence on strategy (Fiegener 2005) through evaluating past performance, conducting high-level reviews of strategic plans, and monitoring executive and firm performance (Hendry and Kiel 2004).

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Regarding the service task, the literature covers a much broader spectrum of activities (Huse 2007; Machold and Farquhar 2013) than "helping the CEO", as illustrated in our data. The service activities considered in the literature are more specific than the respondents' notions. They range from directors following up at both an individual and an organizational level to examples of specific activities to provide information on alternatives and people, follow up on specific processes and details, and monitor rivals (e.g., Huse 2007; Minichilli et al. 2009; Wan and Ong 2005). To be able to provide assistance, directors need to be aware of the range of possible activities. For example, mentoring and advice are activities that are dependent on interaction and trust between CEO and directors, and the individual director's experience, competences, and networks will be crucial. However, the provision of resources, external networking, and legitimacy are less tied to the CEO–director dyad but instead depend on external–internal relations and the ways in which directors can contribute to the focal organization rather than to the CEO him/herself. The rather narrow understanding of the service task among the respondents could thus hamper their contribution to business development.

Even though the respondents described strategy task activities in terms of taking and shaping strategic decisions as well as shaping the content, process, and conducting of strategy (Machold and Farquhar 2013; Stiles 2001), their descriptions were vague. To handle these tasks, the literature highlights board composition, networks, and the board's involvement in the strategic decision process. The board can influence strategy directly by involvement in strategic decision making, by ratifying strategic proposals (taking strategic decisions), by asking probing questions (strategic content), and by helping to formulate, assess, and decide upon strategic alternatives (shaping strategic decisions and shaping the strategic content and context) (McNulty and Pettigrew 1999).

Even though the respondents' descriptions of the strategy task were vague, they were explicit about how they exercised strategic control – for example by making sure the business operated in accordance with the board's decisions. This observation can partly be explained by interactions between board tasks that make it difficult to delineate board tasks in practice (Machold and Farquhar 2013). So, does it matter whether the respondents label board activities as strategy or control as long as the tasks are performed? After all, for CEOs in High North SMEs, a board focusing on control may represent a safety net in terms of the company's compliance with laws and regulations. Still, we argue that it does matter. For example, an important distinc-

tion between strategy and control tasks is the time perspective. While control means an assessment of history, strategy tasks are future-oriented and focus on how to develop the business. In a context where growth and innovation are presented as the main business challenges, strategy is important. Even though strategic control may be a necessary condition for business development, board directors who operate with a mindset characterized by control could be hampered in their ability to put business development on the agenda because their cognitive framing will influence their perceptions and subsequent actions (Cornelissen and Werner 2014). The strategy task is varied and dependent on, for example, the industry the company competes in, stages in business development, and ownership structure. The literature has also identified a range of activities board directors can engage in such as identifying problems and developing solutions by, for instance, scanning the environment (Rindova 1999).

Above we have highlighted the need to understand all of the tasks boards should engage in. However, it is even more important that they are able to engage in a multiplicity of tasks. The seminars in the BDP emphasized the three main tasks separately, but we found little evidence of emphasis placed on the interaction between tasks or the ability to move between them. Our data show that respondents with extensive board experience were more likely to prioritize strategy tasks than were respondents with little or no board experience, suggesting that the understanding of board tasks, their importance, and their interdependence develop over time. In development programmes, participants will understand the content based on their prior knowledge. The less prior knowledge you have, the more you tend to focus on the things that are easy to grasp. It is reasonable to assume that the programme participants with less prior knowledge possessed less power than the experienced board directors in the programme. This finding is in line with research that shows that the more power an individual has, the more abstract thinking they are able to engage in (Smith and Trope 2006). The understanding of board tasks may also be context-dependent. The limited understanding of service and strategy tasks identified here could be understood in the light of the characteristics of the region in our study where businesses scored high on economic results but low on growth and innovation, implying that they concentrate more on control than strategy.

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CONCLUSION

Boards of directors represent an important, but understudied, resource for business development of High North SMEs. Board directors can influence business development through strategy and service tasks. Our study contributes to the literature by identifying two challenges of board directors' contribution to business development in SMEs: an underdeveloped understanding of strategy and service tasks and a mismatch between what SME boards need (strategy) and what board directors seem to focus on (control). This mismatch could imply that SMEs in peripheral regions such as the High North are held back because competence regarding strategy and business development may not be available to them. In Norway, board work is seldom included as a compulsory course in bachelor's and master's programmes at business schools. Knowledge and skills in board work are learned through practice in the boardrooms. Projects like the studied BDP open up possibilities for the participants to share and discuss board work experiences outside of their own boardrooms. One way to develop such programmes further is to include activities targeted at strengthening CEO relations – for example, by including sessions where CEOs and board directors participate together. Arenas for collective reflections seem especially important in areas where geographical distance may be a barrier for sharing experiences. Such programmes may contribute to the collective sense-making of boards' roles in High North SME business development by, for instance, highlighting the interdependence between tasks of strategic control and strategic development.

Our data raise new questions about board dynamics that seems particularly important for High North SMEs. Further research is needed to understand how boards engage in continuous business development. Interesting questions to explore include how board composition in SMEs affects the understanding of the board's tasks, whether boards in SMEs have capacity beyond the control task, and whether and how the control task, including strategic control, contributes to business development. Given that there is a potential mismatch between the control role focus of many directors and SMEs' need for business development, future research should examine whether there are any particular challenges or benefits for SMEs in the High North in achieving a better dynamic between these tasks. This would provide a base of knowledge on which to build future board development programmes.

Our research can help board directors understand more of the variety of board task activities that are important for business development. A better grasp of constructs and ideas of board work could enable directors to see the link between their activities

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and the potential for business development more clearly. When designing board development programmes, it might also be pertinent to include elements promoting the understanding that in order to contribute to business development, boards of directors must engage in multiple activities. Such development programmes should explicitly challenge the directors' awareness of the actual tasks that they do or do not engage in. The BDP had participants with no board experience and also with extensive board experience. Even though this facilitated knowledge transfer from the experienced to the inexperienced, the programme cannot, in the short and intermediate term, provide the necessary foundation to raise the awareness and competence of less experienced candidates to understand and execute the multiplicity of necessary board tasks.

The study also has implications for what owners of SMEs looking for a board of directors should focus on. First, avoid family or friends (Huse 2011), try to recruit a group of people with complementary competencies including someone who understands the particular industry or has operational experience (Zattoni and Pugliese 2012). Second, strengthen the CEO–chair relation, as this is a core prerequisite for the development of a dynamic working relationship between the board and management (McNulty and Pettigrew 1999). Boards can contribute to the business by performing strategy tasks, but for owners of SMEs it is also vital to understand that boards can make a substantial contribution through service tasks in the dyadic relationship with the CEO (Nordqvist and Minichilli 2009; Huse and Gabrielsson 2012). This also implies that CEOs must be open to a close dialogue and interaction with board directors in general, and the chair in particular (Kakabadse et al. 2006).

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FOOTNOTES

[1] Corresponding author: Trude Høgvold Olsen, email: trude.h.olsen@uit.no, UiT The Arctic University of Norway, PO Box 1063, 9480 Harstad, Norway.