

The impact of governance on the performance of a high-growth company: An exemplar case study

Abstract

Research into the contribution boards make to company performance has proliferated over the last few decades. However, research findings have been inconclusive and the contribution boards make to both strategy and business performance still remains unclear. Corporate governance is of “enormous practical importance”, so efforts to understand the governance–business performance relationship must continue. But the current research agenda must be shifted and the black box of governance systemically opened if causality is to be established.

The aim of this paper is to present a summary account of recent case study research investigating the contribution that boards make to the performance of high-growth companies in New Zealand. A qualitative case study design and theory-testing framework were used to examine the impact of strategic decision-making on performance. The research identifies and develops the understanding of factors that affect the governance–business performance relationship in high-growth companies shifting the discussion from relationship to causality. Three significant insights were developed from the study, namely, board involvement in the development of strategy was observed to positively affect performance; the board aligned decision making directly with strategy; and, the board upheld an atmosphere of open communication and trust with management.

Keywords: black box, case study, decision-making, establishing causality

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