Governing those who govern: Essays on the governance of intergovernmental organizations

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DOCTORAL THESIS

Title	**Governing those who govern: Essays on the governance of intergovernmental organizations**
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For Lolo and Lola

Abstract

Research has proliferated on why intergovernmental organizations (IGOs) are established and how these IGOs are structured. State governments create IGOs to govern transnational affairs that have significant impact to a vast array of stakeholders. The number of established IGOs has surged to more than 350, where many of these organizations have been assessed or perceived as ineffective and inefficient. If IGOs fail to fulfill the mandates and expectations they are established for, then how can they be governed to ensure that they perform accordingly? Yet this question remains unanswered, since there is limited research on the governance of IGOs after their creation. Therefore, this doctoral thesis explores IGO governance—particularly on how they can formulate strategies and how they can be monitored—to identify what contributes to the difference in organizational performance among IGOs. This research combines strategy research, particularly using organization theories and empirical evidence from corporate governance research, and international relations literature to understand and examine the governance mechanisms and practices in IGOs. Ultimately, this thesis provides a guiding framework for IGO leaders to help improve organizational performance of IGOs.

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General introduction

"Blaming the United Nations when things go wrong is like blaming Madison Square Garden when the Knicks play badly."

- Richard Holbrooke, the late US envoy to the UN

The United Nations (UN) is a system of several intergovernmental organizations (IGOs) that has been heavily criticized for being futile in international cooperation. Sir Christopher Meyer, a former British Ambassador to the United States and Germany, has also expressed his cynicism regarding intergovernmental bodies in his 2015 article in the Telegraph: *"When it comes to war and peace, the UN is useless. And it's not the only pillar of international order that's crumbling. The International Monetary Fund (IMF), World Bank (WB) and World Trade Organization (WTO) are similarly in decline*

as the global power axis shifts." However, as Holbrooke contends, the UN system—and other IGOs—is an instrument that facilitates cooperation. It may be an independent actor in the international arena, but it is heavily reliant on its member states to perform well. Camilla, an employee of the United Nations Development Program (UNDP), reiterated how she views the UNDP in an interview with The Guardian in 2015 (Bannock & Kweifio-Okai, 2015): *"It is not perfect; it is as effective as other big organizations and as effective as the member states allow it to be."*

1.1 Relevance

IGOs are "entities created [by states] with sufficient organizational structure and autonomy to provide formal, ongoing, multilateral processes of decision-making between states, along with the capacity to execute the collective will of their member (states)" (Volgy, Fausett, Grant, & Rodgers, 2008: 851). Since the Second World War, the number of IGOs has significantly increased. There are more than 350 IGOs, according to the latest Correlates of War database initially compiled by Wallace and Singer (1970) and later updated by Pevehouse, Nordstrom, and Warnke (2004). IGOs are founded by state governments to promote international cooperation aimed at governing transnational affairs, which include those related to international relations (e.g., promoting peace, protecting transnational security, and preventing armed conflict), the world economy (e.g., providing financial assistance to countries and preventing and mitigating financial crises), societal welfare (e.g., increasing human development, maintaining public health, and protecting justice and equality), and the environment (e.g., combatting climate change, preventing pollution, and improving agricultural production). IGOs' importance is widely recognized considering their extensive impact on a vast array of stakeholders spanning across transnational borders. However, many of these organizations have been assessed or perceived as ineffective and inefficient in their quest to govern international public interests. For instance, recent assessments of the Multilateral Organisation Performance Assessment Network (MOPAN)—an independent IGO comprising a network of OECD

countries that evaluates the effectiveness of IGOs that they fund—have shown that more IGOs barely meet expectations or underperform than exceed expectations. Hence, it is intriguing as to why some IGOs fail to meet expectations, whereas some IGOs reach or even surpass expectations.

To shed light on this conundrum, one prospective avenue that this thesis follows is to scrutinize the governance of IGOs that possibly affects how these organizations perform. Governance in IGOs refers to the formal and informal processes and institutions that guide and restrain collective activities (Keohane & Nye, 2000), and it is important because it creates conditions for ordered rule and collective action (Stoker, 1998). Despite the proliferation of research on why IGOs have been established and how they are structured (e.g., Abbott & Snidal, 1998; Boehmer, Gartzke, & Nordstrom, 2004; Coglianese, 2000; Gutner & Thompson, 2010; Hafner-Burton, Von Stein, & Gartzke, 2008; Ingram, Robinson, & Busch, 2005; Keohane, 1998; Koremenos, Lipson, & Snidal, 2001), there is scarce research on the governance of IGOs after their creation (DePalma, 1973; Dijkzeul, 1997; Keohane & Nye, 1974; Siebenhüner, 2008). Therefore, this thesis focuses on IGO governance. This thesis argues that exploring IGO governance may explain why some IGOs perform better than others, which can also inform how their organizational performance can be improved.

To decipher governance in IGOs, this thesis aims to answer one overarching question: "How can IGOs be governed to improve their organizational performance?"

1.2 Governance of intergovernmental organizations

This thesis begins by presenting a contextual view of governance in IGOs. For this purpose, an interdisciplinary approach is used by combining strategy research—particularly organization theories and empirical findings used in corporate governance research—with the international relations literature, and an attempt to bridge these two distinct fields provides a holistic understanding of governance in IGOs.

The international relations literature has reverberating debates regarding whether IGOs matter in the international arena. Scholars have explored why and when state actors create IGOs (e.g., Abbott & Snidal, 1998; Keohane, 1982; Keohane & Nye, 1974). Do IGOs serve as platforms for international actors to convene and promote cooperation in achieving collective interests or as platforms for international actors to advance self-interests? This thesis departs from these epistemic debates and rather builds on the rational functionalist perspective, in which IGOs are viewed as entities capable of transforming state preferences and global policies (Mitrany, 1948). Following Pollack (1997), this thesis argues that IGOs, once created by member states, become autonomous organizational actors in their own right, with the capacity to participate in international forums (e.g., Henkin, 1969), influence state behavior (e.g., Donno, 2010; Kelley, 2004; Pevehouse, 2002), and initiate collective actions (e.g., Eberlein & Newman, 2008; White, 1999). IGOs are goal-directed entities that determine their directions and are structured accordingly to operate and survive (Schemeil, 2013). They are also inherently restricted by the mandates established by their member states. Yet, one of the thriving issues related to IGOs concerns their tendency to deviate from the expectations of their member states, which results in an agency problem that affects their performance and legitimacy (Nielson & Tierney, 2003). Hawkins and colleagues (2006) argue that IGOs not only implement the policy decisions of state actors but also act strategically to independently pursue their own interests. As IGOs become too independent, they become difficult to govern and control (Grigorescu, 2010), which can be costly for member states (Keohane, 1982). However, the effectiveness and overall capacity of the agents to pursue their mandates diminish when there is excessive control (Kassim & Menon, 2003). Therefore, the need to identify and understand IGO governance mechanisms to improve organizational performance becomes even more relevant.

Increasing scholarship in IGO literature has attempted to understand IGO governance using the principal-agent relationship between member states (as principals) and secretariats (as agents) (e.g., Gutner, 2005; Hawkins, Lake, Nielson, & Tierney, 2006; Lake, 2007; Nielson & Tierney, 2003). Scholars argue that IGO principals design mechanisms to control the agency problem, such as imposing budget cuts (Moe,

1987), limiting the scope of agency activity (Pollack, 1997), revising the agent's mandates (Kassim & Menon, 2003), and engaging in continued monitoring and control by the principals themselves or fire alarms, where principals rely on affected parties outside the agency relationship (McCubbins & Schwartz, 1984). However, these control mechanisms may produce bureaucratic drift that negatively affects organizational performance (Shepsle & Bonchek, 1997). One resonant question then persists: Is there an alternative way to conceive IGO governance that can improve organizational performance?

Since the IGO literature appears to contain limited research on the effective governance of IGOs, this thesis shifts to the corporate governance literature, which has addressed how to govern and improve performance of different types of organizations such as publicly traded corporations, family-owned businesses, multinational companies, international joint ventures, and public or nonprofit entities (e.g., Shleifer & Vishny, 1997). One may argue that assumptions and empirical evidence from corporate governance research apply to IGOs, being a subtype of organizations. However, previous studies have shown that governance varies across different organizational forms such as foreign subsidiaries (Kriger, 1988), family-owned businesses (Ward & Handy, 1988), international joint ventures (Klijn, Reuer, Van den Bosch, & Volberda, 2013), and public and non-profit organizations (Stone & Ostrower, 2007). Therefore, it is expected that governance in IGOs is also different from that in other organizations because of the specific organizational features of IGOs that can alter their governance mechanisms.

Scholars argue that efficient governance comes from the interplay of internal (firm-level) and external (institutional-level) control mechanisms, which help align the interests of shareholders and managers to mitigate the agency problem (Walsh & Seward, 1990). Moreover, comparative corporate governance research traversing across transnational territories stipulates that national institutions determine firm-level governance practices (Aguilera & Jackson, 2003, 2010). However, this thesis argues that several features of IGOs may alter the governance mechanisms in these organizations. First, IGOs, as supranational entities traversing across transnational

borders, lack external regulatory frameworks that govern them. They are immune to any legal constraints of national jurisdictions or sovereign territories where their principal places of businesses are domiciled. In fact, all IGOs have an immunity clause in their founding documents. For instance, as the UN charter states in Chapter 105(1): "The Organization shall enjoy in the territory of each of its Members such privileges and immunities as are necessary for the fulfillment of its purposes." Because of the immunity that IGOs enjoy, they are not legally bound to have compulsory external audits. In addition, they are not subject to any market pressures that typically affect firm behavior. Hence, they do not follow any prescribed governance mechanisms.

Second, the principals of IGOs are state governments—which are comparable to international joint ventures where the principals are independent organizations—who know each other, and the number of sovereign states as principals is limited to below 200. Koremenos, Lipson, and Snidal (2001) argue that the membership structure of IGOs depends on the varying severity of coordination problems in IGOs arising from differences in preferences among member states. Hence, different governance mechanisms may be suitable for specific types of IGOs.

Third, the purpose of IGOs is to create public value and to govern the delivery of public goods, wherein their performance cannot be reduced to a single metric. Further, the missions or mandates of IGOs are typically vague (Schemeil, 2013), whereas other organizations have specific goals. For instance, business entities are established to maximize profit or shareholder value, and public organizations have national laws stipulating their purposes. And governance becomes more difficult when results are difficult to measure (Mintzberg, 1993).

With the lack of institutional mechanisms to govern IGOs, how do we govern those who govern? Building on corporate governance research, this thesis proposes to focus on strategy making and monitoring in IGOs.

Strategy making is typically vested to the Chief Executive Officer (CEO) of organizations (Chaganti & Sambharya, 1987; Gioia & Chittipeddi, 1991; Hambrick & Mason, 1984;

Miller, De Vries, & Toulouse, 1982). In IGOs, CEOs are also known by different titles, such as Secretary General (e.g., UN), Director General (e.g., IMF), and President (e.g., WB). Many IGOs also establish strategies, as demonstrated by their published long-term strategic plans. However, many of these strategic plans are assessed and/or perceived as failing to meet the expectations of IGOs' member states and stakeholders. This thesis argues that the poor assessments and negative perceptions of the strategic plans of IGOs are because of the misaligned interests of the member states and the CEOs during strategy making. Corporate governance scholars contend that strategy changes may be used to guide and control organizations by aligning the organizational strategies of focal firms (as agents) with the interests of the home companies (as principals) (Westphal & Fredrickson, 2001), and the boards may participate in strategy making to ensure that CEOs produce better organizational strategies (Andrews, 1980). Hendry and Kiel (2004) argue that boards perform a strategic control function during strategy making, which includes setting the conditions for the strategy process, evaluating the strategy content, proposing and evaluating alternatives, and supervising the progress of strategy formulation. Therefore, it is important to understand how strategies can be effectively formulated to guide IGOs to perform according to the mandates established by their principals and the expectations of their stakeholders. No study has examined strategy making in IGOs; hence, the need to explore it persists.

Meanwhile, aside from strategy making, monitoring is a well-known governance practice that can mitigate the agency problem in IGOs (e.g., Campbell, Campbell, Sirmon, Bierman, & Tuggle, 2012; Daily, Dalton, & Cannella, 2003; Dalton, Hitt, Certo, & Dalton, 2007; Fama & Jensen, 1983). Although agency theorists argue that different monitoring mechanisms, such as executive compensation, ownership structure, debt holding, and market forces, can mitigate the agency problem in firms (Fama & Jensen, 1983; Jensen & Meckling, 1976), boards are given the fiduciary task to perform a monitoring function (Johnson, Daily, & Ellstrand, 1996; Lan & Heracleous, 2010). Indeed, corporate governance scholars argue that monitoring the actions and decisions of senior management is one of the most important functions of the board (Monks & Minow, 1995), as monitoring reduces agency costs, which can eventually

improve performance (Fama, 1980; Zahra & Pearce, 1989). This thesis argues that board monitoring is even more important in IGOs because they lack external mechanisms that facilitate effective monitoring in such organizations. However, scant research has investigated the role of IGO boards in monitoring (e.g., Martinez-Diaz, 2009); hence, the need to explore it persists.

This thesis synthesizes strategy making and monitoring as the building blocks to govern IGOs in order to improve their organizational performance. The aim is to identify the governance mechanisms and practices that are associated with effective strategy making and effective monitoring in IGOs. Strategy making and monitoring are chosen because scholars have argued that the distinction between them is almost blurred at the operational level (Ingley & Van der Walt, 2001; Stiles & Taylor, 2001), and sufficient research argues and demonstrates that both strategy making and monitoring are positively related to different measures of organizational performance (e.g., Bryson, 2011; Hart, 1992; Hart & Banbury, 1994; Hermalin & Weisbach, 1991; Miller, 1987; Zahra & Pearce, 1989).

Three essays have been developed in this thesis to explore the governance of IGOs. In the first essay, a conceptual analysis is used to identify how to effectively establish strategies to improve organizational performance in IGOs. In the second and third essays, empirical explorations of the board designs in IGOs that are effective in strategy making and monitoring are performed. The essays are among the first studies in the literature specifically addressing IGO governance.

1.3 Theoretical perspectives

To understand governance in IGOs, a multi-theoretical perspective of IGOs and corporate governance is employed.

1.3.1 Functionalist approach in international relations

To begin with, this thesis builds on the functionalist approach as used in the international relations literature, which explains that IGOs are independent entities established by state actors integrated interdependently to promote cooperation in the pursuit of collective interests and that they have the capacity to influence state preferences and behavior and global policies (Mitrany, 1948). The functionalist theory in international relations suggests that there is a demand for international regimes to enjoy the fruits of cooperation over time, and it provides a rational explanation for why state actors form cooperative structures geared toward generating collective or joint gains by reducing uncertainty, minimizing transaction costs, creating focal points, and increasing expectations of compliance (Keohane, 1982). IGOs are then designed to efficiently serve the collective interests of the actors that established them (Wendt, 2001). The central premise of the functional approach is focused on incentives in efficiently solving cooperation problems, where much of the functionalist literature has focused on why, when, and how state actors delegate specific tasks to IGOs (Simmons, 2008). This thesis is grounded in two perspectives of the functionalist approach to study IGOs (Simmons, 2008): the rational design perspective and the principal-agent perspective.

Proponents of the rational design perspective have developed an analytical framework explaining the design of international institutions to address different cooperation problems of state actors (Koremenos et al. 2001). In this perspective, IGOs are structured or designed in such a way to solve varying degrees of coordination problems manifested by enforcement and distribution problems, challenges regarding the number of actors, and different types of uncertainty (e.g., member preferences, member behavior, and state of the world) that occur in these institutions. Therefore, we may expect that state actors make rational choices that result in different designs of IGOs. Koremenos et al. (2001) propose that membership, scope, centralization, control, and flexibility constitute the design of international institutions. Haftel and Thompson (2006) have also included IGO independence as part of the design.

On the other hand, research on the principal-agent perspective has also proliferated to elucidate the delegation chain within IGOs (e.g., Grant & Keohane, 2005; Hawkins et al. 2006; Lake, 2007; Nielson & Tierney, 2003). In this regard, scholars have explored different principal-agent relationships in IGOs. For instance, Nielson and Tierney (2003) have discussed how the board and CEO (collectively forming the principal) delegate tasks to the IGO secretariat's staff (as the agent). Hooghe and Marks (2015) and Koremenos et al. (2001) have also examined how the plenary (the ministerial conference of member states as principals) delegates tasks to the secretariat (as the agent). Hawkins et al. (2006) have further argued that the delegation of state actors to IGOs is comparable to delegation in domestic politics, wherein the problems and solutions for monitoring and controlling IGOs are likely to be similar to those of domestic principals with respect to their agents.

However, the functionalist approach has been criticized as being devoid of the intentions of member states regarding why they are collectively pursuing goals (Simmons, 2008). Ruggie (1982) proposes a sociological/constructivist approach to understand the purpose and intentions of state actors when creating IGOs. Independent actors interact with other actors in the international arena to create a socially constructed reality by defining meanings, norms of good behavior, the nature of social actors, and legitimate social action (e.g., Barnett & Finnemore, 1999, 2004; Hawkins & Jacoby, 2006). The constructivist approach focuses on international legitimacy driven by political and social purposes (Simmons, 2008). Nevertheless, similar to functionalists, constructivists have also tackled the origins and mechanics of delegation to IGOs. Scholars suggest that IGOs as agents employ two general strategies to increase delegation and autonomy: first, they use interpretive strategies to convince their principals that their preferences are aligned; and second, they use strategies to reinterpret their mandates and other rules, expand their permeability, and buffer principal monitoring (Hawkins & Jacoby, 2006). Yet, despite the functionalist-constructivist divide, both approaches agree on the existence of an agency relationship between state actors and IGOs. This thesis builds on only the functionalist approach to understand the visible aspect of the governance that is intended to be explored rather

than the motives, purposes, and sensemaking of the actors, as suggested by the constructivist approach, which are quite challenging to capture, particularly from organizational designs. This thesis synthesizes the rational design and agency perspectives by elucidating how coordination problems among member states can be solved while mitigating the agency problem in IGOs as they pursue their mandates.

1.3.2 Organization theories applied in corporate governance

The international relations literature has predominantly explained why IGOs have certain organizational designs by using the functionalist approach. However, no study has examined the effect of organizational designs on the performance of IGOs. In particular, no research has explored how governance structures and mechanisms embedded in organizational designs affect organizational outcomes. Because of this gap in the literature, organization theories applied in corporate governance research are used to elucidate IGO governance and its effect on organizational outcomes. Indeed, IGO scholars have suggested that IGOs should be treated as organizations by examining their structures, functions, behaviors, environment, and performance through organization theories (Ness & Brechin, 1988).

1.3.2.1 Agency theory

This thesis starts with agency theory, which suggests that an agency problem occurs when agents (managers) make decisions that adversely affect the principals (shareholders) (Eisenhardt, 1989). Managers are motivated by self-interest and opportunism to maximize their own utility, which is detrimental to shareholder value (Berle & Means, 1932; Jensen & Meckling, 1976). Agency theory underscores the minimization or avoidance of agency costs through contractual relationships to maximize shareholder wealth (Shleifer & Vishny, 1997). One mechanism that scholars suggest to control organizations that can mitigate the agency problem is to align the strategies of the agents and principals through strategy making (Westphal & Fredrickson, 2001).

However, apart from strategy making, scholars have argued that one critical governance mechanism to control the agency problem in organizations is monitoring by the board (John & Senbet, 1998). Boards align the interests of principals and agents (Fama & Jensen, 1983) to reduce information asymmetry and protect the principals from managerial opportunism to ensure that the organization achieves its goal (Eisenhardt, 1989; Jensen & Meckling, 1976). In IGOs, an agency problem occurs when IGO secretariats as agents make decisions and pursue goals that can be disadvantageous to the member states that established them (e.g., Hawkins et al. 2006; Lake, 2007; Nielson & Tierney, 2003). Hence, monitoring by IGO boards serves as a governance mechanism to control the agency problem in IGOs.

Corporate governance scholars have argued that corporate boards serve three basic functions in terms of governance: to monitor and control senior management (Monks & Minow, 1995), to provide resources and advice (Baysinger & Butler, 1985; Hillman & Dalziel, 2003), and to participate in strategy making (Judge & Zeithaml 1992; McNulty & Pettigrew 1999) and punctuated events (Boivie, Bednar, Aguilera, & Andrus, 2016). These functions are somewhat aimed at controlling the agency problem in organizations (Zahra & Pearce, 1989). This thesis argues that IGO boards are expected to have similar functions to the boards of any other organizations. The IGO board is a structural body that sits between the plenary and the secretariat. IGO boards are sometimes called by different names such as the Council (e.g., the International Maritime Organization [IMO], the International Center for the Study of the Preservation and Restoration of Cultural Property [ICCROM], and the World Trade Organization [WTO]), the Executive Directors (e.g., International Development Association [IDA], and the International Bank for Reconstruction and Development [IBRD]), and the Executive Committee (e.g., International Criminal Police Organization [Interpol] and the International Organization for Migration [IOM]), among others. Martinez-Diaz (2009) proposes a framework of four roles—i.e., performance police, political counterweight, democratic forum, and strategic thinkers—that boards play in IGO governance along their three functions. The performance police role of IGO boards corresponds to the monitoring and control function of corporate boards,

whereas the strategic thinker role of IGO boards corresponds to the functions of corporate boards to provide resources and advice and to participate in strategy making and punctuated events. Martinez-Diaz (2009) argues that the roles as a political counterweight and democratic thinker are unique to IGO boards. Hence, these functions and roles of the boards serve as the core of this thesis on IGO governance.

1.3.2.2 Resource dependence theory

Beyond incentives that agency theory suggests, this thesis also uses the logic of abilities that resource dependence theory offers. This theory describes firms as open systems that depend on contingencies in the external environment (Pfeffer & Salancik, 1978). The theory posits that firms are interdependent among each other in securing resources to survive. Therefore, each firm needs to secure resources or gain access to resources to minimize its external dependency on the environment, which can reduce uncertainty and lower transaction costs. Pfeffer and Salancik (1978) suggest that the board is one of the instruments of organizations to gain resources. Directors provide resources in the form of board capital, which comprises human capital and relational capital (Hillman & Dalziel, 2003), such as expertise, experience, network, and prestige (Provan, 1980).

Hillman and Dalziel (2003) argue that integrating resource dependence theory with agency theory is necessary to understand board functioning. They propose a model that suggests the moderating effect of board capital on the relationship between board incentives and board functioning. Indeed, Boivie et al (2016) have used the information-processing perspective on boards by integrating the logics of incentives (agency theory) and abilities (resource dependence theory) in identifying different barriers to board monitoring and strategy making. This thesis builds on the same integration of agency and resource dependence theories to identify the best way to devise strategies in IGOs in Chapter 2 and to identify the board designs conducive to effective board functioning in Chapters 3 and 4.

1.3.2.3 Stakeholder theory and institutional theory

In analyzing how to effectively establish strategies and in understanding organizational performance in the first essay in Chapter 2, this thesis also builds on the arguments posited by stakeholder theory and institutional theory to identify the appropriate strategic planning approach for a specific type of IGO. Stakeholder theory advances the notion that firms are concerned with not only shareholder value but also the needs and expectations of a broader array of stakeholders (Freeman, 1984). On the other hand, institutional theory posits that organizations survive when they operate in conformance with prescribed socially legitimate behaviors (Meyer & Rowan, 1977). This thesis argues that the interplay of stakeholder theory and institutional theory is quite evident in IGOs, since the stakeholders of IGOs (compared to the shareholders of corporate entities) extend their focus beyond the interests of member states to gain legitimacy as they conform to pressures from several other interest bodies as stakeholders—such as the business sector, other IGOs, non-governmental organizations (NGOs), and the general public—that can affect their legitimacy. Given the transnational nature of IGOs, capturing and addressing stakeholder needs through information processing is quite challenging for IGOs to preserve and possibly enhance their legitimacy. IGOs have several organizational design features that potentially affect information processing necessary to address stakeholder needs.

1.3.2.4 Information-processing perspective

Information processing refers to a set of processes that occur as information is taken in, transformed, and used to produce a specific outcome (Hinsz, Tindale, and Vollrath, 1997). In the first essay in Chapter 2, the information-processing perspective is used to identify how organizational design features fit with specific strategic planning approaches to devise better strategic plans in IGOs. This thesis argues that organizational design features are indicative of the information-processing needs of an IGO, which will be necessary to determine the appropriate strategic planning approaches to be used.

The information-processing perspective regarding boards to identify board designs is also used in this thesis. The perspective viewing boards as information-processing groups argues that boards function effectively by obtaining, processing, and sharing information (Boivie et al. 2016). Scholars build on the logics of incentives and abilities, where they assume that even the most motivated and most skilled directors face challenges in performing effective strategy making and monitoring (Boivie et al. 2016). The challenges are classified into ten types of barriers divided into three levels: individual, firm, and group. This thesis focuses on group barriers related to board designs, specifically on board activism in the second essay in Chapter 3 of this thesis. Following Boivie et al. (2016), This thesis argues that the presence of all barriers is not necessary to produce board constraints because of the possibility of functional equivalence among them. Therefore, a configurational perspective to study the combination of barriers in order to explore their complementarities and substitutions is also used.

1.3.2.5 Configurational perspective

In identifying the best-suited strategic planning approach in Chapter 2 and exploring board designs in Chapters 3 and 4 of this thesis, a configurational perspective is also used. The configurational perspective suggests that elements within a bundle interact with each other, resulting in multiple combinations to an outcome (Meyer, Tsui, & Hinings, 1993). The configurational perspective has been embraced for some time now in management and organization studies (e.g., Beatty & Zajac, 1994; Delery & Doty, 1996; Macduffie, 1995; Miles & Snow, 1978; Zajac & Westphal, 1994), including corporate governance research (e.g., Aguilera, Filatotchev, Gospel, & Jackson, 2008; Rediker & Seth, 1995; Ward, Brown, & Rodriguez, 2009). The configurational perspective works alongside complementarity and substitution to provide a holistic understanding of the interrelationships among different elements that lead to an outcome (Misangyi & Acharya, 2014). Complementarity indicates the internal fit among different elements that can enhance each other to result in an outcome (Milgrom & Roberts, 1990), whereas substitution indicates that elements replace one another to yield the outcome (Dalton, Daily, Certo, & Roengpitya, 2003; Rediker &

Seth, 1995). Hence, as this thesis uses the configurational perspective in studying IGO governance, it bears in mind the complementarities and substitutions among different elements when analyzing the bundles that are conducive to effective strategy making and monitoring.

Narrowing the configurational approach to board research, scholars have argued that board characteristics should be analyzed in bundles concerning how they relate to different organizational outcomes (Desender, Aguilera, Crespi, & Garcia-Cestona, 2013; Misangyi & Acharya, 2014). Consequently, this thesis conducts the first configurational approach in studying board characteristics to determine the board designs conducive to effective board functioning. It is expected that this thesis will provide empirical evidence demonstrating the existence of different combinations of board characteristics constituting board designs that are conducive to effective strategy making and monitoring, which exhibits the concept of equifinality. Equifinality refers to the system that reaches the same final state from different initial conditions and by a variety of paths (Katz & Kahn, 1978: 30), which has already gained attention in management studies because it provides a theoretical basis for different design choices that can lead to the same outcome (Doty, Glick, & Huber 1993; Fiss, 2007; Gresov & Drazin, 1997; Marlin, Ketchen, & Lamont, 2007; Payne, 2006). It is also expected to show that certain board designs become barriers for IGO boards in performing their functions that can result in unfavorable outcomes. Further, these board designs that are understood as barriers are very different from those that are conducive to favorable outcomes, which highlights the concept of causal asymmetry. Causal asymmetry means that the conditions leading to the presence of an outcome may not mirror the conditions leading to the absence of the same outcome (Ragin, 2008). The concepts of equifinality and causal asymmetry are best exemplified when a configurational approach is used, thus building theories that diverge from traditional contingency underpinnings (Meyer et al. 1993).

1.3.2.6 Dichotomy of organizational performance

The dependent variable that is intended to be explored in this thesis is organizational performance. This thesis builds on the notion that organizational performance exists in two dimensions: real and perceived (Pavlov & Micheli, 2014). Real organizational performance is described as the observable results arising from controllable goal-relevant actions (Campbell, McCloy, Oppler, & Sager 1993) captured using objective measures such as survival (Richard, Devinney, Yip, and Johnson 2009) and accounting and financial measures—including return on assets (e.g., Anderson et al. 2004; Misangyi & Acharya, 2014), return on equity (e.g., Garcia-Castro et al. 2013; Muth & Donaldson, 1998), audit fees (e.g., Desender et al., 2013), and cost of debt or yield spread (e.g., Anderson et al. 2004). This thesis also argues that real organizational performance refers to an organization's ability to reach goals and objectives, such as achieving targets typically found in strategic plans, which include expanding the market, registering new patents, or devising new policies. It can be measured by the extent to which organizations meet these targets. Some sources of real performance are audited financial reports, process and output reports, and impact assessments.

On the other hand, organizational performance can be socially constructed (Wholey, 1996). Stakeholders create a collective perception of how an organization operates. Often, the determination of organizational performance can be influenced by whom you ask (Herman & Renz, 1997). Information is obtained by using subjective measures such as ratings and evaluations. It is also captured by using proxies such as price premiums for investors' perception (e.g., Bell, Filatotchev, & Aguilera, 2014) and ratification of strategic proposals for board involvement (e.g., Judge & Zeithaml, 1992). Some means of gathering perceptions are surveys, interviews, and self-reports, among others. Although studies have used both dimensions of organizational performance in their analysis (e.g., Desender et al., 2013; Judge & Zeithaml, 1992), no study has compared the factors along either dimension. Comparing the factors affecting real and perceived organizational performance has been shown to be particularly relevant in prior research (e.g., Pearce & Zahra, 1991). Hence, this thesis explores the dichotomy of organizational performance. In the first essay in Chapter 2, a framework is proposed

showing the different types and dimensions of organizational performance in IGOs. Then, in the third essay in Chapter 4, a comparison of board designs that are conducive to real and perceived dimensions of one measure of performance is also conducted.

1.4 Structure and presentation of the thesis

This thesis is a monograph and thus follows a three-essay format. Three essays have been developed to address the governance of IGOs. The first essay is a conceptual analysis titled, "Devising strategic plans to improve organizational performance of intergovernmental organizations," that answers the research question: What strategic planning approaches should IGOs use in devising strategic plans to improve organizational performance? The second and third essays are empirical studies that focus on identifying the bundles of IGO board characteristics constituting board designs that are associated with highly effective strategy making and monitoring. The second essay is titled, "Are active boards effective in strategy making? A configurational analysis of board activism in intergovernmental organizations." The third essay is titled, "The governance of global governance organizations: A configurational analysis of the board designs of intergovernmental organizations under the UN system."

Each essay is presented in this thesis as separate sections in Chapters 2, 3, and 4. Each chapter raises a specific research question, with a discussion of the findings and implications. The format of the chapters follows the styles of the journal where the respective essays are submitted. Chapters 3 and 4 use the same database and employ the same research method; hence, there may be similarities in their narratives. However, the research questions, outcomes (dependent variables), and conditions (independent variables) of interest differ between the essays. Further, each chapter has its own reference list to facilitate easy cross-referencing. In Chapter 5, all the conclusions and theoretical and managerial/policy implications of the essays are

synthesized. Finally, the limitations and avenues for future research are provided at the end of the thesis.

In the next paragraphs, the overall content of each essay is described.

1.4.1 Essay I

"Devising strategic plans to improve organizational performance of intergovernmental organizations."

The first essay focuses on how IGOs can use strategic planning approaches to devise better strategic plans to improve their organizational performance. Strategic plans usually serve as a framework that prescribes the direction of an organization. Strategic planning has been chosen—even though management scholars have already called for a move beyond strategic planning to strategic management (e.g., Poister, 2010; Poister & Streib, 2005; Vinzant & Vinzant, 1996)—as a point of departure because this essay is the first study aims to explore research on strategy making in IGOs. Moreover, considerable evidence shows how organizations have reaped benefits from strategic planning (Bryson, 2010), including improved decision making, superior organizational performance, and enhanced organizational legitimacy (Bryson, 2011). To conduct strategic planning, there are different available strategic planning approaches originated from the business sector that organizations can use. Among several strategic approaches from the strategic management literature, six approaches that have been adopted by public organizations—to which IGOs are closely comparable—have been chosen. In line with Miller's (1987) argument regarding corporate entities, the essay argues that the choice of strategic planning approach will depend on different organizational design features of an IGO to effectively produce better strategic plans. Hence, the essay builds on the international relations literature, which enumerates six organizational design features that differentiate IGOs: membership, scope, centralization, control, flexibility, and independence (Haftel & Thompson, 2006; Koremenos et al. 2001). The essay conceptually analyzes how each feature determines

the type of strategy that is established, which then determines the appropriate strategic planning approach to employ. The proposed framework suggests that two strategic planning approaches should be combined to compensate for the limitation of one approach with another when devising a specific type of strategy that is appropriate to certain organizational design features.

1.4.2 Essay II

"Are active boards effective in strategy making? A configurational analysis of board activism in intergovernmental organizations."

The second essay focuses on how board activism is associated with highly effective strategy making in IGOs. Strategy making is generally entrusted to CEOs because they have access to information essential in establishing organizational strategies (e.g., Chaganti & Sambhraya, 1987; Gioia & Chittipeddi, 1991; Hambrick & Mason, 1984; Miller, De Vries, & Toulouse, 1982). Moreover, boards are given the task of helping CEOs in devising strategies (Judge & Zeithaml, 1992; McNulty & Pettigrew, 1999; Zahra & Pearce, 1989). However, scholars argue that the power of CEOs may inhibit the participation of boards in strategy making because CEOs determine the selection and remuneration of board directors, control boardroom discussions, and provide information needed for board functions (Pearce & Zahra, 1991). The essay builds on the premise that the power of CEOs does not affect board activism in IGOs in the same way as in corporate entities because CEOs do not have the power to appoint, fire, or compensate board directors. IGO board directors are direct representatives of the principals and are solely selected by the principals. Therefore, the essay argues that IGO boards can be more active in gaining access to information necessary for effective strategy making. To substantiate these arguments, the essay explores the configurations of board activism that are conducive for highly effective strategy making. A configurational approach is used in identifying the combination of board characteristics used in the literature to analyze board activism that is sufficient for highly effective strategy making. The findings confirm the expectation that active

boards are indeed suitable for highly effective strategy making in IGOs. However, the essay also finds that less active boards may result in the same outcome.

1.4.3 Essay III

"The governance of global governance organizations: A configurational analysis of the board designs of intergovernmental organizations under the UN system."

The third essay departs from strategy making and shifts to monitoring. It focuses on identifying the board designs that facilitate highly effective monitoring in IGOs under the UN system. Monitoring senior management is one of the critical roles of boards in the governance of organizations (Monks & Minow, 1995). Indeed, scholars have found that board monitoring is positively associated with organizational outcomes (Golden & Zajac, 2001). In this way, prior research has argued that different board characteristics can be barriers for effective monitoring (Boivie et al. 2016). Since board structural characteristics constitute board designs, this thesis explores the combinations of board structural characteristics—specifically the size of the board, the number of board committees, and the existence of a board secretary—that facilitate or inhibit highly effective monitoring in IGOs. A configurational approach is conducted to identify such combinations. The results show that there are different board designs within different archetypes of IGOs that facilitate highly effective monitoring or generate perceptions of highly effective monitoring. Further, there are multiple board designs that inhibit effective or generate perceptions of less effective monitoring. Board designs thus appear to depend on the interplay of organizational complexity and the extent of the distribution problem in IGOs to facilitate effective monitoring in such organizations. The findings also show that stakeholders generally perceive whether an IGO is effective in monitoring. However, there is also the possibility of tradeoffs between the objective and subjective dimensions of monitoring effectiveness. This finding is particularly relevant for IGOs because they consider not only the actual effectiveness of boards in monitoring but also their stakeholders' perceptions, since IGOs heavily rely on stakeholders for resources to operate and survive.

1.5 Contributions

This thesis comprises three essays that are in various stages of publication, as presented in Table 1.1. All the essays are written with Dr. Angel Saz-Carranza. The first essay has been accepted for publication, and it is available online for early viewing in "Global Policy" as of May 2017. The second essay is under revision in "Corporate Governance: An International Review" as of May 2017. The third essay is under revision in "Regulation & Governance" as of May 2017.

Table 1.1

Contributions to scientific knowledge

Title	Authorship	Journal	Status	Conference presentation
Devising strategic plans to improve organizational performance of intergovernmental organizations	Ryan Federero and Angel Saz-Carranza	Global Policy ISSN (Print): 1758-5880 *Impact factor in 2015: 0.837*	Accepted for publication. Available for early view online. DOI:10.1111/1758-5899.12380	PMRA Conference in Minneapolis, Minnesota ECPR Joint Sessions of Workshop in Warsaw, Poland.
Are active boards effective in strategy making? A configurational analysis of board activism in intergovernmental organizations	Ryan Federero and Angel Saz-Carranza	Corporate Governance: An International Review ISSN (Online): 1467-8683 *Impact factor in 2015: 2.169*	Revise and Resubmit	IRSPM Conference in Hong Kong EGOS Conference in Naples, Italy AOM Conference in Anaheim, CA
The governance of global governance organizations: A configurational analysis of the board designs of intergovernmental organizations under the UN system	Ryan Federero and Angel Saz-Carranza	Regulation & Governance ISSN (Print): 1748-5991 *Impact factor in 2015: 2.724*	Revise and Resubmit	AOM Conference in Atlanta, GA

By the end of this thesis, the aim is to provide new insights on the governance of IGOs, which has been understudied in the literature. In doing so, this thesis offers several general contributions to the extant literature. First, the thesis presents alternative governance mechanisms that can be efficient and effective in governing IGOs to help improve their organizational performance. In this way, effective strategy making and effective monitoring are proposed as governance mechanisms in IGOs. Second, this thesis unlocks the prospect of strategy research in IGOs that has been overlooked in the literature. As this thesis conceptualizes how IGOs can use strategic planning to improve their organizational performance, a framework is proposed that can be useful to academics and practitioners. Third, this thesis demonstrates how using a configurational approach to study IGOs can provide a holistic understanding of the governance mechanisms in such organizations. This thesis shows how organizational features—including board design—should be analyzed as a whole to determine the optimal design and strategy that can contribute to better organizational outcomes. Finally, this thesis provides empirical evidence linking board designs to different organizational outcomes, and demonstrate how different board designs facilitate effective strategy making and monitoring in IGOs.

Ultimately, the intention of this thesis is to emphasize the importance of IGOs by studying how they can be governed so that they can perform effectively in addressing and solving global issues that affect everyone.

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2

Devising strategic plans to improve organizational performance of intergovernmental organizations

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2.1 Abstract

This article discusses how intergovernmental organizations (IGOs) can use different strategic planning approaches in devising strategic plans to improve organizational performance. Six strategic planning approaches from the business sector are highlighted in this study. Each of the strategic planning approaches specifically addresses a core aspect of the strategic planning process. Thus, this article posits that an IGO must choose the most appropriate strategic planning approach depending on its specific organizational design features: membership, control, scope, centralization, flexibility, and independence. We argue that an IGO's design features affect its decision making, organizational performance orientation, and legitimacy, and these, in turn should determine whether it opts for member-driven, results-driven, or environment-driven strategies. This article also explores how IGOs can complementary combine distinct approaches to maximize the benefits from strategic planning by determining how one approach compensates the limitation of another in devising strategic plans. This article ultimately produces a framework to provide propositions for researchers, and a tool for IGO leaders to identify the optimum strategic planning approach to help improve organizational performance.

2.2 Policy Implications

1. As a guiding framework necessary in directing actions and assessing organizational performance, IGOs should devise formal strategic plans that best fit their specific organizational characteristics.

2. In devising strategic plans, IGOs should identify their member states' preferences, intended results, and environmental needs to achieve improved decision making, superior organizational performance, and enhanced legitimacy.

3. When choosing strategic planning approaches to devise strategic plans, IGO chief executives should carefully consider the organizational design features: membership and control; organizational scope and centralization; and organizational flexibility and independence.

4. IGOs with large membership and consensus-based control should opt for member-driven strategies, those with wide organizational scope and strong centralization should opt for results-driven strategies; and those with highly organizational flexibility and independence should use environment-driven strategies.

5. IGO chief executives should combine stakeholder management and strategic negotiations for member-driven strategies, strategic planning systems and logical incrementalism for results-driven strategies, and dynamic capabilities and Miles and Snow framework for environment-driven strategies.

2.3 Introduction

For intergovernmental organizations (IGOs), strategic planning is not new, as evidenced by the number of IGOs that have developed and published their strategic plans. Some IGOs such as the International Maritime Organization (IMO), World Bank, and World Health Organization (WHO) have long-term strategic plans available publicly. In the strategic management literature, business managers use numerous strategic planning approaches in formulating strategies (such as strategic negotiations, stakeholder management, strategic planning system, logical incrementalism, dynamic capabilities, and Miles and Snow framework, among others). However, there is no existing research on how IGOs conduct strategic planning. Neither the international relations literature nor the strategic management literature mentions which strategic planning approaches IGOs use in devising strategic plans.

Strategic planning is defined as 'a deliberative, disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it' (Bryson, 2011, pp. 7-8). There is considerable evidence demonstrating how organizations have reaped benefits from strategic planning (Bryson, 2010), including improved decision making, superior organizational performance, and enhanced organizational legitimacy (Bryson, 2011). Yet, many other IGOs still have not adopted strategic planning. Recent organizational performance evaluations of the Organisation for Economic Co-operation and Development's (OECD) Multilateral Organisation Performance Assessment Network (MOPAN) show that all assessed IGOs use strategic planning. However, our substantive analysis of MOPAN reports reveal that more than half of these IGOs are found to be unable to establish strategies nor provide directions effectively for the organization. The purpose of this article is to understand which strategic planning approaches best suit different IGOs, and thus improve how IGOs use strategic planning. This in turn should improve their organizational performance.

Management scholars call for moving beyond the study of strategic planning onto that of strategic management (e.g. Poister, 2010; Poister and Streib, 2005; Vinzant and Vinzant, 1996). However, researching strategic planning in IGOs is necessary given that (i) there is hardly any research on strategic planning in the context of IGOs, and (ii) IGOs have organizational design features that may inhibit the straightforward applicability of strategic planning approaches to these organizations. This study aims at understanding how IGOs can use different strategic planning approaches in devising strategic plans to improve organizational performance, while considering various organizational design features that influence their usefulness. As such, our research question is: "What strategic planning approaches should IGOs use in devising their strategic plans to improve organizational performance?" By answering this research question, we ultimately produce a framework to provide propositions for researchers and a tool for IGO leaders that encourages the optimum use of strategic planning approaches in devising strategic plans to improve organizational performance.

To proceed with our research agenda, there are two arguments we build on derived from both the international relations and strategic management literatures. First, IGOs vary in organizational design features that affect how each organization can use strategic planning. Koremenos, Lipson, and Snidal (2001) suggest that IGOs vary on five organizational design features: membership, scope, centralization, control, and flexibility. Haftel and Thompson (2006) add independence as another feature differentiating IGOs. These authors argue that each design feature affects several overall organizational features, which include decision making, organizational performance, and legitimacy. These three overall organizational features are core aspects of the strategic planning process. Second, each strategic planning approach primarily focuses on a specific core aspect of the strategic planning process: including key stakeholders during strategic decision making, defining intended results or organizational performance orientation, and adapting to environmental demands to gain legitimacy. Strategic planning approaches address these three core aspects to different degrees (Bryson, 2011). Hence, we synthesize these two arguments to discuss how variations in IGO organizational design features affect which aspects will be particularly relevant for the strategic planning process and thus will determine the

choice of strategic planning approach (see Figure 1 showing the conceptual model of strategic planning in IGOs).

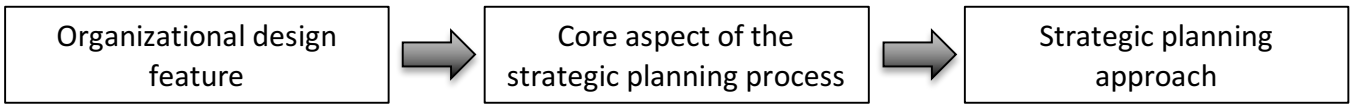

Figure 1. Conceptual Model of Strategic Planning in IGOs

We contribute to the literature by applying strategy research to IGOs in understanding how the latter can devise strategic plans that best suit their organizational design features. This line of research can be a prospective avenue to study IGOs that enables us to understand what affects their use of strategic planning. We extend the concept of strategic planning to IGO research, which is over-looked in the literature. Although there is extant research in strategic management literature demonstrating how different types of organizations use strategic planning, we contend that prior studies do not address the complexity of IGO organizational design features when devising strategic plans. Hence, we cannot directly apply assumptions from the strategic management literature on how to use strategic planning in IGOs. We, therefore, conduct an interdisciplinary study of strategic planning drawing on the fields of international relations and strategic management. However, performing an interdisciplinary study also entails challenges. Combining theoretical perspectives can be quite challenging because many concepts or constructs have different meanings in distinct disciplines. In this study, we attempt to bridge two distinct disciplines to create an overall picture of strategic planning in IGOs. Since IGOs are a subtype of organizations, using a managerial perspective can provide a different approach to improve their organizational performance. Gallarotti (1991) previously argued that looking at the effects (or impact) of management in international institutions could expand our understanding of these organizations. Since some IGOs devise strategies less effectively, we bring a management perspective to explore how IGOs can best use strategic planning to develop strategies and to improve the process of doing so. Ultimately, our conceptual analysis proposes a framework and produces propositions

relating IGO design features to strategic planning approaches that should in turn contribute to better organizational performance.

This article starts with a brief description of IGOs and a list of organizational design features differentiating them. Then we group IGO organizational design features according to three core aspects of the strategic planning process: decision making, organizational performance, and legitimacy; and discuss how these organizational design features affect the strategic planning process. Afterwards, we identify which strategic planning approach is applicable to each group and propose how one strategic planning approach can complement another in devising strategic plans. We then provide some examples where an IGO has combined in practice two approaches. Lastly, this study concludes by elaborating its implications, presenting its limitations, and suggesting future research avenues.

2.4 Intergovernmental organizations

IGOs are 'entities created [by states] with sufficient organizational structure and autonomy to provide formal, ongoing, multilateral processes of decision making between states, along with the capacity to execute the collective will of their member (states)' (Volgy et al. 2008, pp. 851). Koremenos, Lipson, and Snidal (2001, pp. xiii) argue that international actors are goal-seeking agents who make specific institutional design choices to solve the particular cooperation problems they face in different issue areas. There are six organizational design features that differentiate IGOs: membership, scope, centralization, control, flexibility, and independence (Haftel and Thompson, 2006; Koremenos, Lipson and Snidal, 2001). We group them into three sets, which correspond to three core aspects of the strategic planning process (see Figure 2 showing the strategy change cycle): decision making, organizational performance, and legitimacy.

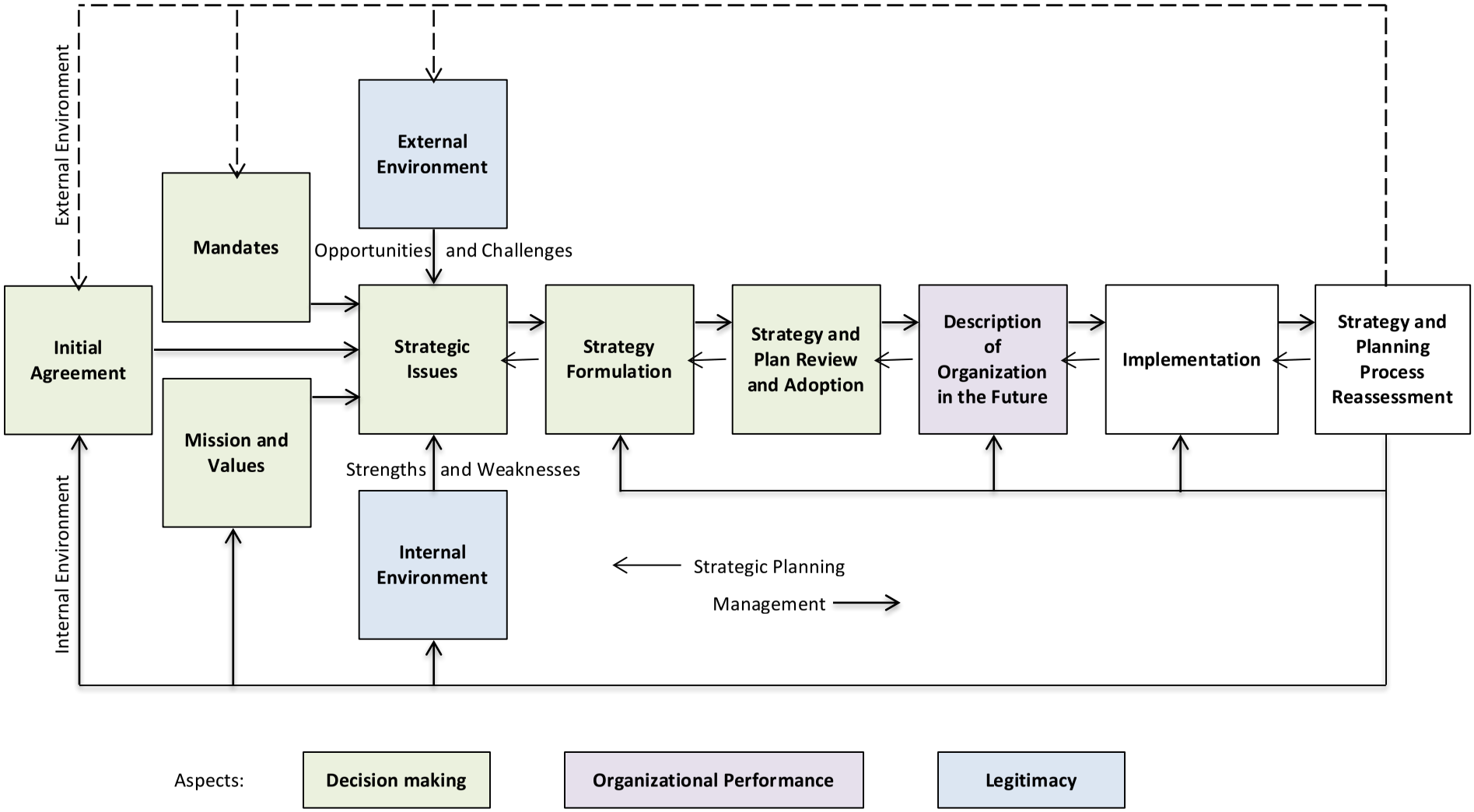

Figure 2. Strategy Change Cycle (Condensed version) (Source: Bryson, 2011)

2.4.1 Decision making

Decision making is a recurring aspect of the planning process, in which the decision makers choose among the available options for the best-suited strategy at a given point in time (Simon, 1957). The manner how goals and actions are selected is central in the strategy process (Boyne and Walker, 2004; Hart, 1992). During strategic planning, senior management decides on various available options: whether to use strategy or not (initial agreement), what goals are to be targeted (mandates and mission/values), which stakeholders are to be considered (internal and external environment), which strategic issues are to be addressed, and which strategies are to be selected. The challenge is picking the most appropriate options aimed at establishing the fit between organizational factors and the environment (Miles and Snow, 1978; Poister and Streib, 1999; Snow and Miles, 1983; Venkatraman and Camillus, 1984).

In IGOs, organizational-wide decision making is heavily influenced by member states (Reinalda and Verbeek, 2004). Two IGO organizational design features directly affect decision making in the strategic planning process: membership and control. Membership refers to the group of state actors constituting IGOs. Many IGOs have different membership criteria. Some are more restrictive than others. For example, the United Nations (UN) is more universal in contrast to the European Union (EU) and the Association of Southeast Asian Nations (ASEAN), which restrict membership to states within their region. Or membership is based on a specific sector like the International Cocoa Organization (ICCO) whose sole eligible member states are those exporters and importers of cocoa, while the International Coffee Organization (ICO) brings together exporters and importers of coffee.

IGOs differ in the number of their members. Many UN agencies have almost 200 members. While some IGOs such as the International Pepper Community and the Imperial War Graves Commission or the Commonwealth War Graves Commission have only six members each. The members are the IGO's principals, which are comparable

to corporate shareholders, who are the upper-most decision-makers of the organization. They are typically represented in the governing bodies. IGO principals have varying and conflicting interests regarding which issues to tackle and what outputs to aim for, thus decision making is problematic. Further, member states conform in fact a collective principal, which must first converge a common position prior to delegating and monitoring the agent (Nielson and Tierney, 2003). The larger the membership is, the more difficult the decision making, thus the greater the uncertainty regarding the collective principal's common position (Koremenos, Lipson and Snidal, 2001).

Control, on the other hand, refers to the manner how decisions are made. The main characteristic for control in decision making is the type of decision rules applied during the process, since it will determine how much influence the individual member states have over the IGO decision making. There are significant variations on how decisions are made among members in the assembly or in the board. An example of these rules is the allocation of number votes to each member (Reinalda and Verbeek, 2004). Many IGOs have a one vote per member policy, while some organizations have a weighted voting policy, such as the International Monetary Fund (IMF), World Bank, International Fund for Agricultural Development (IFAD), and ICO, among others. This voting mechanism gives some members more power whenever issues are taken into a vote. Some members have the ability to block decisions in the board or assembly because of such voting rights. The weight of each member's vote is typically based on the resources they provide to the IGO. The IMF and the World Bank, for example, are partially funded through members' contributions calculated on the basis of certain economic parameters. Thus, members with larger economies are more likely to have more power over decision making. In voting, decisions are made either by majority, qualified majority, or consensus (Blake and Payton, 2015). For example, when issues taken to a vote are incompatible with the self-interests of members with veto power, it is expected that the cause will not be passed. Also in voting through consensus (or unanimity), a single vote of a member against any proposal can jeopardize strategy making and affect IGO responsiveness (Blake and Payton, 2015). Some strategies fail to

be implemented despite of rigorous planning process precisely because they get blocked at the adoption decision point.

Both membership and control can be grouped and directly relate to how decision making occurs in IGOs. Blake and Payton (2015) and Hooghe and Marks (2015) found decision making mechanisms to be directly influenced by IGO membership and control.

2.4.2 Organizational performance

In management research, organizational performance is typically the ultimate dependent variable (Richard et al. 2009). Strategic planning is precisely how to reach organizational performance (shown as 'Description of the Organization in the Future' in Figure 2). Nevertheless, it also serves as an input for strategy formulation (as previous organizational performance also forms part of 'Internal Environment' in Figure 2) (Bryson and Roering, 1987). As compared to corporations, IGOs are concerned with broader dimensions of organizational performance (similar to those organizations operating in the nonmarket environment by Doh, Lawton and Rajwani, 2012). They tend to dispose of a wide continuum of organizational performance measures (Gutner and Thompson, 2010): process, output, outcome, and impact; and two dimensions of organizational performance (Pavlov and Micheli, 2014): real (actual) and perceived (see Figure 3 showing the IGO performance framework). 'Process' focuses on the manner how the organization carries out its specific functions, while 'output' refers to the intended results the organization is mandated to produce (Gutner and Thompson, 2010). 'Outcome' refers to broader, long-term, and societal level result, while 'impact' is the difference between the outcome and the counterfactual (Hatzfeld, 2014). Lastly, 'real' organizational performance refers to the actual observable results, while 'perceived' organizational performance are those constructed by the organization's stakeholders.

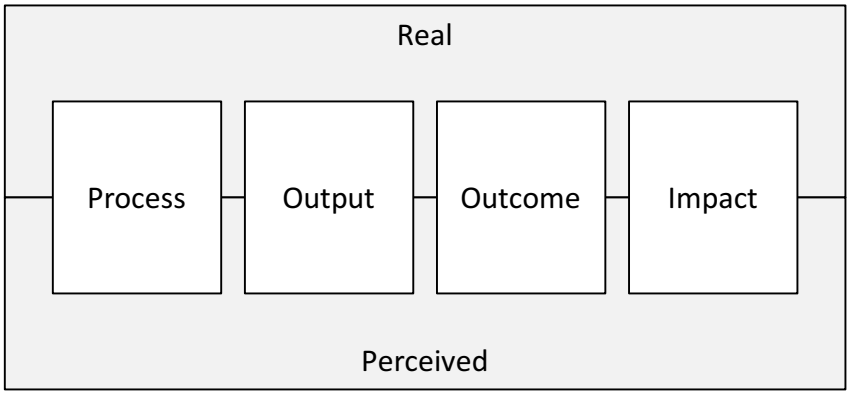

Figure 3. IGO Organizational Performance Framework

A key strategic feature for IGOs is identifying organizational performance. In doing so, two organizational design features come into play: scope and centralization. Scope refers to the issues covered by an IGO (Koremenos, Lipson and Snidal, 2001). IGOs significantly vary regarding the global issues they address, which include international relations (e.g. promoting peace, protecting transnational security, and preventing armed conflict), world economy (e.g. preventing and mitigating financial crisis), society (e.g. increasing human development, maintaining public health, and protecting justice), and environment (e.g. combatting climate change, preventing pollution, and improving of production of agricultural production). For instance, international financial institutions such as the World Bank, Inter-American Development Bank (IDB), Asian Development Bank (ADB), and IMF have wide scopes ranging from financing development, mitigating balance-of-payment crises, and regulating global financial and monetary control. Whereas, the Permanent Court of Arbitration and the Hague Conference on Private International Law are only established for a single purpose, which is providing supra-national rule-based dispute settlement.

Meanwhile, centralization refers to how an IGO is structured and organized to perform (which refers to the teleological production 'process' of the output). Some IGOs are more centralized than others. For instance, the EU with regard to the single market is highly centralized institutionally, where the Commission, fully in-charge of competition and state aids, makes decisions. Whereas, the WHO and the World Food Programme

(WFP) are geographically decentralized, where their regional or national offices have plenty of capacities in devising and implementing strategies.

2.4.3 Legitimacy

Legitimacy refers to 'a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs and definitions' (Suchman, 1995, p. 574). According to Neo-Institutional Theory from Organization Studies and Sociology, organizations survive when they are viewed to comply with what is expected of them, when they are seen as 'legitimate' by their environment (Meyer and Rowan, 1977). An IGO's environment spans across transnational borders and encompasses a wide variety of actors, which are sources of opportunities and threats (Coicaud and Heiskanen, 2001).

Although there are many sources of legitimacy in IGOs, two organizational design features influence the legitimacy of these organizations: flexibility and independence. Flexibility deals with adjusting institutional arrangements to accommodate changing circumstances (Koremenos, Lipson and Snidal, 2001). IGOs are capable to structure themselves to address the needs of their environment (Schemeil, 2013). Some examples are: the UN has morphed from peacekeeping to peacemaking; the United Nations High Commissioner for Refugees (UNHCR) has focused from European refugees to all those that are displaced by wars; and the Food and Agriculture Organization (FAO) has expanded its mandate from solving world hunger to modernizing agriculture, fishery, and forestry and securing nutrition. These IGOs have adapted and/or transformed to address environmental changes, which gives them legitimacy to exist.

On the other hand, independence refers to 'the authority to act with a degree of autonomy' (Abbott and Snidal, 1998, p. 9), specifically from the member states (Barnett and Finnemore, 2004). An IGO becomes independent when it is capable of having its own preference (Majone, 2001), agenda, and behavioral dispositions

(Barnett and Finnemore, 1999). Here, we focus on the autonomy of IGO's supranational bureaucracy that manages operations on a regular basis (Jacobson, 1984), otherwise referred to as the secretariat or commission (Haftel and Thompson, 2006). The more independent the secretariat, the more an IGO is perceived as legitimate (Haftel and Thompson, 2006). Some IGOs have more autonomous bureaucracy than others. The European Commission, for example, has more capacities to act independent of its members than the ASEAN secretariat. The Commission is more legitimized in proportion to the delegation vested to it by its members.

Flexibility and independence both influence legitimacy in IGOs. The ability of IGOs to address environmental demands determines the efficiency and effectiveness of the prospective strategic planning process. The differences in capacities to adapt and autonomy among IGOs should inform the optimal approach to be used in devising strategies.

2.5 Strategic planning approaches for intergovernmental organizations

The international relations and strategic management literatures are silent on the adequacy of using different strategic planning approaches in IGOs. In business, public, and nonprofit organizations, senior management is typically in-charge of the strategic planning process. This level is comparable to an IGO secretariat's executive leadership (see Figure 4 showing the typical governance structure of IGOs). In many IGOs with a three-tiered governance structure, the secretariat is the one expected to initiate strategic planning upon consultation with their respective executive boards.

There are numerous strategic planning approaches available in the business sector. Among others, we select six approaches that have been applied to public organizations (Bryson and Roering, 1987; Pablo et al. 2007; Boyne and Walker, 2004), which IGOs are most similar to. The different approaches target primarily a core aspect of the strategic

planning process: strategic negotiations and stakeholder management are most useful when the member decision making is relevant for the strategic plan formulation, as in member-driven strategies; strategic planning system and logical incrementalism are most applicable when performance measurement is an important part of strategic planning, such as in results-driven strategies; and dynamic capabilities and the Miles and Snow framework focus on the environment, and thus on legitimacy, typical of environment-driven strategies.

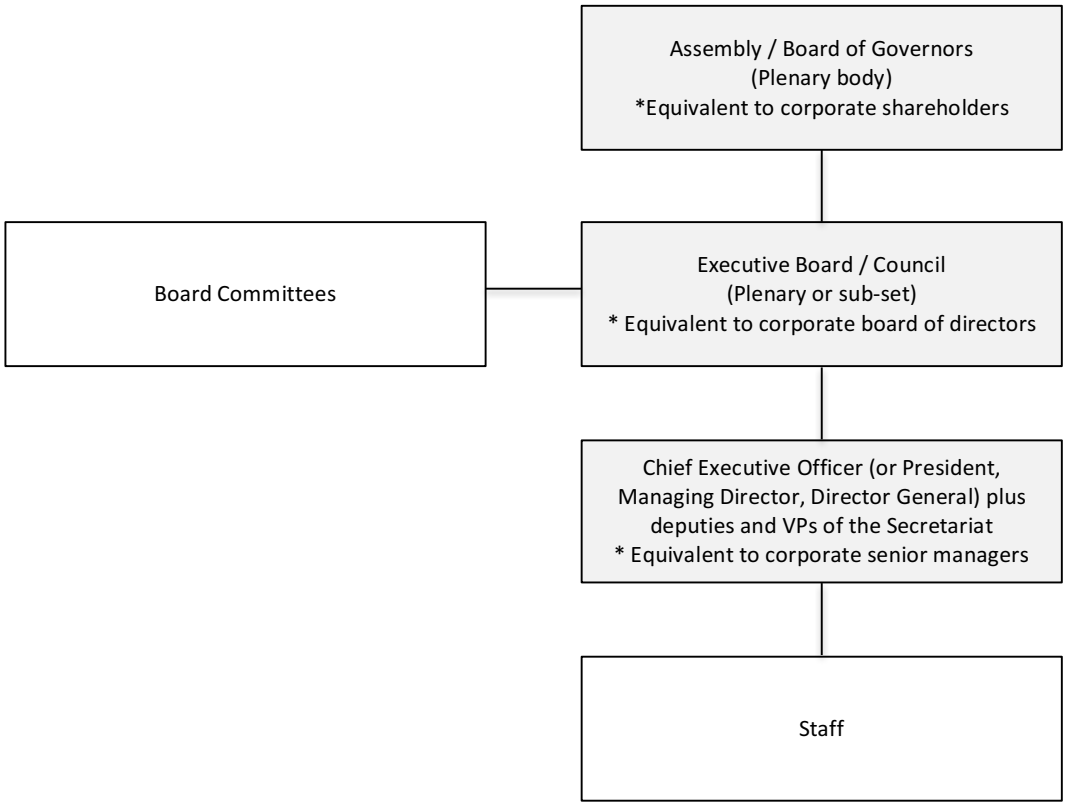

Figure 4. Typical Governance Structure of IGOs (Source: Martinez-Diaz, 2009)

In practice, organizations typically do not have a single strategy and not only constantly change their strategy according to their needs but also change and combine strategic planning approaches. IGOs are expected to do the same. To illustrate the combination of these approaches, we provide examples where the IMO has demonstrated its use of strategic planning approaches in creating policies and promoting treaties in different moments in times. This shows that the combinations of

these approaches are not unusual in practice. The IMO makes publicly available its strategic plans and meeting agendas used during planning. Importantly, while the IMO does not explicitly refer to these strategic planning approaches, the examples show how the IMO implicitly used the combination of these approaches (and parts thereof) during its strategic planning.

2.5.1 Member-driven strategies

The member states (principals) are the key stakeholders of an IGO, and provide the IGO with resources and access to resources to operate and survive. Because decision making in IGOs is inherently a play of politics and power struggles among members (Koremenos, Lipson and Snidal, 2001), strategic negotiations and stakeholder management are essential in strategic planning driven by IGO members. Both approaches depend on identifying key players, addressing their respective needs, and generating agreements. These two approaches seem to be among the most evident strategic planning approaches in IGOs with unanimity/consensus decision-making and/or for highly political issues.

Strategic negotiation is described as an approach through which the parties involved come into an agreement that is wise and efficient, and that improves relationship among them (Fisher and Ury, 1981). Fisher and Ury (1981) argue that negotiation is most effective when parties are able to separate the people from the problem, focus on the interests rather than positions, generate options before any agreement, and ensure that the agreement is based on objective criteria. Members propose goals and prospective actions catering to their self-interests that are often conflicting among themselves.

On the other hand, stakeholder management is defined as a systematic identification and analysis of stakeholders to engage them during the planning process. Stakeholders are any group or individual that is affected by or who can affect the future of a corporation (Freeman, 1984). For decision making to be effective, strategic planners

need to manage major stakeholders of the organization. In IGOs, the members heavily influence decision making. Members typically have their own self-interests and expectations that are often conflicting among each other. Stakeholder management attempts to synergize these expectations from the members.

Stakeholder management primarily deals with the identification of multiple stakeholders with varied expectations to the organization that may lead to conflicts. Strategic negotiations complements this approach to facilitate bargaining and resolution of strategic issues that may arise from conflicting interests among stakeholders. IGO organizational design features of membership and control determine the important stakeholders and their respective interests to be considered. For IGOs with restricted membership, there is less conflict because accepting a member implies agreement to a common goal. For example, membership in the North Atlantic Treaty Organization (NATO) requires signing up to the entire North Atlantic Treaty, including Article 5 (which requires mutual assistance among member states). But for IGOs with less explicit requirements, such as the IMO and the ILO, different members have varied self-interests that may stall any decision-making process. The secretariats typically manage these stakeholders by collecting and assessing their needs. IGOs with unrestricted and large membership and consensus (or super majority) decision making rules, requires facilitative work and negotiation.

One member-driven strategy is exemplified when the IMO established the Member States Audit Scheme (MSAS) with the intention to promote effective implementation of various mandatory IMO instruments covered under the scheme. In 2002, 19 (out of 170) members proposed a model for the audit scheme. For mandatory all-member policies, the IMO has a voting rule that requires a minimum percentage of the world's total registered deadweights for a treaty to be enforceable. Thus, to scale the MSAS up to the general membership, the IMO secretariat used stakeholder management by organizing various special sessions through its committees to collect information and contradicting issues from all members. In 2005, after the issues were resolved through constant negotiations, the IMO decided to pilot a voluntary audit scheme that eventually transitioned to the existing mandatory one.

Proposition 1: When membership is large and decision making is consensus-based, intergovernmental organizations should develop member-driven strategies by combining stakeholder management and strategic negotiations approaches.

2.5.2 Results-driven strategies

IGOs are goal-directed entities that incorporate teleological actions. Two strategic planning approaches are appropriate for results-oriented strategic plans: strategic planning systems and logical incrementalism. And results-oriented strategic planning is most useful for IGOs with narrower and divisible scopes in strong hierarchical and decentralized (multi-dimensional) structures.

A strategic planning system is defined as a structured process that organizes and coordinates the activities during planning (Lorange and Vancil, 1976). It consists of organizational frameworks designed to know where to go, how to get there, what to do, and how to know the direction (Lorange, 1980). They are created to coordinate and control the organization across multiple levels and functions. In this approach, each division or function raises specific concerns and needs to be addressed by providing the relevant information and strategy proposals to the strategic planners. The latter should assess the information available and come up with an organizational-wide strategic plan that encompasses the entire system directed toward a common goal.

Similarly, in logical incrementalism, numerous lower-level focal points establish goals with the organization's purpose or mandates (Lindblom, 1959; Quinn, 1980). Logical incrementalism is defined as a process approach that fuses loosely linked group decisions handled incrementally (Quinn, 1980). It helps to ensure each strategy is directed toward a shared organizational goal. Coordination is achieved through goal alignment. Its strength lies on the ability of an organization to identify the needs of a

focal point, devise the appropriate strategies, and implement those strategies for immediate assessment.

For results-driven strategies, scope and centralization affect how strategic planning systems and logical incrementalism can be applied in devising strategies. Strategic planning system is a rational and anticipatory means of formulating strategies that works well in IGOs with strong hierarchical authority when it comes to planning and decision making. However, one of the limitations of the strategic planning system is its rigidity. Many IGO governing bodies normally meet once or twice annually to deliberate on organizational-wide decisions. Moreover, organizational strategies are typically long-term in nature, which are often about five years. IGOs suffer from constant changes in their environment that need to be addressed regularly. Whenever strategic planning systems are in place, IGOs may have difficulty in adjusting organizational-wide strategies.

Logical incrementalism overcomes this limitation of strategic planning systems. And it is well-suited to those IGOs with a multi-dimensional (or matrix) design, with strong hierarchical functional lines combined with an additional strong horizontal dimension, such as sector divisions or geographical units. The International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP) are two examples of these IGOs that have functional divisions but have also strong country offices to cater immediate environmental needs. Each unit has the liberty to identify environmental needs and to devise strategies to address them.

Strategic planning systems can provide an over-all framework for IGOs to follow, whereas logical incrementalism can supplement the system with appropriate smaller strategies that are easily modifiable for immediate needs. The evolution of IMO illustrates the combination of these two approaches. In the IMO's inception, its primary purpose is to promote and encourage maritime safety practice. However, it has expanded its mandates beyond maritime safety to include efficient navigation, prevention and control of pollution from ships, and protecting the welfare of seafarers. The IMO is quite centralized when it comes to organizational-wide strategies. It

established a system in place where members institutionalized some overall organizational-wide goals to pursue its mandates. In its strategic plan for the period from 2016 to 2021, the plan outlines numerous strategic directions relating to its effectiveness as an organization, the development and maintenance of a comprehensive framework for shipping-related activities, and promotion of environmental conscience among its stakeholders. However in its operations, the IMO is structured with multiple committees (and subcommittees) that have the capacity to direct actions targeted for these strategic goals, which demonstrate a strong strategic planning system in place. Similarly, each committee also has the liberty to create its own micro-strategies that fulfill the overall organization-wide goals, which exemplifies logical incrementalism. For instance, the Maritime Environment Protection Committee that frequently convenes to address marine pollution issues such as establishing a Ballast Water Management System that prevents exposure to harmful aquatic organisms. An over-arching strategic planning system and logical incrementalism complement each other to achieve efficiently and effectively specific organizational results.

> *Proposition 2: When scope is wide—but specific and divisible—and there exists a strong vertical hierarchy and multi-dimensional structure, intergovernmental organizations should develop results-driven strategies by combining strategic planning system and logical incrementalism approaches.*

2.5.3 Environment-driven strategies

IGOs operate in turbulent environments, both externally and internally. The environment tends to be dynamic, such that demands and expectations on the organization change over time. IGOs react by modifying their mandates, missions, values, and organizational mechanisms for survival (Schemeil, 2013). Another means is for IGOs to develop mechanisms to accommodate these changes to gain legitimacy and eventually survive. Two strategic planning approaches deal explicitly with environmental uncertainty: dynamic capabilities and the Miles and Snow framework.

Dynamic capabilities are described as the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments (Teece, Pisano and Shuen, 1997). The dynamic capabilities approach focuses on internal resources as the center in value creation to maximize organizational performance. Organizations rely on their specific processes, routines and learning to adapt on changes in their environment to create, integrate and reconfigure resources in improving effectiveness (Eisenhardt and Martin, 2000). Dynamic capabilities is a process-specific approach, focusing on the necessary adjustments of organizational practices as means to achieve the desired outcomes (Eisenhardt and Martin, 2000; Teece, Pisano and Shuen, 1997). For organizations with continuously shifting environments, both internally and externally, their survival is contingent on their ability to adapt to these changes (DiMaggio and Powell, 1983).

The Miles and Snow framework, on the other hand, suggests that strategy is the means of establishing the fit between the organization and its environment: hence, strategy and organizational structure reinforce each other over time (Miles and Snow, 1978). It proposes a typology of strategy content[1] that organizations employ to solve their entrepreneurial (choice of strategy) and engineering and administrative (organizational structure for the strategies) problems in relation to their environment. In IGOs, we argue that the typology is similar to public organizations, as proposed by Boyne and Walker (2004) who have adapted the Miles and Snow framework to public organizations and produced three types of available strategic content options: prospectors that seek innovation and advanced responses to environmental pressures, defenders that seek efficient processes for their administrative functions, and reactors that do not move unless provoked.

In applying these two strategic planning approaches, flexibility and independence are important to consider. Flexibility specifically deals with adjusting organizational arrangements to adapt to environmental changes, while independence shows the ability of an IGO to adapt autonomously or to act with less restriction. These two organizational design features are complementary in dealing with environmental uncertainty. From a dynamic capabilities perspective, flexibility ensures timely

modification and reconfiguring of organizational processes and routines for efficient and effective fit to constant environmental changes. It rests on internal and external engagement and support (Teece, Pisano and Shuen, 1997), as a link to synergize the environmental changes and the organizations (Pablo et al. 2007). However, strategic planning is a rational activity that necessitates a pre-determined course of action. Since the dynamic capabilities approach is process-specific—i.e. it proposes that the organization should react to environmental changes but does not identify what strategy to adopt—, an approach that proposes specific strategy content for the organization can fill this limitation. The Miles and Snow (1978) framework can provide a direction for an IGO (e.g. defender or prospector strategies) while it modifies its internal dynamics to align them with the environment. The strategic content ensures that the organization is consistent with its intended purpose. The Miles and Snow framework relies on the ability of an organization to choose the appropriate type of strategic behavior that fits with its environment. In this setting, independence plays a crucial role whether an IGO should be prospective by being proactive in seeking new technologies to reduce uncertainty, should be defender by modifying its internal structure to accommodate external pressures, or should be reactor by remaining passive until triggered to act.

One example of this combination is when the IMO created the Safety of Life at Sea (SOLAS) Convention of 1974. This treaty is a result of the Torrey Canyon oil spill of 1967 that lead to an environmental catastrophe. The IMO, known as a sleeping beauty (Schemeil, 2013), has a reacting stance in that its strategies do not change unless provoked by extreme pressures from its environment. In this case, because of immense scrutiny from the public due to the disaster, the IMO adopted a new means of incorporating arrangements to the previous SOLAS Convention of 1960. International treaties usually come into force upon meeting a minimum number of members to have explicitly given notice of acceptance as parties to the convention. To streamline the treaty this time, the IMO enforced a tacit agreement, which allows an amendment to be enforced on a specified date unless members object to the amendment. This event shows that the IMO has a certain degree of independence by having the capacity to impose a new process of goal convergence at the same time

sufficiently flexible to adjust a routine or process. Hence, the SOLAS Convention of 1974 remains in force up to date and its subsequent amendments are effectively accomplished through the new adopted process.

> *Proposition 3: When independence and flexibility are high, intergovernmental organizations should produce environment-driven strategies by combining a dynamic capabilities approach and Miles and Snow framework.*

2.6 Conclusion

IGOs are traditionally viewed as arenas for member states to deliberate and convene to address global issues. However, IGOs are more than simple political arenas but also actors with the capacities to design and implement policies and actions. In this later capacity, IGOs should, and often do, conduct strategic planning to improve organizational performance. However, despite using strategic plans, many IGOs do not produce—let alone execute—adequate strategies. This paper, thus, proposes a framework to improve strategic planning in IGOs and eventually their organizational performance.

There are several implications of this study. First, we introduce strategy research in IGOs, which has not been tackled neither in the international relations nor strategic management literatures. We argue that IGOs indeed are capable to initiate and implement collective actions and should use strategy to be effective in doing so. However, IGOs have organizational design features that may complicate the straightforward application of findings from general strategy research. We extend the concept of strategic planning to IGO research. Previous research on strategic planning has extensively focused on business, public, and nonprofit organizations. In this study, we expand this research to cover a particular organization type: IGOs. We untangle the limitations of various strategic planning approaches when applying them to IGOs.

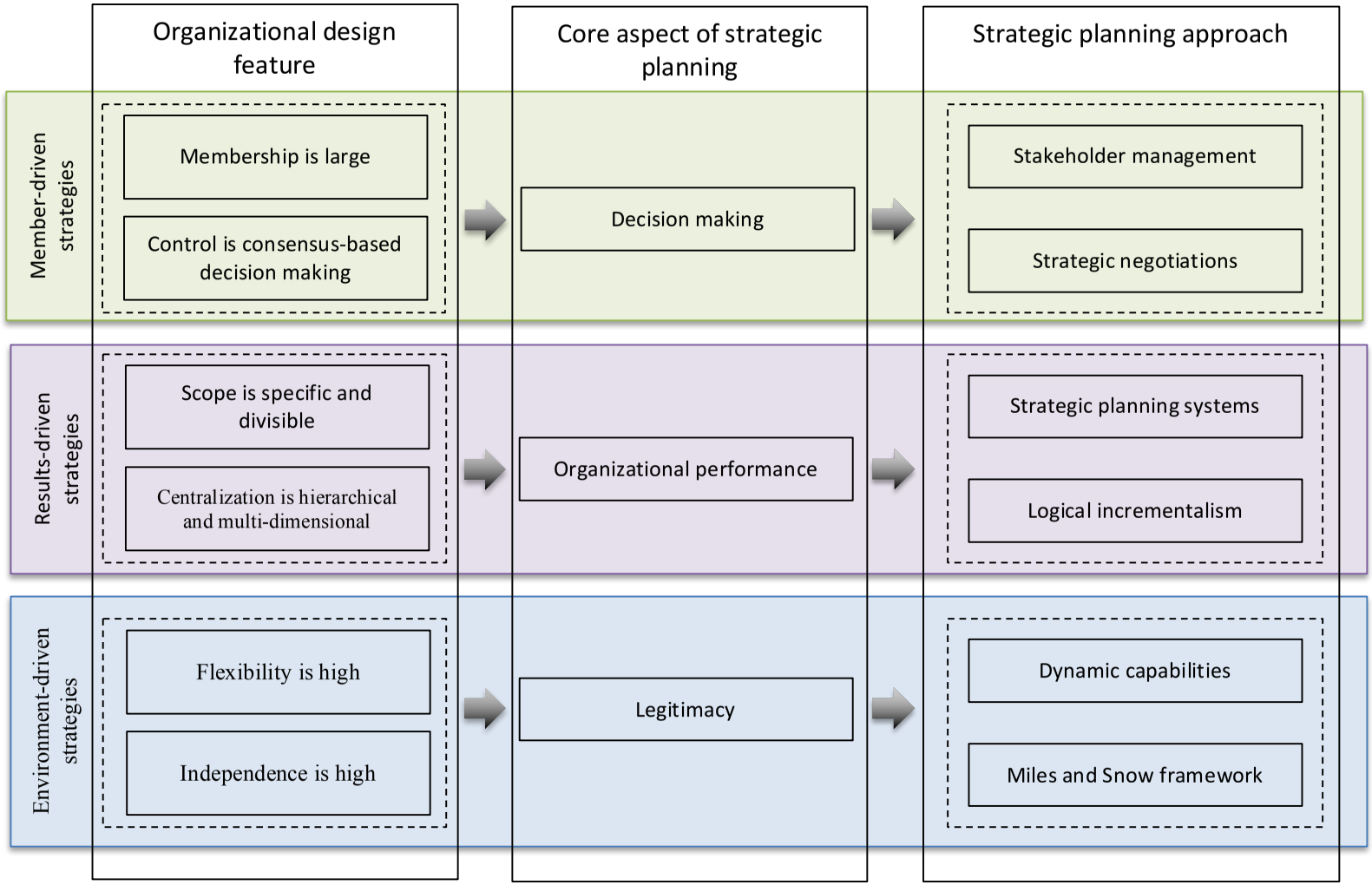

Figure 5. Strategic Planning Framework in IGOs

Second, this study introduces and proposes a configurational strategic planning framework. We argue that certain IGO organizational design features affect a specific aspect of the strategic planning process. And the effectiveness of strategic planning rests on the combination of two strategic planning approaches compensating the limitation of one approach by another. Consequently, we produce a framework for researchers (see Figure 5 showing a more detailed conceptual model of strategic planning in IGOs) by providing propositions that combine complementary strategic planning approaches with careful consideration of IGO organizational design features. This study contends that there is indeed no one-size-fits-all type of strategic planning approach for organizations (Bryson and Roering, 1987). Organizations may use different combinations of strategic planning approaches at the same time or at different moments in time, which will depend on their member preferences, intended results, and environmental needs.

Lastly, this article provides a practical tool for IGO leaders to identify the optimum strategic planning approaches developed in business, public and nonprofit sectors. As IGOs vary in several organizational design features, different strategic planning approaches may be used complementarily to ensure an effective and efficient strategic planning process. Hence, IGO leaders need to carefully consider these factors when developing strategic plans to help improve organizational performance. Moreover, similar comparable organizations operating in the nonmarket environment (such as public and nonprofit organizations) may benefit from the framework proposed in this study.

Nevertheless, this article is conceptual in nature. Future studies are encouraged to: (1) examine empirically how IGOs use the strategic planning approaches in practice and thus test our propositions, (2) analyze other strategic planning approaches that can also be used by IGOs, (3) expand this research by combining three or more strategic planning approaches, (4) assess the benefits that strategic planning can provide to IGOs, including better organizational performance, and (5) explore the individual and collective characteristics of the strategists in IGOs such as cognitive, behavioral, and cultural dispositions that have not been accounted for here. Also, we do not rule out

that some IGOs without strategic plans may conduct some sort of strategic planning informally. However, our focus in this study is encouraging IGOs to have formal and established strategic plans that may serve as a guiding framework not only to direct actions but also to assess subsequently their efficiency and effectiveness. Finally, this article focused on a single organization in illustrating how IGOs use different combinations of strategic planning approaches at different moments in times. We have shown in this article that the IMO has pursued specific strategies under its specific organizational design features. Future research may examine whether our propositions hold true to other IGOs that have similar organizational design features as the IMO. Also, it may also be interesting to explore in future studies what combination of strategic planning approaches should IGOs with different organizational design features—from those that we have listed here—can use.

With respect to testing our propositions, several measures, indicators and proxies can be used. For example, MOPAN—in its common approach for assessing IGO effectiveness—has developed numerous indicators related to strategic planning. These indicators include: whether the organization has a clear direction toward achievement of stakeholder results, whether strategies are made according to the organization's mandate, or whether strategies maintain focus on cross-cutting priorities as per international commitments. The effectiveness of strategic planning may also be captured by using proxies such as perceptions of stakeholders on whether their expectations are met based on the established strategic plans.

However, aside from the organizational design features that we have discussed in this study, there are other barriers in conducting effective strategic planning. Some of the barriers include other sources of legitimacy such as the efficiency and transparency of the IGO, the personal characteristics and preferences of the head of the secretariat responsible for initiating strategy making, the participation of the IGO executive board in strategy making, the inherent political powers embedded within each of the member states, the private negotiations and agreements among member states, and the informal planning processes that are difficult to capture from regular meetings.

These factors, among others, should also be carefully considered to ensure a more effective strategic planning process.

Importantly, effective strategic planning, by itself, does not guarantee better organizational performance per se, but we argue—and research has found (e.g. Bryson 2011)—that, ceteris paribus, it does contribute to improving organizational performance. However, research also identified barriers between strategic planning and organizational performance. We emphasize that better organizational performance is quite dependent on how well the strategy is formulated that may also emerge in practice and how effective it is implemented. Because the scope of IGOs traverses across national boundaries, there are many sources of emerging strategies that can interfere with the formulation of strategies during the planning process. Similarly, the transnational nature of IGOs poses the difficulty in implementing the formulated strategies. IGOs are quite unique as compared to other organizations because of many political factors that hinder the implementation of some strategic plans within national jurisdictions of member states. It is possible that, despite of the effectiveness of strategic planning, many strategic plans may not be implemented, thereby affecting organizational performance. Nevertheless, we argue that, for IGOs, strategic planning is a promising tool to improve decision making, organizational performance and legitimacy that are crucial for their survival.

2.7 Note

[1] Strategy content refers to the actual pattern of action selected by an organization to achieve set goals (Rubin, 1988; Boyne and Walker, 2004).

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3

Are active boards effective in strategy making? A configurational analysis of board activism in intergovernmental organizations

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3.1 Abstract

Manuscript Type: Empirical

Research Question/Issue: The task of establishing organizational strategies is generally entrusted to the CEOs of firms because they have access to information necessary for strategy making. However, the boards may also participate in establishing strategies by becoming active and accessing information essential for strategy making. In this study, we identify how board activism is conducive to highly effective strategy making.

Research Findings/Insights: By examining the boards of 16 intergovernmental organizations (IGOs), we conduct an inductive fuzzy set qualitative comparative analysis to identify different configurations of board activism conducive to highly effective strategy making in these organizations. As expected, we find that IGOs with highly effective strategy making have active boards. Yet, we also find that less active boards may also be conducive to highly effective strategy making. We conclude that active boards are preferable in highly complex IGOs, while less active boards are preferable in less complex IGOs.

Theoretical/Academic Implications: By conceptualizing board activism not as a zero-sum relationship with CEO power, but as a multidimensional concept, this study proposes a configurational approach to understand the relationship between board activism and highly effective strategy making in IGOs. The article also demonstrates the strengths of an inductive approach in theory building in a small size sample configurational analysis.

Practitioner/Policy Implications: Our findings affect the extent to which IGO boards should be active to achieve highly effective strategy making.

3.2 Introduction

Strategy making is generally entrusted to CEOs because they have access to information pertinent to establishing organizational strategies that drive the direction of organizations (Chaganti & Sambhraya, 1987; Gioia & Chittipeddi, 1991; Hambrick & Mason, 1984; Miller, De Vries, & Toulouse, 1982). CEOs are vested with the overall responsibility and accountability of how organizations operate, specifically regarding their strategy, design, environment, and performance (Dalton & Kesner, 1985). One role of boards is to help CEOs in drawing strategies to achieve favorable outcomes (Carter & Lorsch, 2004; Judge & Zeithaml, 1992; McNulty & Pettigrew, 1999; Zahra & Pearce, 1989). Boards participate or get involved in strategy making (e.g. Alexander, Fennell, & Halpern, 1993; Golden & Zajac, 2001) to force senior managers to formulate better organizational strategies (Andrews, 1980). However, Pearce and Zahra (1991) argue that CEOs inhibit the involvement of boards in strategy making because CEOs determine the selection and remuneration of board directors, control boardroom discussions, and provide information needed for board functioning. In this study, we explore whether boards should be more active to gain more access to essential information about the organization and to process the obtained information as they participate in strategy making.

Board activism refers to the different processual aspects of boards (Corbetta & Salvato, 2004), such as frequency of board meetings, topics discussed in the board, involvement in organizational decision making, and quality of information processed by directors (Forbes & Milliken, 1999, Nadler, 2004; Sonnenfeld, 2004). We argue that the key purpose of board activism is to enable directors to acquire and process information necessary for strategy making. Conceiving the board as an information-processing group is an emerging perspective in corporate governance research (Boivie, Bednar, Aguilera, & Andrus, 2016). Information processing refers to a set of processes that occur as information is taken in, transformed, and used to produce a specific outcome (Hinsz, Tindale, & Vollrath, 1997). Using this perspective, Boivie et al. (2016) propose that the boards' ability to process information and influence strategic

behaviors is constrained by several barriers at the individual, group, and firm levels. Among these barriers are CEO power and frequency of board meetings, which are group-level barriers that have been used in the literature as proxies for board activism (e.g. Pearce & Zahra, 1991; Xie, Davidson, & DaDalt, 2003). However, apart from CEO power and frequency of board meetings, there are other proxies of board activism used in previous studies such as director involvement in board committees (e.g. Boone, Field, Karpoff, & Raheja 2007; Carcello, Hermanson, Neal, & Riley, 2002; Vance, 1983) and appointment of CEOs (Hermalin & Weisbach, 2003; Sebora & Kesner, 1996). Building on the information processing perspective, we argue that boards can increase their capacities and reduce barriers to perform effective strategy making by becoming more active. Yet, proxies for board activism are found to have contradictory relationships with organizational outcomes. Taking frequency of board meetings as an example among others, De Andres and Vallelado (2008) have found that a high frequency of board meetings is positively associated with Tobin's Q, whereas Vafeas (1999) has found that a high frequency of board meetings is associated with poor firm performance.

We argue that the inconclusive findings in the literature on the relationship between board activism and organizational outcomes are due to analyzing individual net effects of different board variables and firm-level outcomes. We also argue that board activism consists of multiple elements that must be accounted for in combination with each other. Prior research supports these arguments. For instance, Desender, Aguilera, Crespi, and Garcia-Cestona (2013) posit that board characteristics should be analyzed as bundles (also referred to as combinations or configurations within this text) because many of these characteristics are functionally equivalent in terms of how they relate to organizational outcomes. Hence, we empirically explore the relationship between bundles of board characteristics—constituting configurations of board activism—and effectiveness in strategy making. Our goal is to answer the question: "How is board activism conducive to highly effective strategy making?"

Answering our research question is even more relevant to intergovernmental organizations (IGOs). IGOs are transnational entities established to govern the delivery

of international public goods. IGOs have vast stakeholders because they are mandated to cover a wide scope in terms of their impact on global economic, societal, and environmental issues, and their inherent coverage that traverses across boundaries. Hence, strategy making in these organizations is crucial to ensure that IGO secretariats establish strategies to meet stakeholder needs according to the mandates set by their shareholders—which are the member state governments. Like corporate entities, the secretariats are led by CEOs[1] vested with the task of strategy making. However, IGOs are atypical among organizations because their CEOs may not have similar powers as corporate CEOs. The CEOs of IGOs do not have influence in board director selection and remuneration, and directors are typically insider directors that may have similar access to information as the CEOs themselves. Moreover, IGO boards have the statutory duty stated in their charters to participate in strategy making, unlike corporate boards whose involvement in strategy making is heavily dependent on the CEOs. Therefore, we are motivated to identify how IGO boards can be active to increase their capacities and reduce the barriers for information processing, and thus contribute to effective strategy making.

We use an empirical set-theoretic approach to identify the configurations of board activism. Our empirical approach is exploratory in nature (Rihoux, 2006), given that configurations of board activism have not been studied previously. We refrain from advancing any a priori theoretical propositions because our study uses an inductive approach in building mid-range theory to develop propositions based on our findings (e.g. Campbell, Simon, & Schijven, 2016; Haxhi & Aguilera, 2016). Our set-theoretic approach is appropriate because we argue that there are different configurations of board activism that can be conducive to effective strategy making. In the following, we first present the concept of board activism and its relationship to strategy making. Then we proceed to conduct a fuzzy set qualitative comparative analysis to identify the bundles. Lastly, we present our results, discuss our findings, and conclude with implications of our study for strategy and board research and for practice.

3.3 Board activism and strategy making in intergovernmental organizations

There are two perspectives on the relationship between board activism and strategy making: the active board perspective and the passive board perspective (Golden and Zajac, 2001). The former conceives boards as groups of independent thinkers that contribute positively to the strategic direction of an organization (e.g. Davis & Thompson, 1994; Walsh & Seward, 1990). Boards influence strategies by shaping visions, missions, and values (McNulty & Pettigrew, 1999), scanning the environment for opportunities and setting the boundaries of strategies (Stiles & Taylor, 2001), and establishing goals with subsequent assessments of performance (Hendry & Kiel, 2004). Prior research has found that boards actively involved in strategy making increase organizational effectiveness (e.g. Brown, 1976; Hendry & Kiel, 2004; Mace, 1971). Active boards offer strategic thinking (Garratt, 1996) and strategic leadership (Davies, 1999) that improve firms' strategy processes. Scholars have in fact argued that one of the fundamental functions of boards is to help draw organizational strategies (Carter & Lorsch, 2004; Judge & Zeithaml, 1992; McNulty & Pettigrew, 1999). Indeed, there is evidence showing that active boards influence strategic behaviors (e.g. Carpenter & Westphal, 2001, Stiles & Taylor, 2001). On the other hand, under the passive boards perspective, boards are mere rubber stampers of corporate decisions (Herman, 1981), where they only serve as instruments for organizations to satisfy legal requirements (Stiles & Taylor, 2001). This conception of boards is reinforced by findings suggesting powerful chief executives dominate their boards (Mace, 1971; Lorsch & Young, 1990). Under the active board conception, the board should help produce better organizational strategies. Alternatively, under the passive board conception, the board would have at best no effect on strategy making, and at worst a negative effect (Golden & Zajac, 2001). In addition, the dichotomy may not be as straightforward as the above suggests. It is possible that boards may be active in different ways. This is the puzzle that we aim to resolve.

In IGOs, the role of boards in strategy making is even greater than in other types of organizations. We argue that IGO boards are highly incentivized to ensure that organizations perform according to their mandates and expectations, given that directors are direct representatives of member states with the exclusive power to appoint and remove the director sitting on the board. Hexner (1964) has argued that boards are in fact key decision mechanisms of member states in IGOs. Member states typically rely on board directors to ensure that the IGO pursues both collective and individual national interests. Indeed, Kaja and Werker (2010) have found that board membership at the World Bank increases the likelihood of developmental projects being awarded to those countries that have representation on the board. Although corporate governance research argues that CEOs tend to weaken the boards (Pearce & Zahra, 1991), CEOs of IGOs may be constrained in influencing board participation in strategy making because CEOs have no influence on board director selection. And, although CEOs of IGOs are also generally the chairmen of their boards, the CEOs sitting on the boards do not alter the link between board processes and outcomes (Haynes & Hillman, 2010). Therefore, we argue that the boards of IGOs are expected to be active in gaining access to information, in processing the information, and in reducing any barriers for information processing during strategy making.

3.4 Board activities for information processing

To effectively perform board functions, the boards as information processing groups need to obtain, process, and share information (Boivie et al., 2016). Under this perspective, Boivie et al. (2016) argue that even the most motivated and most skilled directors have challenges—which are also referred to as barriers—in processing information to effectively perform board functions. The perspective suggests that the board plays a more active role in strategy making.

There are several proxies of board activism in the literature. However, we focus on IGO board characteristics that are indicative of board information processing or of

supporting board information processing. We first describe how the frequency of board meetings, as a prominent proxy of board activism in prior research, becomes conducive or creates a barrier for information processing. Then we describe other board characteristics that are indicative of board activism: being a resident board, having an auxiliary body exclusively supporting the board, involving directors in board committees, and being involved in CEO selection. Lastly, we briefly discuss the possibility of complementarities or substitution among the indicators.

3.4.1 Frequency of board meetings

Frequency of board meetings is a proxy of board activism (Xie et al., 2003). Boards are more active when the number of board meetings is high. Boards with a high frequency of board meetings may be more helpful in devising strategy, since they have more opportunities to collect and process information about how the organization operates. Lipton and Lorsch (1992) suggest that a high frequency of board meetings often results in superior performance. Vafeas (1999) has also shown that a high frequency of board meetings often improves firm financial performance in periods of turmoil. Similarly, Xie et al. (2003) have found that top executives are less prone to mislead stakeholders regarding financials if the board has a high frequency of meetings. However, Jensen (1993) argues that a high frequency of board meetings signifies a response to existing poor organizational performance. Indeed, Vafeas (1999) provides evidence of companies with boards with a high frequency of meetings being less valued in the market because of the implied perception that the company is performing poorly. In the case of IGOs, board directors are typically dispersed across different countries or even continents. Directors may be prevented from developing cohesion and trust for information processing if they meet infrequently or have less interaction (Boivie et al., 2016). Therefore, we expect that a higher frequency of board meetings makes boards more active and capable of processing information to achieve better outcomes.

3.4.2 Resident boards

Boards can also have a permanent office at the principal place of business of organizations. When boards maintain a physical space within the business premises, they tend to be more involved with day-to-day operations (Martinez-Diaz, 2009). Corporate governance research is silent on this board characteristic. However, being a resident board or not is important in IGOs. In addition to the frequency of board meetings, being a resident board is indicative of board activism. Martinez-Diaz (2009) has argued that resident boards participate more in policy making and decision making, are more available whenever decisions for critical issues need to be acted upon in a timely manner, and possess a vantage point when devising strategy. We argue that resident boards have capacities to collect and process information because of their proximity to operations, giving them a better position to recommend the appropriate strategic direction of the organization. However, when boards get too involved with senior managers, it may signal that the organization is too dependent on the boards and that senior managers are insufficiently competent or less self-reliant (Blau, 1969). Yet, Westphal (1999) has argued that information asymmetry is reduced when senior managers seek assistance from the board to address controllable risks, which ultimately lead to improved outcomes.

3.4.3 Auxiliary body exclusively supporting the board

An auxiliary body with a permanent presence on the premises of the organization may also support boards by providing continuous assistance to carry out certain board functions such as monitoring and control, overseeing strategy formulation and implementation, and facilitating board sessions for more transparent decision making and processes. For instance, the Joint United Nations Programme for HIV/AIDS (UNAIDS) has a “Programme Coordinating Bureau” which provides continued assistance to the board. In corporate governance, an auxiliary body may also be equated to a board secretary. Board secretaries facilitate and coordinate working agendas of boards to maximize their effectiveness and efficiency in conducting board

functions. The importance of board secretaries has been legitimized, for example in China, where the Code of Corporate Governance for Listed Companies in China has required the presence of board secretaries for information disclosures and transparency (Lin, 2004). Indeed, research has found that board secretaries improve the quality of information disclosures (Gao & Kling, 2012) and firm corporate governance (Chen & Aguilera, 2016). However, the key difference between an auxiliary body and board secretaries is that an auxiliary body is composed of board directors, whereas board secretaries are individuals who are not members of the board. An auxiliary body and/or board secretaries may exist in IGOs, whereas a formalized auxiliary body does not exist in corporate boards. We consider in our analysis the auxiliary body, rather than board secretaries, since we argue that its presence signifies increased activism by the directors that facilitates information processing capabilities of the board.

3.4.4 Director involvement in board committees

Board directors may also be involved in various board committees that facilitate certain functions such as audit, finance, program, budget, and executive compensation, among others. Corporate governance scholars argue that board committees affect board activism (Vance, 1983) and influence board decisions (Kesner, 1988). Previous studies have found that the composition of board committees affects firm performance (Hayes, Mehran, & Schaefer, 2004; Klein, 1998), cost of debt (Anderson, Mansi, & Reeb, 2003), and market perceptions (Davidson, Pilger, & Szakmary, 1998). In IGOs, directors may also be involved in committees in which they are active. However, not all IGO boards have the same number of board committees, making some IGO boards more active than others. For instance, some United Nations programs such as the United Nations Development Program (UNDP) and United Nations Children's Fund (UNICEF) have no committees, whereas others like the World Food Program (WFP) and UNAIDS have an audit committee, but the directors are not involved in the committee. Meanwhile, other IGOs such as the World Bank (WB) and Asian Development Bank (ADB) have more than five board committees in which the

directors are involved. Research has argued that many deliberations and decisions occur within board committees (Kesner, 1988). Additionally, board committees reduce the number of at large board meetings and provide continuity of board processes beyond board meetings (Harrison, 1987; Henke, 1986). Therefore, we argue that boards with directors involved in board committees are more active and have more capacities to process information necessary to influence strategy making.

3.4.5 Board involvement in CEO selection

In corporate governance research, boards are given the unique responsibility of selecting and appointing the CEOs (Hermalin & Weisbach, 2003; Sebora & Kesner, 1996). Boards can set the strategic direction of the organization merely by choosing CEOs (Westphal & Fredrickson, 2001), since the latter are the key strategy makers (Dalton & Kesner, 1985). Hence, boards that choose CEOs can influence how strategies will be formulated and implemented and somehow maintain a certain degree of organizational legitimacy through CEO selection (Andrews, 1980). The chosen CEOs typically possess similar characteristics as the boards (Zajac & Westphal, 1996); thus, reducing social uncertainty (Kanter, 1977) and increasing social integration (O'Reilly, Caldwell, & Barnett, 1989; Useem & Karabel, 1986), ultimately ensuring efficient communication between the board and the CEO. However, in IGOs, boards generally are not involved in CEO selection. The formal task of CEO selection tends to exclusively rest on the IGO plenaries where all member states sit. Yet, IGO boards may still have influence in CEO selection by nominating prospective CEOs. IGO boards can nominate CEOs because they have more information to determine the leadership needs of the organization. Therefore, we assume that boards involved in CEO appointment are actively processing information and influence strategy making precisely through selecting the key strategy maker: the CEO.

3.4.6 Complementarities and substitutions among board characteristics

Hermalin and Weisbach (2003) have underscored the importance of better modeling of boards' characteristics and their functions. However, board research has primarily concentrated on individual net effects of board characteristics, specifically those that have been used to analyze board activism. Following Desender et al. (2013) arguing for a configurational approach to study boards, we combine different board characteristics and analyze how their combinations are conducive to effective strategy making. Further, Garcia-Castro, Aguilera, and Ariño (2013) have argued that integrating configurational and complementarity perspectives[2] is essential to understand relationships between corporate governance practices and organizational outcomes. Thus, we explore the possibility of complementarity and substitution among board characteristics used to analyze board activism.

Frequency of board meetings has been used in prior research as a proxy for active boards engaged in monitoring and strategy making (e.g. Adams, 2005; Brick & Chidambaran, 2010). Similarly, Martinez-Diaz (2009) has argued that resident boards are regularly meeting in the principal place of business of organizations, demonstrating high board activity to be better monitors and strategists. We then construe that frequency of board meetings and being a resident board may be complements for better board functions. Meanwhile, the presence of an auxiliary body supporting the board may also be a complement because its primary function is to facilitate and coordinate agendas during board meetings. However, it is also possible that it is a substitute for more board meetings or resident boards because they conduct some functions that can decrease the number of meetings of the board at large or avoid permanent presence of all directors. The auxiliary body can perform initial deliberations prior to actual decisions taken by the entire board. Also, similar to the auxiliary body, director involvement in board committees may substitute board meetings. Research has argued that certain board functions actually take place within board committees and specific tasks can also be assigned to committees, rather than handled by the entire board, which can replace board meetings (Boone et al., 2007;

Carcello et al., 2002). In fact, Kesner (1988) has argued that much of decision making occurs within board committees before being endorsed by the entire board, which can decrease the number of required board meetings. Additionally, for CEO selection, boards that are involved in nominating CEOs may also establish a search or nominating committee specific to this task (Khurana, 2001). For this reason, involvement in board committees and involvement in CEO selection may be complements. However, Khurana (2001) has argued that presence of a search or nominating committee does not necessarily entail involvement of board directors. Committee members may also be comprised of hired outside consultants. Hence, there is also a possibility of substitution.

To our best knowledge, there are no studies that have explored any complementarities or substitutions among board characteristics indicative of board activism and their relationship to strategy making. Therefore, we conduct a novel exploration of the complementarities and substitutions among them. We utilize a set-theoretic approach to identify how these board characteristics can be bundled and possibly uncover how each characteristic can reinforce or replace other characteristics for information processing necessary to achieve effective strategy making.

3.5 Methodology

3.5.1 Qualitative comparative analysis

We conduct an inductive set-theoretic analysis to identify the configurations of board activism that are conducive to effective strategy making. An inductive approach is appropriate, given that there is no prior research on complementarities and substitutions among proxies of board activism. We use qualitative comparative analysis (QCA), facilitated by fs/QCA software, to identify the configurations. QCA is a research technique that relies on set-theoretic relations rather than correlations in analyzing causal conditions to determine the configurations that contribute to an outcome (Fiss, 2007; Ragin, 2008). We will not describe in detail how QCA works, since

it has already been used in corporate governance research to conduct configurational and complementary analysis (e.g. Bell, Filatotchev, & Aguilera, 2014; Garcia-Castro et al., 2013; Haxhi & Aguilera, 2016; Misangyi & Acharya, 2014). However, it is important to understand that QCA has advantages over correlation-based analysis. First, QCA integrates the best features of case-oriented and variable-oriented approaches (Ragin, 2008). QCA enables us to return to the cases for more substantive analysis that allows us to deeper examine the cases for any latent elements that may provide more information about the relationship being studied. Second, QCA evaluates cases as configurations of conditions—rather than individual net effects—that jointly produce an outcome (Garcia-Castro et al., 2013). And lastly, QCA analyzes multiple interactions leading to an outcome because of its ability to explore equifinality rather than a single path to the outcome (Fiss, 2007).

3.5.2 Sample and Data

To proceed with our research, we collected data on IGOs. IGOs are "entities created [by states] with sufficient organizational structure and autonomy to provide formal, ongoing, multilateral processes of decision making between states, along with the capacity to execute the collective will of their member (states)" (Volgy, Fausett, Grant, & Rodgers, 2008). IGOs can either have global (spanning across all continents) or regional (constrained within a specific geographical region) scope. They can also have different functions, such as offering financing activities (e.g. development banks such as the WB and funds such as the IMF), solving social issues (e.g. UNAIDS and UNDP), regulating commodities (e.g. International Cocoa/Coffee Organization), and monitoring environmental protection (UNEP), among others. IGOs are distinguished from non-IGOs by identifying the principals who established them. Only those entities created by three or more state governments are considered IGOs. Bilateral agreements and those created by non-state actors do not constitute IGOs. Also, only those that have an established secretariat are usually considered IGOs—e.g. the G20 is not an IGO because it does not have any bureaucratic structure.

There are currently 16 IGOs assessed by the Multilateral Organisation Performance Assessment Network3 (MOPAN) on their organizational effectiveness (see Table 1). We have built our dataset based on the 16 IGOs assessed by MOPAN. Most of the cases have similar systems design enhancing comparability and internal validity, but have different scopes—e.g. global or regional—and mandates addressing external validity. Our cases are the most prominent IGOs in the global arena because of their strong impact on global issues. The dataset in Table 1 consists of the outcome (effectiveness in strategy making) and conditions (board characteristics).

Outcome: Effectiveness in strategy making. We use several indicators by MOPAN to assess effective strategy making where we may expect the boards to be directly involved: (1) establishment of results-based strategies, (2) establishment of organizational-wide strategies based on mandates, (3) establishment of strategies focusing on cross-cutting priorities identified by the mandate and international commitments, (4) establishment of results-focused country strategies, (5) evaluation of performance, and (6) use of performance evaluation in planning. MOPAN uses the first four indicators as measures of effective strategy making, which show whether organizations have devised strategies that are expected of them; whereas the last two indicators are used by MOPAN as measures of performance monitoring effectiveness by the boards. We follow Ingley and Van der Walt (2001) as we include performance monitoring indicators as measures of strategy making, since they argue that the distinction between the strategy making and monitoring functions is blurred at the operational level. Boards perform the monitoring and strategy functions hand in hand (Zahra & Pearce, 1989), since performance information and evaluations are often used during strategy making (Hendry & Kiel, 2004).

Table 1
Dataset

			Conditions						Outcome		IFI*	UN System
#	Name	Acronym	(1)		(2)	(3)	(4)	(5)	Effectiveness		Yes/No	Yes/No
1	Asian Development Bank	ADB	0.95	12	1	0	1	0	0.93	5.34	Yes	No
2	African Development Bank	AfDB	0.95	12	0	1	1	0	0.43	4.30	Yes	No
3	Food and Agriculture Organization of the United Nations	FAO	0.13	2.5	0	1	0.67	1	0.59	4.62	No	Yes††
4	Inter-American Development Bank	IDB	0.95	12	1	0	1	0	0.89	5.18	Yes	No
5	International Fund for Agricultural Development	IFAD	0.05	1	0	0	0.33	0	0.88	5.15	Yes	Yes††
6	Joint United Nations Programme on HIV/AIDS	UNAIDS	0.10	2	0	1	0	0	0.18	3.50	No	Yes†
7	United Nations Development Programme	UNDP	0.32	4	0	0	0	0	0.44	4.34	No	Yes†
8	United Nations Environment Programme	UNEP	0.03	0.5	0	0	0	0	0.82	5.02	No	Yes†
9	United Nations Population Fund	UNFPA	0.32	4	0	0	0	0	0.48	4.43	No	Yes†
10	United Nations High Commissioner for Refugees	UNHCR	0.05	1	0	1	0	0	0.16	3.41	No	Yes†
11	United Nations Children's Fund	UNICEF	0.18	3	0	0	0	0	0.68	4.75	No	Yes†
12	United Nations Relief and Works Agency for Palestinian Refugees in the Near East	UNRWA	0.10	2	0	1	0	0	0.17	3.45	No	Yes†
13	UN Women	UN Women	0.18	3	0	1	0	0	0.71	4.80	No	Yes†
14	World Food Programme	WFP	0.05	1	0	0	0	1	0.42	4.28	No	Yes†
15	World Health Organization	WHO	0.10	2	0	1	1	1	0.21	3.62	No	Yes††
16	World Bank	WB	1.00	104	1	1	0.67	0	0.83	5.03	Yes	Yes††
		Mean	0.34	10.38	0.19	0.50	0.35	0.19	0.55	4.45		
		s.d.	0.38	25.29	0.40	0.52	0.45	0.40	0.28	0.66		
		Fully out		1						5.50		
		Maximum ambiguity		5						4.50		
		Fully in		12						2.50		

Notes: (1) Is the frequency of board meetings high?
(2) Is the board a resident one?
(3) Does the board have an auxiliary body?
(4) Are board directors involved in more board committees?
(5) Does the board nominate the CEO?
* Is the IGO an International Financial Institution?
† Is the IGO a UN program?
†† Is the IGO a UN specialized agency?

In assessing effectiveness, MOPAN reviews IGO official public and internal documents—including terms of reference, strategic plans, financial reports, and minutes of meetings—, internal and external performance reviews, and achievement reports of results at various levels of the organization. MOPAN assesses the documents based on existing standards and guidelines—such as the Common Performance Assessment System (COMPAS) for multilateral banks and the OECD corporate governance guidelines—, and on substantial knowledge from practice of specialists involved in the assessment. The scores are computed based on whether the IGO has met five criteria for each indicator. One point is given for each criterion met. A total number of five points can be allotted for each criterion, which is then converted to a rating scale of 1-6: a score of 1 if no criteria are met (very weak); 2 if only one criterion is met (weak); 3 if two criteria are met (inadequate); 4 if three criteria are met (adequate); 5 points if four criteria are met (strong); and 6 points if all five criteria are met (very strong). There is perfect agreement among raters of the documents reviewed. We then aggregated the scores by taking the mean scores of the indicators. To keep the richness of information from the dataset, we transformed the scores into fuzzy sets. The crucial step in fuzzy set QCA is calibration of the variables. We used the direct calibration facilitated by the fsQCA software (Rihoux 2006), and we adopted the thresholds established by MOPAN for a "very strong" score at 5.50 and below 2.50 as "weak." Since the thresholds are based on substantial knowledge of IGOs in practice, we use them as our thresholds for full membership and non-membership, respectively. MOPAN also set 4.50 as the maximum ambiguity for "adequate" and "strong" scores. Those scores above 4.50 are more in, while those scores below 4.50 are more out.

Conditions: Board duties. The conditions for the analysis are proxies of board activism extracted from our database. Three independent and experienced researchers in the field of management and international relations have coded the database with a perfect inter-rater agreement. We use five conditions and we have dropped those conditions that are constant across cases such as whether the board participates in budgeting and the working program (all organizations do), or if the board can remove the CEO (all organizations do not). Five conditions are recommended for small sample size analysis given that our dataset consists of only 16 cases.

(1) ***Is the frequency of board meetings high?*** The number of board meetings has been used in previous studies as a proxy of board activism (Xie et al., 2003). A high number shows an active board. The founding documents of IGOs are explicit on how many times the boards are required to hold meetings. The condition is a continuous variable transformed to fuzzy sets using direct calibration. The threshold for full membership is at 12 meetings, while for full non-membership it is at two. The maximum ambiguity is pegged at five meetings, as substantiated by qualitative data suggesting boards that meet more than quarterly is sufficiently active.

(2) ***Is the board a resident one?*** Boards have fixed presence on the business premises of the organization if they are residents. Directors are then closer and more active to oversee day-to-day operations necessary for obtaining information. IGO documents are explicit whether the board is a resident one. For example, Article 32(1) of the ADB charter states that: "The Board of Directors shall normally function at the principal office of the Bank and shall meet as often as the business of the Bank may require." The presence of the condition is coded as 1, while its absence is coded as 0.

(3) ***Does the board have a permanent auxiliary body?*** If the board has an auxiliary body, it tends to be more active. The presence of the condition is explicit in the documents of IGOs. For example, the UNAIDS Terms of Reference of the Programme Coordinating Board Bureau states that: "The Programme Coordinating Board (PCB) Bureau is intended to maximize the effectiveness and efficiency of the PCB. Specifically, the PCB Bureau has the responsibility for coordinating the PCB's programme of work for the year…" The presence of the condition is coded as 1 and its absence is coded as 0.

(4) ***Are the board directors involved in more board committees?*** IGO directors can also be involved in board committees to increase their activism. The condition is also identified straightforwardly, as it is explicitly stated in IGO documents. For example, the Rules of Procedures of the Executive Board of WHO Rule 16 states that: "…Standing committees established by the Board shall be composed of members of

the Board or their alternates…" Based on practice, the involvement of directors in more than five committees makes them active; hence coded as 1 (fully in). On the other hand, directors that are not involved in any committees are coded as 0 (fully out). Involvement of directors in three to four committees is coded as 0.67 (more in), while involvement of directors in one to two committees is coded as 0.33 (more out).

(5) ***Does the board has the capacity to nominate the CEO?*** IGO boards influence strategy making when they can nominate CEOs. Identifying whether the board can nominate the CEO is straightforward, as it is clearly stated in an IGO's founding documents. For example, Article 31 of the WHO statute states that: "The Director-General shall be appointed by the Health Assembly on the nomination of the Board…" The presence of the condition is coded as 1 and its absence is coded as 0.

3.5.3 Fuzzy set analysis

We ran a fuzzy set QCA to identify the configurations. We analyzed the results for necessity and sufficiency of the conditions in configurations. A condition is necessary if the outcome cannot be produced without it, while a condition is sufficient if it can produce the outcome by itself without the help of others (Ragin, 2008). A condition is necessary if its presence or absence meets a consistency score of at least 0.90 to yield an outcome. We then evaluated the configurations that emerged from the analysis for consistency and frequency. Consistency is the notion of fit between different attributes that make a configuration (Ragin, 2006). It is the degree at which empirical evidence supports the necessity and/or sufficiency of set theoretic relations found in the analysis. The score ranges between 0 and 1, where 0 and 1 represent perfect consistency and 0.5 represents perfect inconsistency. Although a consistency score of 0.80 suggests that a consistent subset relation exists, we set our consistency threshold at 0.75 and PRI consistency at 0.50 (Ragin, 2006). Meanwhile, frequency threshold refers to the number of cases that must be observed for each configuration to be considered. We set our frequency threshold of one case per configuration, which is sufficient for small N analysis (e.g. Haxhi & Aguilera, 2016). Given that our analysis is

inductive and exploratory in nature, our thresholds for consistency and frequency are sufficient for further interpretation (Greckhamer, Misangyi, & Fiss 2013).

Only those configurations that meet our consistency and frequency thresholds are presented with their respective coverage in a configuration table (Table 2) (Fiss, 2011). Coverage is a measure of empirical relevance that presents how cases are distributed over the configurations (Ragin, 2006). It ranges between 0 and 1, where 1 shows full representation, and 0 is the opposite. We report the intermediate solutions in a configuration table (Table 2) showing presence and absence of the board characteristics (Ragin & Sonnet, 2005). Intermediate solutions are configurations accounting only for easy counterfactuals—those redundant conditions added to a set of causal conditions that already by itself leads to an outcome (Fiss, 2011)—, and are preferred as a point of departure in interpreting QCA results (Ragin, 2008). Because of our small sample size, the counterfactual analysis addresses the limited diversity of the observed cases in relation to the possible configurations from the combination of conditions. We use the following notations: "●" denoting presence of the condition, "⊗" denoting absence of the condition, and blank spaces as "don't care" conditions that may be either present or absent in the configurations—, but are not relevant to the configurations. We also present the core and peripheral conditions (Fiss 2011). Core conditions are conditions from the parsimonious solutions. On the other hand, peripheral conditions are conditions from intermediate solutions that are not from the parsimonious solutions.

3.6 Results

Table 2 presents the configurations of board activism that are highly effective in strategy making, and those configurations that are less effective in strategy making. We found no necessary conditions for neither highly nor less effective strategy making.

Table 2
Bundles of board duties sufficient for high and not high organizational performance

	Highly effective in strategy making solutions		Less effective in strategy making solutions	
Configurations	**1**	**2**	**3**	**4**
(1) frequency	●	⊗	⊗	⊗
(2) resident	●	⊗	⊗	⊗
(3) auxiliary body		⊗	●	●
(4) involved in committee	●	⊗	⊗	●
(5) nominate the CEO	⊗	⊗	⊗	●
Consistency	0.96	0.81	0.78	0.76
Raw coverage	0.28	0.35	0.39	0.17
Unique coverage	0.28	0.35	0.39	0.17
Solution consistency	0.87		0.77	
Solution coverage	0.63		0.55	
Cases*	ADB IDB WB	UNEP UNICEF IFAD	UNHCR UNAIDS UNRWA	WHO

Notes:
(a) ● = present (core); ● = peripheral
(b) ⊗ = absent (core); ⊗ = peripheral
(c) A blank space is a "don't care" condition, which may be present or absent in a configuration.
*See Table 1 for the full titles of the IGOs.

3.6.1 Board activism for highly effective strategy making

Two configurations of board activism emerged from the analysis that are conducive for highly effective strategy making, with an overall consistency score of 0.87 and overall coverage of 0.63 (Solutions 1 and 2). Solution 1—with a consistency score of 0.96 and unique coverage score of 0.28—has resident board as a core condition, combined with high frequency of board meetings, involvement of directors in more board committees, and absence of director involvement in CEO selection to complete the sufficient bundle. The presence/absence of an auxiliary body is a "don't care" condition. Three development banks that are highly effective in strategic making have Solution 1 in their boards: ADB, IDB and WB. Alternatively, Solution 2—with a consistency score of 0.81 and unique coverage score of 0.35—has two core conditions: absence of an auxiliary body and absence of director involvement in CEO selection, combined with a low frequency of board meetings, not a resident board, and

involvement of directors in fewer board committees. Three IGOs under the UN system that are highly effective in strategic making have Solution 2 in their boards: UNEP, UNICEF, and IFAD.

3.6.2 Board activism for less effective strategy making

Although we focus on configurations of board activism in IGOs that are highly effective in strategy making, we also present those configurations that are less effective in strategy making. Those configurations of board activism that are less effective in strategy making do not suggest the reverse of the configurations that are highly effective in strategy making (Berg-Schlosser, De Meur, Rihoux, & Ragin, 2009). There are two configurations of board activism for less effective strategy making (see Solutions 3 and 4), with an overall consistency score of 0.77 and overall coverage score of 0.55. Solutions 3 and 4 are neutral permutations, meaning that they share the same core conditions: low frequency of board meetings and presence of an auxiliary body. Solution 3—with a consistency score of 0.78 and unique coverage score of 0.39—also includes a non-resident board, director involvement in fewer board committees, and the absence of director involvement in CEO selection. Three UN programs that are less effective in strategy making have Solution 3 in their boards: UNHCR, UNAIDS and UNRWA. Solution 4—with a consistency score of 0.76 and unique coverage score of 0.17—also includes a non-resident board, but combines director involvement in more board committees and the presence of director involvement in CEO selection. One UN specialized agency less effective in strategy making has Solution 4 in its board: WHO.

3.7 Discussion

Our study aims to answer the research question: “How is board activism conducive to highly effective strategy making?” In doing so, we have identified different configurations of board activism conducive to effective strategy making, finding equifinality in this relationship. Also, those configurations of board activism that are

highly effective in strategy making are very different from configurations that are less effective in strategy making, as per the concept of causal asymmetry. We hereon discuss each configuration and link them back to our cases. Given that we have conducted our analysis on a small sample size, we have additional qualitative knowledge on each case to interpret the results. The results clearly separate two types of organizations exhibiting the bundles: highly complex IGOs and less complex IGOs.

3.7.1 Board activism in highly complex IGOs

Research has described complex organizations as those that have multiple products and geographic markets (Henderson & Fredrickson 1996), which entail greater monitoring and information processing requirements (Boivie et al. 2016; Coles, Daniel, & Naveen 2008). We then argue that development banks are considered as highly complex organizations because they typically have larger budgets, cater to different countries, and cover a wider scope related to all social, economic, and environmental issues as compared to those IGOs that are not development banks. Indeed, research has argued that banks have greater information asymmetry as compared to other types of organizations (Furfine 2001; Levine, 2004). Our analysis shows that development banks, which are highly effective in strategy making, have active resident boards with a high frequency of board meetings, and their directors are involved in more committees. When boards have a regular presence on business premises, they tend to reduce uncertainty by having more information to assess the functional needs of organizations necessary for strategy making. Hence, Solution 1 is consistent with our expectations that active boards are conducive to highly effective strategy making particularly in organizations with higher information processing needs. Interestingly, we find that absence of director involvement in CEO selection is part of the bundle. However, as we performed a more fine-grained substantive analysis of our cases, we find that boards may still have an influence on CEO selection because of the existence of a nominating committee in the board. All cases in Solution 1 (ADB, IDB and WB) have directors involved in the CEO-nominating committees, which indicate influence over CEO selection. Hence, our findings support prior research arguing that boards

choosing the CEOs positively influence strategy making (Westphal & Fredrickson, 2001) because boards may choose CEOs to enable efficient communication and cooperation between them that can be instrumental to effective strategy making (O'Reilly, Caldwell, & Barnett, 1989; Useem & Karabel, 1986). We then argue that an explicit capacity of the board to nominate CEOs can be substituted by the involvement of directors in the CEO-nominating board committee.

Moreover, the presence of an auxiliary body is a "don't care" condition. When we dug into our cases, we found that regional and global development banks differ in this respect. The WB, as a global IGO, has an auxiliary body, whereas the ADB and IDB,[4] as regional IGOs, do not have one. Perhaps global development banks have more information processing demands because of their more extensive reach as compared to regional banks. Global development banks, unlike regional ones, require an auxiliary body to support their boards by performing effective board functions. Therefore, we contend that highly complex organizations need active boards to meet their functional and information processing requirements that can be crucial for effective strategy making.

> *Proposition 1a: Global development banks that are highly effective in strategy making have active boards that are resident, have an auxiliary body, meet frequently, and have directors involved in more committees and nomination of the CEO.*

> *Proposition 1b: Regional development banks that are highly effective in strategy making have active boards that are resident, do not have an auxiliary body, meet frequently, and have directors involved in more committees and nomination of the CEO.*

3.7.2 Board activism in less complex IGOs

It appears that less active boards may also be conducive for highly effective strategy making, contrary to our expectations. Particularly in less complex IGOs, their boards

are not resident, have less frequency of meetings, and do not have an auxiliary body. Their directors are involved in less board committees and have no power to nominate CEOs. Although the cases showing the bundle are global IGOs (UNICEF, UNEP, and IFAD), they are under the UN system and have a specialized scope as compared to development banks. IGOs under the UN system are typically segregated to focus on a specific global issue. For instance, the goal of UNICEF is exclusively aimed at providing humanitarian and development assistance to children and mothers in developing countries. UNEP is directed toward policies related only to the environment. And IFAD is only focused on eradicating rural poverty in areas that are dependent on agriculture and related activities for their livelihood. Thereby, their information processing requirements are lower than organizations with a broader scope. In addition, the boards of IGOs under the UN system do not have an influence in CEO selection because this task is exclusively vested in the UN General Assembly through the nomination of the member states and/or the UN Secretary General.[5]

> *Proposition 2: Less complex IGOs that are highly effective in strategy making have less active boards that are nonresident, meet infrequently, do not have an auxiliary body, do not nominate the CEO, and have directors involved in few committees.*

On the other hand, less complex IGOs are less effective in strategy making when their boards somehow become more active. For instance, the WHO—which is less effective in strategy making—has a less active board, as compared to development banks, but is somehow active despite that it is not resident and has a low frequency of board meetings, because it has an auxiliary body and its directors are involved in more committees and CEO selection. Similarly, other UN agencies such as the UNAIDS, UNHCR, and UNRWA are less effective in strategy making. They also have less active boards in comparison to development banks, but their boards have an auxiliary body—as an extended arm of the board—that signals a more active role because of regular presence on the business premises of IGOs, which may interfere with the workings of CEOs. This finding is consistent with prior research arguing that firms perform better if their CEOs are independent from boards (Zahra & Pearce, 1989) because boards somehow lose their independence to perform effective oversight when they get too

close to the CEOs (Klein, 1998). Therefore, less complex IGOs with more active boards tend to become less effective in strategy making.

Proposition 3: Less complex IGOs that have more active boards are less effective in strategy making.

3.8 Conclusion

This article aims to explore how board activism is conducive to highly effective strategy making. While the literature has conceived board activism as having a zero-sum relationship to CEO power (e.g. Westphal, 1999; Westphal & Fredrickson, 2001) and has used frequency of board meetings as a proxy for board activism (e.g. Vafeas, 1999; Xie et al., 2003), our study complements the extant literature by nuancing our understanding of board activism using other proxies and exploring its relationship with strategy making. We build on the argument in prior literature that board characteristics should be analyzed in bundles rather than individually (Desender et al., 2013) by linking configurations of board activism with strategy making (Boivie et al., 2016). As we present the different ways in which boards can be active to be conducive to highly effective strategy making, our study provides conditional support for the premise that active boards are positively related to strategy making (Carter & Lorsch, 2004; Pearce & Zahra, 1991), in that we also find evidence showing that less active boards can likewise yield the same outcome. Additionally, we nuance and untangle the components of board activism, showing that having an auxiliary body supporting the board is only beneficial in highly complex organizations.

Our set-theoretic analysis also demonstrates the strength of an inductive approach in theory building for a small size sample comparative analysis (e.g. Haxhi & Aguilera, 2016). Previous studies in corporate governance research have used configurational analysis in larger samples (e.g. Bell, Filatotchev, & Aguilera, 2014; Fiss, 2011; Garcia-Castro et al., 2013; Misangyi & Acharya, 2014). Our study analyzes 16 IGOs, giving us more qualitative knowledge of the cases to link them back to the bundles emerged

from the analysis. Thus, we find empirical support of our expectations on board activism and we also build new theories that can be explored or tested in future studies.

Our study also has several implications for practitioners. First, we find that the level of organizational complexity determines the extent to which boards should be active or not. Our findings support prior research arguing that active boards are necessary for strategy making (e.g. Carpenter & Westphal, 2001, Stiles & Taylor, 2001). However, we have also found that active boards are only conducive to effective strategy making in highly complex IGOs. Less active boards are conducive to less complex IGOs, where an increase of board activism results in less effective strategy making. Second, we find that the presence of a resident board is important in highly complex IGOs (e.g. development banks). This is particularly relevant to the recent establishment of the Asian Infrastructure Investment Bank (AIIB), whose member states have decided to have a nonresident board to streamline decision making. However, our findings suggest that development banks should have resident boards to be highly effective in strategy making. We argue that resident boards contribute to the information processing needs of a highly complex organization (e.g. the AIIB) that can help in effective strategy making. And third, we find highly complex IGOs that are highly effective in strategy making have boards with an influence in CEO selection. If the influence is not expressly conferred in the founding documents of the IGOs, it can be channeled through the involvement of board directors in nominating committees. We argue that boards can streamline the strategic process when they choose CEOs with similar characteristics as them (e.g. Zajac & Westphal, 1996) to promote social integration (O'Reilly, Caldwell, & Barnett, 1989; Useem & Karabel, 1986) and reduce social uncertainty (Kanter, 1977) that can help build cohesion and efficient communication.

Similar to any other empirical research, this study also has its inherent limitations. First, our set-theoretic approach is conducted on a small sample size: 16 cases. However, the cases consist of very similar IGOs enhancing internal validity, and vary in scope and purposes addressing external validity. Future studies can supplement our

findings to establish how the configurations hold in larger samples. Second, we have analyzed only board characteristics from the founding documents of the IGOs. There are other characteristics that can be used to analyze board activism, such as individual director busyness, social relationships, and cultural factors. Future research can complement our findings with individual characteristics of directors and qualitative data looking at how active boards are in practice. There are also many possible exogenous factors (such as political factors, leadership behaviors, strategies and/or strategic orientation, and environment) and endogenous factors (such as board processes and team dynamics) that may affect strategy making. However, we have restricted our analysis to five conditions, given the constraint imposed by our small sample size and the complexity of the configurational approach that we use (Greckhamer et al., 2013). Future research can expand this study to include other explanatory conditions for a more comprehensive configurational analysis. Finally, we have conducted our inductive analysis on a specific organizational form: the IGOs. Nevertheless, our findings may also be applicable to other types of organizations. Thus, we encourage future research to test our findings on business entities, non-governmental, public, and nonprofit organizations.

3.9 Endnotes

[1] In IGOs, the head of the secretariat is comparable to the corporate CEO. It is known with several titles such as the President, Secretary General or Director General. For the purpose of this article, we refer to the heads of secretariat collectively as the CEOs.

[2] The configurational perspective suggests that elements within a bundle interact with each other resulting in multiple combinations to an outcome (Meyer, Tsui, & Hinings, 1993). On the other hand, the complementarity perspective suggests the internal fit among different elements that can enhance each other to result in an outcome (Milgrom & Roberts, 1990).

[3] MOPAN is a network of OECD donor countries as members, which assesses organizational effectiveness of IGOs that they fund.

[4] Although the IDB has an Office of the Secretary (SEC) that supports the Board of Governors (the plenary), the Executive Board, and the Secretariat (i.e. top management), we do not consider this as an auxiliary body of the board because it is not exclusively dedicated to the Executive Board. The SEC, in fact, also supports the plenary and the secretariat of the IDB.

[5] For instance, the Executive Director of the UNEP is nominated by the UN Secretary General upon confirmation of the UN General Assembly. The President of the IFAD is nominated and elected only by the member states.

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3.11 Appendix

Table A1
Truth Table – Highly effective in strategy making

Conditions					Outcome		Consistency			
(1)	(2)	(3)	(4)	(5)	Highly effective	N	Raw	PRI	SYM	Cases*
1	1	1	1	0	1	1	1.00	1.00	1.00	WB
1	1	0	1	0	1	2	0.96	0.95	1.00	ADB, IDB
0	0	0	0	0	1	5	0.81	0.68	0.91	IFAD, UNDP, UNEP, UNFPA, UNICEF
0	0	1	1	1	0	2	0.51	0.19	0.24	FAO, WHO
1	0	1	1	0	0	1	0.45	0.00	0.00	AfDB
0	0	0	0	1	0	1	0.44	0.00	0.00	WFP
0	0	1	0	0	0	4	0.34	0.15	0.18	UNAIDS, UNHCR, UNRWA, UN Women

Notes:
(1) Is the frequency of board meetings high?
(2) Is the board a resident one?
(3) Does the board have an auxiliary body?
(4) Are board directors involved in more board committees?
(5) Does the board nominate the CEO?
*See Table 1 for the full titles of the IGOs.

Table A2
Truth Table - Less effective in strategy making

Conditions					Outcome		Consistency			
(1)	(2)	(3)	(4)	(5)	Less effective	N	Raw	PRI	SYM	Cases*
0	0	1	0	0	1	4	0.78	0.71	0.82	UNAIDS, UNHCR, UNRWA, UN Women
0	0	1	1	1	1	2	0.76	0.61	0.76	FAO, WHO
0	0	0	0	1	0	1	0.61	0.30	1.00	WFP
1	0	1	1	0	0	1	0.60	0.27	1.00	AfDB
0	0	0	0	0	0	5	0.45	0.07	0.09	IFAD, UNDP, UNEP, UNFPA, UNICEF
1	1	1	1	0	0	1	0.25	0.00	0.00	WB
1	1	0	1	0	0	2	0.09	0.00	0.00	ADB, IDB

Notes:
(1) Is the frequency of board meetings high?
(2) Is the board a resident one?
(3) Does the board have an auxiliary body?
(4) Are board directors involved in more board committees?
(5) Does the board nominate the CEO?
*See Table 1 for the full titles of the IGOs.

4

The governance of global governance organizations: A configurational analysis of the board designs of intergovernmental organizations under the UN system

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4.1 Abstract

In exploring the governance of global governance organizations, we focus on intergovernmental organizations (IGOs) under the United Nations (UN) system. The UN system comprises several independent IGOs with varying levels of effectiveness in fulfilling different mandates. One key governance mechanism for IGOs to be effective in pursuing their mandates is monitoring by the board. In this study, we explore the board designs of IGOs under the UN System, and analyze how these board designs facilitate highly effective monitoring or generate perceptions of highly effective monitoring. Results show that certain archetypes of IGOs have different board designs that facilitate highly effective monitoring or generate perceptions of highly effective monitoring. And there are also multiple board designs that inhibit effective monitoring or generate perceptions of less effective monitoring. We find that board designs conducive to effective monitoring are contingent on organizational complexity and the extent of the distribution problem in the IGO.

4.2 Introduction

How are global governance organizations governed? Sovereign nations founded the United Nations (UN) to prevent war and to promote international cooperation to deliver global public goods. Several intergovernmental organizations (IGOs) have been established or incorporated under the UN system to pursue different mandates. These IGOs govern and shape the institutional environments where firms, national governments, public organizations, and nonprofit organizations operate (e.g. Bach and Newman, 2014; Shaffer, 2015). For example, the Bretton Wood Institutions consisting of the International Monetary Fund and the International Bank for Reconstruction and Development—which now forms part of the World Bank (WB)—monitor the global economy, serve as bailout funds, and provide development financing. The World Health Organization (WHO) and the United Nations Children's Fund (UNICEF) oversee global public health, and humanitarian and developmental assistance that also affect firms and entities operating in healthcare, education, and insurance sectors, among others. There are currently 34 independent IGOs comprising the UN system. However, many of these IGOs have been assessed or perceived to be ineffective in pursuing their mandates. Recent assessments of the Multilateral Organization Performance Assessment Network (MOPAN)—a network of OECD countries assessing the effectiveness of IGOs that they fund—have shown that more than half of the assessed IGOs under the UN system barely meet or fail to meet minimum performance thresholds, which can be costly to the member states that established them (Keohane, 1982). Scholars have argued that IGOs are but one of the pieces of global governance. Abbott and Snidal (2010) show how IGOs must collaborate with and orchestrate external private actors to fulfill their missions. Similarly, Berliner and Prakash (2012) show how IGOs co-construct global norms in interacting with international nongovernmental organizations (INGOs). Thus, while global governance cannot be exclusively reduced to the workings of IGOs, they are key for the functioning of the overall transnational system. This research, therefore, focuses on IGOs.

Scholars argue that IGOs become autonomous organizational actors with tendencies to have pathological behaviors, wherein they deviate from their mandates once created by state actors (Barnett & Finnemore, 1999) or are prone to agency slack (Nielson & Tierney, 2003). There is an increasing scholarship on IGOs using agency theory to understand the principal-agent relationship between the member states (as principals) and the IGO senior management (as agents) (e.g. Hawkins et al. 2006; Nielson & Tierney, 2003). International relations scholars contend that IGOs may suffer from an agency problem when senior managers pursue goals that are misaligned from the expectations of their member states (Nielson & Tierney, 2003). Hawkins et al. (2006) argue that state actors design mechanisms aimed at governing IGOs and controlling the agency problem, which include continued monitoring and control by the member states themselves. However, control mechanisms may generate bureaucratic drift that counters agency productivity (Shepsle & Bonchek, 1997), and IGOs tend to adapt to environmental changes imposed by their member states (Schemeil, 2013). One mechanism that is argued to be effective and efficient in monitoring senior management and controlling the agency problem in organizations is the board of directors—the board, onwards—, which has been overlooked in IGO literature. As Fernandez-i-Marin et al.'s (2016) study shows, the boards of regulatory and governance agencies are relevant. In this article, we build on Martinez-Diaz's (2009) work on the role of boards in governing IGOs by identifying different configurations of board designs in IGOs, and analyze how board designs facilitate highly effective monitoring. Hence, our research question is: "What are the board designs in IGOs under the UN system that facilitate highly effective monitoring?"

The boards have been extensively studied because of their importance in the governance of organizations (e.g. see review of Adams et al. 2010). Although there are reverberating debates on the actual role of the boards in governing organizations, the monitoring function is one of the boards' primary responsibilities (e.g. Monks & Minow, 2008). Martinez-Diaz (2009) builds on corporate governance literature to argue that the boards of IGOs serve, among others, as "performance police," which conducts the monitoring function. Hence, we apply theoretical insights from corporate governance to carry out research on the monitoring function of IGO boards.

Given the minimal research existing on the governance of public agencies, we cautiously draw on the for-profit corporate governance literature and the limited nonprofit boards literature (Stone & Ostrower, 2007). While corporate governance research can be a solid foundation to study IGO boards, applying directly its theoretical insights to IGOs may pose some challenges because IGOs differ from other organizational forms typically studied in corporate governance. Previous studies have shown that governance varies across different organizational forms such as foreign subsidiaries (Kriger, 1988), international joint ventures (Klijn et al. 2013), and public and nonprofit organizations (Stone & Ostrower, 2007). We contend that three characteristics of IGOs differentiate them from corporations, and thus hinder the direct transfer of received knowledge on board designs from the corporate governance literature. First, the *raison d'etre* of IGOs is to create public value, wherein their performance cannot be reduced to a single metric, unlike business entities. This is particularly relevant, since governance becomes more difficult when results are difficult to measure (Mintzberg, 1993). Second, IGOs, as transnational public entities, are immune from any regulatory frameworks within any national jurisdiction, including those where their headquarters are domiciled. IGOs are not subject to any market pressures nor are legally bound to have external audits. Comparative governance research traversing across transnational territories stipulates that national institutions and specific industry regulatory frameworks (Perkins, 2014) determine firm-level corporate governance practices (Aguilera & Jackson, 2003). Since IGOs are not regulated by national institutions—but rather by international treaties—, there is no prescribed governance structure that they follow. Third, the principals of IGOs are national governments—making them comparable to international joint ventures where the principals are independent organizations—that know each other, and their number is limited to below 200. Scholars argue that membership structure affects the design of IGOs because of the distribution problem arising from difference in preferences among member states as decision makers in IGOs (Koremenos et al. 2001), which can also alter board representation (Kaja & Werker, 2010).

As we examine the boards of IGOs under the UN system, our study contributes primarily to IGO governance, and adds to our understanding of IGO boards. Although Martinez-Diaz (2009) has already developed an analytical conceptual framework of the roles that boards play in IGO governance, our research presents empirical analysis identifying IGO board designs and linking them to the monitoring function. Our study underscores the "performance police" function of IGO boards as proposed by Martinez-Diaz (2009), where boards monitor IGO managers to carry out decisions and actions aligned with the organizations' mandates. And as we identify the board designs of IGOs, we present how IGO boards that facilitate or inhibit highly effective monitoring are structured. Theoretical insights and empirical findings that we derive from our study provide a fresh look on IGOs and global governance. We consider the interplay of varying preferences of principals with organizational complexity. This has not been tackled in previous studies in corporate governance, IGOs, and global governance.

4.3 Board designs of intergovernmental organizations

Global governance is composed of many diverse actors and institutions. States, IGOs (global and regional), international nonprofit organizations—whether activists, professional associations, or business associations—, and for-profits entities (e.g. Bernstein & Cashore, 2007; Pattberg, 2005) contribute to govern different sectors globally. IGOs collaborate with diverse actors and some orchestrate other regional and global IGOs (Abbott and Snidal, 2010). The international construction of social corporate norms also occurs in a dynamic fashion, as IGOs and INGOs frame and reframe the limits of acceptability (Berliner and Prakash, 2012). Nevertheless, IGOs play a fundamental role in the global governance of most sectors. In turn, their functioning, particularly the governance and monitoring role their boards play, is of great interest to understand global and transnational governance.

Scholars have argued that board designs affect the monitoring of any organization (Carter & Lorsch, 2004; John & Senbet, 1998). Hence, we contend that the designs of IGO boards also affect how IGOs are effectively monitored. To identify IGO board designs, we build on the corporate governance literature to identify the elements constituting boards. Carter and Lorsch (2004) argue that there are three elements of board designs: structure, composition, and processes. Although corporate governance research has already moved to study the combination of these elements (e.g. McDonald & Westphal, 2010), we concentrate on board structure, since this present study is the first to systematically examine IGO boards. Board structure has been found to impact monitoring effectiveness (e.g. Hermalin & Weisbach, 1998; John & Senbet, 1998; Vafeas, 2000). Moreover, board structure is a crucial element of board design, being the visible element susceptible to external pressures (Carter & Lorsch, 2004). Research has argued that various structural features of the board, such as size and including an audit committee, not only affect monitoring per se but also influence stakeholder perceptions (Yermack, 2006; Spira & Bender, 2004). In IGOs, board structure is even more relevant, since it both facilitates effective monitoring and generates external legitimacy. We argue that IGOs can generate support necessary to operate and survive when stakeholders perceive that the structure of the board is deemed acceptable and effective for board functioning, including monitoring.

4.3.1 Features of board structure

Scholars list board size, independence, and committees, as features of board structure (Carter & Lorsch, 2004; John & Senbet 1998). However, there are also other features of board structure such as having a two-tier system[1] and a board secretary. Among the features of board structure that we expect to form the board designs of IGOs, board independence—as measured by outsider director composition and CEO duality—and the presence of a two-tier system are not relevant, since IGO boards do not have outsider directors because all directors are exclusively selected by the principals (i.e. member states) and CEOs of IGOs often sits as the chairman of the board. We hereon describe those features of board structure that are relevant to IGOs (size, committees,

and secretary), and present what effect they may have on monitoring according to prior research.

Board size. Board size refers to the number of directors on the board. Corporate governance scholars argue that the optimal number of directors is seven or eight, since an oversized board can be detrimental to board functioning—including monitoring—due to coordination problems (Jensen, 1993; Lipton & Lorsch, 1992). Indeed, research has shown that small boards can monitor effectively (Eisenberg et al. 1998; Yermack, 1996). Yet, prior research has also found that an increase in board size reduces the costs of monitoring (Boone et al. 2007). In IGOs, board size varies significantly. Some IGOs have fewer than seven directors (e.g. International Hydrographic Organization [3] and International Institute of Refrigeration [4]), whereas some IGOs have more than 100 directors (e.g. World Trade Organization [160] and the Permanent Court of Arbitration [115]).

Board committees. Board committees are subgroups of the board that perform specific functions such as audit, finance, budgeting, top management compensation, and CEO selection (John & Senbet 1998; Klein, 1998). The number of committees provides functional diversity that may be conducive to better monitoring in complex organizations (Boivie et al. 2016). Committees are established for a specific function that builds expertise and specialization for effective monitoring (Callen et al. 2003; Klein, 1998). The audit committee is one example of a specialized type of committee established for the monitoring function (Spira, 1999). However, Callen et al. (2003) argue that, apart from an audit committee, other committees are also strongly related to the monitoring function such as finance and budget, executive, compensation, and nominating committees. These committees are also present in some IGOs. But not all IGOs have the same number of board committees. For instance, some UN programs like the United Nations Development Program (UNDP) and UNICEF have no committees, whereas other UN programs like the World Food Program (WFP) and Joint United Nations Programme for HIV/AIDS (UNAIDS) have a single committee (audit). Meanwhile, other IGOs such as the WHO and Asian Development Bank (ADB)

have more than five board committees (e.g. audit, finance, program, budget, nominating, and development).

Board secretary. The board secretary is the body in charge of providing information for monitoring and transparency (Lin, 2004). Research has shown that board secretaries improve information disclosures (Gao & Kling, 2002) and firm corporate governance (Chen & Aguilera, 2016). Some IGOs have board secretaries that transfer information from senior managers to the board. For instance, the Executive Board of the UNDP has a secretariat[2] that serves as the focal point for all board matters, including board processes and information processing. Section VII, Rule 11(2) of the Rules and Procedures of the Executive Board of the UNDP states that "The Executive Board secretariat shall be responsible for the arrangements of meetings of the Executive Board and the Bureau and for the preparation of reports of the sessions of the Board."

4.3.2 Identifying board designs

Hermalin and Weisbach (1998) suggest to explore how boards are structured to predict the dynamics affecting their functioning. Yet, the features of board structure have been analyzed independently in previous research. For instance, Anderson et al. (2004) and Callen et al. (2003) have looked at the individual effects of board size and committees, which have resulted in contradictory findings. Desender et al. (2013) argue that board characteristics should be analyzed in bundles (or configurations), rather than independently, because many of these characteristics are functionally equivalent on how they relate to firm outcomes—including monitoring. There are no existing studies using a configurational approach in analyzing board designs. Consequently, Misangyi and Acharya (2014) suggest using a configurational approach to study specifically board characteristics. In this study, we isolate the features of board structure to identify the board designs of IGO boards that are associated with effective monitoring. We prevent from advancing *a priori* propositions, since we intend

to systematically explore board designs, and analyze the relationships between configurations of board designs and the monitoring function.

4.4 Methodology

4.4.1 Sample and data

We collected data on IGOs under the UN system. IGOs are defined as "entities created [by states] with sufficient organizational structure and autonomy to provide formal, ongoing, multilateral processes of decision-making between states, along with the capacity to execute the collective will of their member (states)" (Volgy et al. 2008: 851). IGOs are independent entities designed by state actors to promote collective interests depending on the scope of their missions (or mandates) established by the member states (Koremenos et al. 2001). For instance, some IGOs have more specific scope such as the WHO that focuses on overseeing global public health and the United Nations Environmental Program (UNEP) that focuses on implementation of the environmental dimension of UN's sustainability goals. Other IGOs such as development banks (e.g. WB and ADB), a subtype of international financial institutions (IFIs), have broader scopes that encompass all social and economic development, and that resolve issues related to the environment and infrastructure. Moreover, IGOs vary in the range of the coverage of their mandates. Some have narrow coverage focusing on a specific zone such as regional development banks (e.g. ADB), whereas others have wider coverage spanning globally (e.g. WB and WHO). We compare the scope and coverage of IGO mandates to firms' organizational complexity, where we associate scope to the firms' products or functions and coverage to the geographic markets. Firms become more complex when they have multiple products and cater to multiple geographical markets (Henderson & Fredrickson, 1996), which increase the need for more monitoring (Coles et al. 2008). Hence, we assume that IGOs become complex, affecting their monitoring needs, when the scope is broader and the coverage is wider. In addition, IGOs also vary on their target countries. Some IGOs focus only on developing countries (e.g. IFAD, UNDP, and UNICEF), whereas some IGOs focus on both developed

and developing countries (e.g. FAO, WHO, and UNEP). IGOs with fewer target countries have less distribution problem as compared to IGOs with more target countries, since there are less alternatives when deciding to whom shall programs and projects be awarded (Koremenos et al. 2001).

Although there are almost 350 existing IGOs, our sample consists of IGOs assessed by MOPAN. Currently, there are 16 assessed IGOs. However, we focus only to those 13 global IGOs that are under the UN system to enhance comparability and internal validity. The dataset is divided into an outcome (monitoring) and conditions (features of board structure) (See Table 1).

4.4.2 Configurational approach to board designs

We explore systematically the combinations of features of board structure to identify the configurations of board design, and analyze how the configurations of board designs facilitate monitoring in IGOs. We use qualitative comparative analysis (QCA) aided by the fs/QCA software to identify the configurations. QCA relies on set-theoretic relations rather than correlations when analyzing causal conditions to determine the configurations that lead to an outcome (Fiss, 2007; Ragin, 2008).

There are numerous benefits in using QCA, as opposed to correlation-based analysis. First, QCA integrates the best features of case-oriented and variable-oriented approaches (Ragin, 2008). In QCA, we preserve the richness of the dataset by enabling us to return to the cases for more substantive analysis. QCA allows us to explore the cases further for any latent attributes that may provide more information about the relationship studied (Maggetti, 2007). Second, a key feature of QCA is its ability to evaluate cases as configurations of conditions—rather than individual net effects—that jointly produce an outcome. Lastly, QCA has an advantage over regression analysis in analyzing multiple interactions leading to an outcome because of its ability to explore equifinality rather than a single path (Fiss, 2007).

TABLE 1
Dataset

			Conditions (Features of board structure)					Outcome (Monitoring effectiveness)	
	Acronym	**IGOs**	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**Objective**	**Subjective**
1	FAO	Food and Agriculture Organization of the United Nations	0.75	0.63	0.67	1	0	0.44	0.45
2	IFAD	International Fund for Agricultural Development	0.31	0.12	0.33	0	0	0.95	0.85
3	UNAIDS	Joint United Nations Programme on HIV/AIDS	0.51	0.15	0.33	1	1	0.06	0.48
4	UNDP	United Nations Development Programme	0.64	0.49	0	0	1	0.51	0.66
5	UNEP	United Nations Environment Programme	0.80	0.82	0	0	0	0.95	0.36
6	UNFPA	United Nations Population Fund	0.64	0.48	0	0	1	0.41	0.48
7	UNHCR	United Nations High Commissioner for Refugees	0.94	1.00	0.33	1	0	0.07	0.36
8	UNICEF	United Nations Children's Fund	0.64	0.43	0	0	1	0.73	0.46
9	UNRWA	United Nations Relief and Works Agency for Palestinian Refugees in the Near East	0.56	1.00	0.33	1	1	0.10	0.25
10	UNW	The United Nations Entity for Gender Equality and the Empowerment of Women	0.68	0.52	0.33	1	1	0.82	0.83
11	WFP	World Food Programme	0.64	0.41	0.33	0	0	0.32	0.45
12	WHO	World Health Organization	0.62	0.36	1	1	0	0.10	0.34
13	WB	World Bank	0.54	0.20	0.67	1	0	0.73	0.83

Notes:
(1) High absolute board size
(2) High relative board size
(3) More board committees
(4) Executive committee
(5) Board secretary

4.4.3 Outcome: monitoring

The outcome for the analysis is effectively monitoring of senior management, which is taken from MOPAN's most recent evaluation reports published from 2011 to 2014. The assessments of MOPAN are one of the references that have been used by state governments—particularly OECD countries that support and provide a huge percentage of funding of the assessed IGOs—when reviewing contributions to the IGOs that they fund. MOPAN evaluates the effectiveness of four to six IGOs annually using a common assessment approach that allows member states to uniformly assess IGOs regardless of their scope and coverage (or we refer to as complexity). This method enables the users of the assessment reports to compare the effectiveness of IGOs among others.

One of the aspects assessed by MOPAN is the effectiveness of performance evaluation, which is our measure of monitoring. Three micro-indicators are used to assess the effectiveness of performance evaluation: (1) the existence of an evaluation unit, which shows that there is a monitoring function in place and that the board is involved in monitoring; (2) the evaluation function provides sufficient coverage of the IGO programs, which shows whether the monitoring function covers the necessary aspects of operations and whether the evaluation unit maintains independence; and (3) the quality of the evaluations, which shows whether the monitoring function is conducted according to generally accepted standards and practices. High assessment scores on these micro-indicators show that evaluation of performance is effective, thus an effective monitoring function.

We operationalize monitoring using the objective and subjective dimensions of the assessments performed by MOPAN. Comparing our outcome of interest along these two dimensions allows us to understand which board designs facilitate monitoring or generate highly positive stakeholder perceptions. This comparison is important because IGO principals are not only concerned with effective monitoring that affects

overall organizational performance, but also the perceptions of stakeholders who provide support and funding essential to the operations and survival of the organization. Since board designs are the visible aspect of the boards to external stakeholders, we argue that the subjective dimension of monitoring is equally important as the objective dimension. Prior research has already shown the importance of measuring organizational outcomes along the objective and subjective dimensions (e.g. Pearce & Zahra, 1991).

To capture the objective dimension, MOPAN conducts document reviews on IGOs' public and internal documents approved by their respective boards (e.g. terms of reference, strategic plans, financial reports, internal and external performance reviews, and achievement reports at various organizational levels). The assessment is based on existing standards and guidelines—such as the Common Performance Assessment System for multilateral banks and the OECD corporate governance guidelines—and from the specialists involved in the assessment. In conducting the assessment, MOPAN evaluates whether the IGO has met five criteria for each micro-indicator (See Appendix for details of the criteria used). A "yes" answer will give one point on each criterion. A total number of five points will be allotted to each criterion, which are then converted to a 1–6 rating scale: a score of 1 (very weak) if no criteria are met; 2 (weak) if only one criterion; 3 (inadequate) if two criteria; 4 (adequate) if three criteria; 5 (strong) if four criteria; and 6 (very strong) if all five criteria are met. There is perfect agreement among raters of the documents reviewed. The mean scores on each micro-indicator are then aggregated to form the overall rating of the objective dimension.

On the other hand, to capture the subjective dimension, MOPAN conducts surveys to gather IGO stakeholders' perceptions. These IGO stakeholders are MOPAN member states from both the headquarters and in-country offices, and other key stakeholders—e.g., donors, direct partners and clients, and peer organizations, among others. The survey respondents are presented with statements assessing effectiveness on a six-point scale where 1 is rated as "very weak" and 6 is rated as "very strong." The survey questions are patterned to address the same indicators used for assessing

effectiveness. The mean score is calculated to derive the overall rating for the subjective dimension.

We then transformed the scores into fuzzy sets. Our full membership threshold is at 5.00, which is the midpoint of "strong" score set by MOPAN (4.5-5.5). The full membership point is in fact way above the 75% threshold used by Fiss (2011) for high firm performance. MOPAN also set 4.50 as the "strong" score, which means there is effective monitoring. Any score below is "adequate" or "weak" scores, which means less effective monitoring. We set the maximum ambiguity at 4.49 which is just below the "strong" score of 4.50. We fixed our threshold for full non-membership at 2.50, which is MOPAN's set ceiling for "weak" score. The theoretical division of scores established by MOPAN are based on substantial knowledge in practice. The thresholds we have used are based on this division and our qualitative knowledge of the cases. In transforming the scores into fuzzy sets, we used the direct calibration facilitated by the fsQCA software.

4.4.4 Conditions: Features of board structure

The conditions for the analysis come from an IGO database we have built. We have gathered data from multiple sources, including the IGOs' public documents (e.g., statutes, terms of reference, procedural rules, and annual reports). Three independent and experienced researchers in the field of management and international relations coded the database, resulting in perfect inter-rater reliability. The conditions that we have used are: board size (operationalized in absolute and relative terms), number of board committees, presence of an executive committee, and presence of a board secretary. Five conditions are acceptable for our relatively small sample size.

Board size. We operationalize board size using two conditions: absolute and relative. Absolute board size refers to the total number of directors, while relative board size refers to the ratio of total number of directors to the total number of member states. Both conditions are continuous, and are converted to fuzzy sets using direct

calibration. Although in corporate boards an ideal board size is seven to eight directors (Jensen, 1993; Lipton & Lorsch, 1992), Martinez-Diaz (2009) argues that absolute board size in IGOs is considered high if the number of directors is above 20, which will pose coordination problems for board functions particularly as a performance police. We then set 21 as the maximum ambiguity threshold for absolute board size. Full membership threshold is 100, while full non-membership threshold is eight.

We have also included relative board size as a condition to determine the extent of principal representation on boards. This condition is specific to IGOs because of the difference in preferences among principals affecting board representation that is inherent in IGOs. There is greater distribution problem when there are more members represented (Koremenos et al. 2001). Martinez-Diaz (2009) argues that relative board size is low if the value is below 0.21. This value shows that there is significant reduction of decision makers from the plenary, where member states pool their votes and select a single representative that will voice out their common concerns and interests in the board. And we argue that there will be less distribution problem arising from preferences of member states when relative board size is low, since it implies an increased trust among member states to fewer decision makers that can be effective for the monitoring function. We use 0.205 as our maximum ambiguity threshold for relative board size. The full membership threshold is at 0.50, while non-membership threshold is 0.05.

Board committees. We have coded whether an IGO has different committees that are related to the monitoring function (Callen et al. 2003) such as audit, finance, budget, administration, program, compensation, and nominating committees. We have coded this condition into fuzzy sets: the absence of any committees is coded as 0 (non-membership); the presence of 1-2 committees is coded as 0.33 (more out); the presence of 3-4 committees is coded as 0.67 (more in); and the presence of at least 5 committees is coded as 1 (full membership). The IGO documents are explicit about the presence of committees. For example, Article V-6 of FAO statute states: “In the performance of its functions, the Council shall be assisted: (a) by a Programme

Committee, a Finance Committee, and a Committee on Constitutional and Legal Matters, which shall report to the Council…"

Following Callen et al. (2003), we have coded separately the existence of an executive committee. Executive committees are subgroups of the board consisting only of directors that handle major issues under emergency conditions when a full board cannot be assembled (Kesner, 1988). Although the effect of the executive committee to monitoring may only be indirect, it may still provide valuable monitoring for organizations such as controlling financial reporting and disclosures, and overseeing the actions and decisions of other board committees (Xie et al. 2003). The presence of the condition is explicit in IGO statutes. For example, Chapter V, Rule 7(1) of the Rules and Procedures of the Executive Board of UN Women states that: "The Executive Board shall…elect among the representatives of all its members…a Bureau consisting of a President and Four Vice-Presidents…" The presence of the condition is coded as 1 and its absence is coded as 0.

Board secretary. The IGO documents are also explicit on the presence of a board secretary. For instance, Article VII-Rule 11 of the Rules and Procedures of UN Women states: "(1) The Executive Board Secretariat is the focal point of UN-Women for Executive board matters. (2) The Executive Board secretariat shall be responsible for the arrangements for meetings of the Executive Board and the Bureau and for the preparation of reports of the sessions of the Board." The presence of the condition is coded as 1 and its absence is coded as 0.

4.4.5 Fuzzy set analysis

We ran a fuzzy set QCA for each dimension of the outcome. We evaluated the results by selecting those configurations that meet our consistency and frequency thresholds. Consistency refers to the fit between different attributes and overall ideal type configuration, and the degree to which the empirical evidence supports set-theoretic relations found in the analysis (Ragin, 2006). Our acceptable raw consistency threshold

is 0.80 and proportional reduction in consistency (PRI) is 0.50 (Fiss, 2011; Ragin, 2006). Meanwhile, frequency threshold refers to the number of cases that must be observed for each configuration to be considered, and we set our frequency threshold at one (Greckhamer et al. 2013). Only those configurations that meet our consistency and frequency thresholds are presented with their respective coverage in a configuration table. Coverage refers to the measure of empirical relevance that presents the way in which cases are distributed over the configurations (Ragin, 2006).

We report the intermediate solutions in a configuration table showing the presence or absence of each condition. Intermediate solutions are configurations accounting only for easy counterfactuals—referring to redundant conditions added to a set of causal conditions that by itself already leads to an outcome (Fiss, 2011)—, and are preferred as basis in interpreting QCA results (Ragin, 2008). With our small sample size, the counterfactual analysis addresses the limited diversity of the observed cases in relation to the possible configurations from the combination of conditions. We use the following notations: "●" denoting presence of the condition and "⊗" denoting absence of the condition. Blank spaces are "don't care" conditions that may be either present or absent, and are not relevant to the configurations. We also present the core and peripheral conditions (Fiss, 2011). Core conditions are conditions from the parsimonious solutions, which show a stronger effect in the configuration, while peripheral conditions are conditions from intermediate solutions that are not from the parsimonious solutions, which contribute to the effect in the configuration.

4.5 Results

We also conducted a substantive analysis to determine any necessary or sufficient conditions. A condition is necessary if an outcome cannot be produced without it, and meets a consistency score of at least 0.90 to yield an outcome, while a condition is sufficient if it can produce the outcome by itself without the help of others (Ragin, 2008). We found no necessary and sufficient conditions that facilitate highly and less

effective monitoring nor generate perceptions of highly and less effective monitoring. Table 2 presents the configurations of IGO board designs that facilitate highly effective monitoring and generate perceptions of highly effective monitoring. While our focus is on configurations of conditions of IGO boards that facilitate highly effective monitoring or generate perceptions of highly effective monitoring, we also present in Table 2 those configurations of IGO boards that facilitate "not-highly" effective monitoring as those that inhibit effective monitoring or generate perceptions of "not-highly" effective monitoring as those that generate less effective monitoring. Configurations that inhibit effective (or generate perceptions of less effective) monitoring do not suggest the reverse of configurations that facilitate highly effective (or generate perceptions of highly effective) monitoring, as per the concept of causal asymmetry—suggesting that configurations leading to the presence of an outcome do not mirror configurations leading to the absence of the same outcome. Understanding configurations that inhibit effective monitoring or generate perceptions of less effective monitoring can help organizations to avoid certain board designs that yield unfavorable outcomes.

4.5.1 Board designs for highly effective monitoring

Three configurations have emerged from the analysis showing board designs that facilitate highly effective monitoring (Solutions 1, 2, and 3 in Table 2), with an overall solution consistency of 0.94 and overall solution coverage of 0.53. Solution 1 (consistency score of 0.97 and unique coverage of 0.09) combines small absolute and relative board size, fewer committees, and absence of both an executive committee and a board secretary. Solution 2 (with a consistency score of 0.93 and unique coverage of 0.24) combines a large board, small relative board size, fewer committees, absence of an executive committee, and presence of a board secretary. And Solution 3 (with a consistency score of 0.93 and unique coverage of 0.10) combines a large board, in both absolute and relative terms, with fewer committees and without both an executive committee and a board secretary.

Table 2
Board Designs Sufficient for Highly and Less Effective Monitoring

	Highly effective monitoring solutions						Less effective monitoring solutions			
	Objective			Subjective			~Objective		~Subjective	
Configurations	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
(1) absolute board size	⊗	●	●		●	●	●	●	●	●
(2) relative board size	⊗	⊗	●	⊗	⊗	⊗		●	●	●
(3) number of committees	⊗	⊗	⊗	⊗	⊗	●	●		⊗	
(4) executive committee	⊗	⊗	⊗	⊗		●	●	●		●
(5) board secretary	⊗	●	⊗	⊗	●	⊗	⊗	⊗	⊗	⊗
Consistency	0.97	0.93	0.93	0.90	0.93	0.82	0.82	0.96	0.97	0.81
Raw coverage	0.19	0.24	0.20	0.19	0.35	0.18	0.26	0.30	0.37	0.28
Unique coverage	0.09	0.24	0.10	0.19	0.35	0.18	0.05	0.09	0.19	0.09
Solution consistency		0.94			0.90			0.86		0.83
Solution coverage		0.53			0.73			0.35		0.47
Cases†	IFAD	UNICEF UNDP	UNEP	IFAD	UNDP	WB	FAO WHO	FAO UNHCR	UNHCR UNEP	UNHCR FAO

Notes:
a) ● = present (core); ● = present (peripheral)
b) ⊗ = absent (core); ⊗ = absent (peripheral)
c) Blank spaces are "don't care" conditions
†See Table 1 for the full titles of IGOs.

4.5.2 Board designs perceived as highly effective in monitoring

There are also three configurations of board designs that generate perceptions of highly effective monitoring (Solutions 4, 5, and 6 in Table 2), with an overall consistency of 0.90 and overall coverage of 0.73. All configurations that generate perceptions of highly effective monitoring have a small relative board size as a core condition, making them neutral permutations. Solutions 4 (with consistency score of 0.90 and unique coverage of 0.19) and 5 (with consistency score of 0.93 and unique coverage of 0.35) are logically equivalent to Solutions 1 and 2 respectively, which shows that stakeholders capture the objective dimension of monitoring. However, the board design of Solution 6 (with consistency score of 0.82 and unique coverage of 0.18) is quite different from Solutions 4 and 5. Solution 6 adds to the core condition: more directors, more committees, presence of an executive committee, and absence of a board secretary.

4.5.3 Board designs inhibiting effective monitoring and generating perceptions of less effective monitoring

There are two configurations of IGO boards that inhibit effective monitoring (Solutions 7 and 8 in Table 2), with an overall consistency score of 0.86 and overall coverage score of 0.35. Solutions 7 and 8 are also neutral permutations that share two core conditions: presence of an executive committee and absence of a board secretary. Solution 7 (with consistency score of 0.82 and unique coverage of 0.05) adds to the core condition a large absolute board size and more committees in the configuration. Whereas, Solutions 8 (with consistency score of 0.96 and unique coverage of 0.09) adds to the core conditions a large board size in both absolute and relative terms in the configuration. However, Solutions 7 and 8 are logically similar, where relative board size and number of committees are not significant to the configurations. Therefore, a combination of a large absolute board size, the presence of an executive committee and the absence of a board secretary in board designs is likely to facilitate less effective monitoring.

Meanwhile, there are also two configurations of IGO boards that generate perceptions of less effective monitoring (Solutions 9 and 10 in Table 2), with an overall consistency score of 0.83 and overall coverage score of 0.47. Solutions 9 and 10 are also neutral permutations sharing a large relative board size and without a board secretary as core conditions. Solution 9 (with consistency score of 0.97 and unique coverage of 0.19) adds to the core conditions a large absolute board size and fewer committees in the configuration. Whereas, Solution 10 (with consistency score of 0.81 and unique coverage of 0.09) adds to the core condition a large absolute board size and the presence of an executive committee in the configuration. Solutions 9 and 10 are also logically similar where the number of committees and the presence of an executive committee are not relevant to the configurations. Therefore, a combination of a large board, both in absolute and relative terms, and the absence of a board secretary in board designs is likely to generate the perception that the IGO is not monitored effectively.

4.6 A typology of board designs in intergovernmental organizations

Using QCA has enabled us to systematically identify configurations of board designs in IGOs under the UN system that facilitate highly effective monitoring. Our qualitative knowledge of our small number of cases has allowed us to nuance the board designs emerged from the analysis. Our key finding suggests four different configurations of board designs that facilitate highly effective monitoring. The four configurations appear to neatly apply to certain archetypes of IGOs under the UN system (See Figure 1). The board designs that facilitate highly effective monitoring are different in highly complex and less complex IGOs—when comparing global IFIs (WB/IFAD) versus global non-IFIs (UNICEF/UNDP/UNEP). And the board designs in subtypes of IGOs—such as development banks (WB) versus non-development banks (IFAD) for global IFIs. Similarly, for global non-IFIs, IGOs focused only on developing countries

(UNICEF/UNDP) versus IGOs catering both developing and developed countries (UNEP) differ as per the extent of their internal distribution problem.

FIGURE 1
Board Designs as per the Complexity and Distribution Problem of IGOs

Organizational complexity

Distribution problem	**High**	**Low**
High	I. Highly complex IGO with high distribution problem (e.g. WB) board size: Large relative board size: Low number of committees: Many executive committee: Yes board secretary: No	IV. Less complex IGO with high distribution problem (e.g. UNEP) board size: Large relative board size: High number of committees: Few executive committee: No board secretary: No
Low	II. Complex IGO with low distribution problem (e.g. IFAD) board size: Small relative board size: Low number of committees: Few executive committee: No board secretary: No	III. Less complex IGO with low distribution problem (e.g. UNDP, UNICEF) board size: Large relative board size: Low number of committees: Few executive committee: No board secretary: Yes

We argue that board designs that facilitate highly effective monitoring fit to certain archetypes of IGOs because of the interplay between organizational complexity and distribution problems arising from different preferences of IGO member states (See Figure 1). More complex organizations require more monitoring (Coles et al. 2008) and the distribution problem arising from different IGO member states' preferences affects IGO design (Koremenos et al. 2001). Drawing on a configurational logic, we build on

our findings to understand how different structural features collectively contribute, rather than individually, to the board's capacity to deal with the complexity and distribution problem of a specific IGO archetype.

4.6.1 Archetype I: Highly complex IGO with high distribution problem

The first archetype is exhibited by the WB, which is a global development bank, an IFI, with high organizational complexity and high distribution problems. Although the configuration is consistent in the subjective dimension of monitoring (Solution 6 in Table 2), the configuration has also scored high in the objective dimension monitoring (4.66) but does not meet the consistency threshold.[3] We consider WB as a highly complex IGO because (i) it is a financial institution which tends to be more complex than ordinary organizations, and (ii) it has a broad scope encompassing multiple missions and wide coverage spanning most countries worldwide. The WB lends to private entities and governments (International Bank for Reconstruction and Development, International Development Association, International Finance Corporation), provides political risk insurance (Multilateral Investment Guarantee Agency), facilitates investor-state dispute resolution (International Center for Settlement of Investment Disputes), and conducts research to produce developmental reports (e.g. policy research and global financial development) and statistical data (e.g. enterprise survey that shows business environment on different countries, world development indicators that compile development data, and doing business data that provide objective measures of business regulations and enforcement all over the world). Hence, we expect that a highly complex organization like the WB will require more monitoring (e.g. Coles et al. 2008; John et al. 2016). Indeed, the WB has many committees that facilitate effective monitoring such as an audit committee for all oversight activities, budget committee for overseeing the preparation and execution of business plans, development effectiveness committee for assessments of developmental projects, and human resources committee for reviewing human resource related policies and strategies. The WB also has an executive committee that monitors the performance of all committees and administrative policies of the board.

Moreover, the WB has many directors perhaps because of the high distribution problem in the WB. The WB caters to all developing countries, which implies more options (as well as competition) for awarding development projects. Koremenos et al. (2001) have argued that the distribution problem increases when there are more options to yield an efficient outcome. And thus, the board of the WB has many directors since more member states strive for a seat in the board to increase the likelihood of influencing development project allocation (Kaja and Werker 2010). An alternative explanation is that more directors also means more sources of expertise to carry out effective monitoring (Hillman & Dalziel, 2003). Yet, although the board has more directors, board size is relatively small compared to total membership size (25 directors versus 188 members) to mitigate coordination problems that may arise from having more decision-making members represented in the board. And a board secretary seems to be no longer necessary because the higher number of directors and the presence of more committees are already sufficient for effective monitoring.

4.6.2 Archetype II. Complex IGO with low distribution problem

The second archetype is exhibited by IFAD, which is a global IFI—but a fund rather than a development bank—with high organizational complexity and low distribution problem. The configuration (Solution 1 in Table 2) shows fewer directors as the core condition, which is consistent with prior research arguing that smaller boards are effective in board functioning because they facilitate better group coordination (Jensen, 1993; Lipton & Lorsch, 1992). IFAD only caters to rural areas in developing countries, whereas the WB covers both rural and urban areas of developing countries and even provides services to developed ones such as investment dispute settlement, political risk insurance, and research statistics and data. Hence, IFAD has lower distribution problem as compared to the WB. A small board that is also relatively small in contrast to total membership (18 directors versus 173 members) is consistent with prior research arguing that less member representation corresponds to reduced distribution problem (Koremenos et al. 2001). Fewer committees and no executive

committee nor a board secretary, finish off a configuration apt for highly effective monitoring of a complex IGO (i.e. an IFI) with low distribution problem.

4.6.3 Archetype III. Less complex IGO with low distribution problem

The third archetype (Solution 2 in Table 2) is exhibited by UNDP and UNICEF, which are global non-IFIs with low organizational complexity and a low distribution problem. UNDP and UNICEF, as development agencies, are less complex compared to (international) financial institutions. Although the UNDP and UNICEF are similar to the WB in that they focus on development assistance, they don't lend but execute projects, and cover fewer economic sectors. Consequently, the UNDP and UNICEF do not have any committees because their boards seem to suffice for monitoring. UNDP and UNICEF also have low distribution problems because they cater only to developing countries. Despite that the absolute number is high, the number of directors is relatively low compared to total membership, which means that there is sufficient reduction of representation in the board to minimize the distribution problem. To mitigate any coordination challenges in performing board functions that may arise from having many directors, the presence of a board secretary is a core condition in this configuration. Indeed, the board secretaries of UNICEF and UNDP are in charge of coordinating agendas, gathering information, and facilitating efficient decision-making that contributes to highly effective monitoring.

4.6.4 Archetype IV. Less complex IGO with high distribution problem

The fourth archetype is exhibited by UNEP, which is a global non-IFI with low organizational complexity and a high distribution problem. UNEP does not have any committees, which fits for its low organizational complexity because of its narrow scope focusing only on environmental programs. However, the board design includes a large board both in absolute and relative terms, since the UNEP has a high distribution problem as it targets both developing and developed countries for its programs and policies. Hence, more member states strive to be part of the board to ensure that their

interests will also be covered during decision making. Interestingly, the board design does not require a board secretary to help mitigate coordination problems among decision makers. Perhaps, the narrow scope of UNEP addressing only global environmental issues enables directors to converge to a common interest easier than those IGOs with broader mandates. IGO member states represented at the board can easily come into agreement, which no longer necessitate an auxiliary body of the board—either a board secretary or an executive committee—to facilitate decision making and monitoring. Indeed, the change in the configuration to include the presence of an auxiliary body for this archetype results in less effective monitoring (as demonstrated, in Solutions 7 and 8, by WHO, FAO, and UNHCR who have similar organizational characteristics as UNEP).

4.6.5 Board Designs for the subjective dimension of monitoring effectiveness

As we analyze the configurations of board designs that generate highly positive stakeholder perceptions, results show that stakeholders also generally capture the objective dimension of monitoring. The board designs that facilitate highly effective monitoring in Solutions 1 and 2 are logically equivalent to board designs that generate perceptions of highly effective monitoring in Solutions 4 and 5. And Solution 6 with a high score in the subjective dimension also scores highly in the objective dimension. In a similar vein, the board designs of IGOs that inhibit effective monitoring are also likely to generate perceptions of less effective monitoring (as demonstrated by WHO, FAO, and UNHCR in Solutions 7 and 8 compared to Solutions 9 and 10).

However, there is also a possibility of tradeoffs between the objective and subjective dimensions of monitoring. A board design facilitating highly effective monitoring can also generate negative perceptions from stakeholders (e.g. UNEP). One of the core conditions explaining this result is the presence of a large relative board size in the configuration. Although distribution problem can be mitigated with larger member state representation at the board, there is the possibility of increasing uncertainty

from differences of preferences among member states that can negatively impact organizational outcomes (Koremenos et al. 2001). And we find that stakeholders capture higher uncertainty as shown by UNEP's low subjective ratings. In addition, the combination of many directors and without a board secretary may signal inefficient board processes that contribute to less encouraging stakeholder perceptions.

Meanwhile, it is also possible that board designs attract positive perceptions from stakeholders while inhibiting effective monitoring. For instance, UNAIDS scored adequately (4.45) on the subjective dimension of monitoring because stakeholders perceive that its board design—that combines many directors but small relative to membership size (22 directors versus 189 members), more committees including an executive committee, and the presence of a board secretary—fits with its low organizational complexity and high distribution problem. However, this configuration inhibits effective monitoring (scored 2.66). Perhaps the combination of more directors but relatively small compared to membership size and a board secretary fits with its high distribution problem to attract positive stakeholder perceptions. However, having more committees including an executive committee does not fit in a less complex IGO; hence, resulting in less effective monitoring.

4.7 Discussion & Conclusion

Our aim in this paper is to explore the governance of an important piece of the global governance system: IGOs. To do so, we study the boards of 13 IGOs under the UN system by systematically identifying their different board designs, and analyzing how these board designs facilitate highly effective monitoring. As we perform our research, we contribute to the IGO and global governance literatures in several ways.

First, we produce a typology of governance in IGOs, who lack external or institutional arrangements that determine their governance structure. Our findings in this study

should help scholars identify both effective and dysfunctional governance designs in IGOs other than those under UN oversight.

Second, we conduct the foremost systematic empirical study of IGO boards. We highlight the importance of boards to mitigate and control the agency problem through effective monitoring of senior management in IGOs, as suggested by the corporate governance literature. There is limited research on IGO boards and there are no studies investigating their role in monitoring. Hence our study fills this void in the literature by providing empirical evidence linking board designs and monitoring in IGOs.

Third, we contribute to the growing literature using a configurational approach in studying organizations. As we follow Misangyi and Acharya's (2014) suggestion to using a configurational approach in studying board characteristics, our study directly addresses their call by focusing particularly at the board level and combining different features of board structure—such as board committees and board secretaries—omitted in prior research that alter board designs, and their corresponding effect to the monitoring function. We underscore the importance of board structure especially to IGOs because it is the visible aspect of board designs that is susceptible to external pressures (Carter &Lorsch, 2004).

Fourth, our configurational approach reveals that there are multiple paths to achieve effective monitoring in IGOs. Our empirical findings provide evidence of equifinality and causal asymmetry, supporting prior research arguing that board characteristics should be analyzed in bundles, rather than individually, because they may be functionally equivalent on their relationships with organizational outcomes (Desender et al. 2013). We have found that different configurations follow certain archetypes of IGOs for effective monitoring, which will depend on the interplay between the complexity of the organization (Coles et al. 2008) and the extent of distribution problem arising from difference of preferences among member states as decision makers in IGOs (Koremenos et al. 2001). The combination of organizational complexity and the difference of preference of principals has not been accounted for in previous

research in corporate governance; thus, limiting the applicability of previously known relationships of governance mechanisms to IGOs.

Fifth, as we operationalize the effectiveness of monitoring in IGOs into two dimensions, we have found that stakeholders generally capture if board designs are highly effective in monitoring. We have directly compared the configurations of board designs in the objective and subjective dimensions, following a similar analysis of Pearce and Zahra's (1991) study operationalizing organizational performance in similar dimensions. The comparison is important for IGO leaders to identify which configurations to adopt when designing the board to facilitate monitoring effectiveness in both dimensions. This is because it is possible to have tradeoffs between the objective and subjective dimensions of monitoring effectiveness.

2.7.1 Limitations and Future Research

As an initial attempt to explore configurational relationships between board designs and highly effective monitoring in IGOs, this study is subject to limitations that can be examined in future studies. First, we conducted the study on a small sample size—13 cases—in which the number of cases may limit the generalizability of our findings. Our sample consists of IGOs under the UN system, which enhances the comparability and internal validity of our findings. However, we encourage future analysis in larger sample size studies to expand this study's generalizability and to corroborate our findings to other types of IGOs especially those other IGOs under the UN system, those IGOs that do not belong to the UN system, or regional IGOs.

Second, we only examined configurations of board designs relating to the features of board structure. Future research might also explore other elements of board designs related to director composition (e.g. expertise, social capital, and busyness) and selection, and processes (e.g. frequency of board meetings and involvement in committees). Although corporate governance research has begun analyzing the combination of structure and processes in a single study (e.g. McDonald & Westphal,

2010), combining all three elements (structure, composition, and processes) might be particularly interesting to explore.

Third, it is likely that beyond the features of board structure, other endogenous aspects (e.g. team dynamics and strategies) and exogenous factors (e.g. culture, media, power, and political factors) affect monitoring. In QCA, the number of cases in the sample limits the number of explanatory conditions that can be included in the analysis (Greckhamer et al. 2013). Future studies using a larger sample might be able to include more explanatory conditions to conduct a more comprehensive configurational analysis.

Fourth, we have operationalized our outcome of interest using a structural mechanism for evaluating performance that indicates monitoring by the boards. Future research can look at other measures of monitoring by evaluating the actual processes on how the boards effectively perform monitoring in practice.

Finally, among other goals, this study explores the governance of an alternative organizational form: IGOs. Understanding how IGOs can be governed to mitigate the agency problem that may arise from misalignment of interests between the member states and senior management is important because IGOs have an extensive impact to a wide array of stakeholders spanning across transnational borders. And IGOs govern the institutional arrangements responsible for policy making where different organizations operate (e.g. Shaffer, 2015). While we suggest that the board designs we have identified are specific to IGOs, particularly those under the UN system, future studies should test whether our findings also permeate to other IGOs, business and public entities, international joint ventures, and nongovernmental and nonprofit organizations.

4.8 References

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4.9 Endnotes

[1] A board with a two-tier system is divided into a management board and a supervisory board. The management board may comprise both insider and outsider directors that oversee the decisions and actions of senior managers, whereas the supervisory board only consists of outsider directors that oversee both the management board and the senior managers.

[2] The "secretariat" referred here is an auxiliary body that exclusively serves the board, and not the secretariat of the IGO that is the bureaucratic structure representing the executives of an IGO.

[3] We have included the board design of the WB because it demonstrates how the configuration fits with this archetype to be effective in monitoring.

4.10 Appendix

Table A1
List of Criteria per Micro-indicator for Monitoring Effectiveness

	Micro-indicator	Criteria
1	Existence of an independent evaluation unit	An organization-wide central evaluation unit or function exists.
		An organization-wide evaluation policy exists, which includes guidance on how the IGO is to conduct independent evaluations.
		There is evidence in reports being submitted by the organization-wide evaluation unit or function to those responsible for independent evaluations.
		The organization-wide evaluation unit has a direct reporting function to those responsible for independent evaluations.
		The central evaluation unit has a direct reporting function to the IGO's Executive Board.
2	The evaluation function provides sufficient coverage of the IGO programs	An organization-wide evaluation policy or plan exists and is corporately approved which identifies the need for independent evaluations of projects and programs.
		The policy or plan defines the evaluation coverage of projects and programs (i.e., the number or percentage of projects/programs requiring evaluations of *any type*) or it clearly explains how evaluations are planned and prioritized.
		The policy or plan defines the amount or % of programming (or % of expenditures) that needs an *independent* evaluation.
		Recent independent evaluation reports are available for *at least half of the* countries sampled.
		Reports of independent evaluations exist for *all* countries sampled. Note: If COMPAS data are available, we will refer to it in the report.
3	Quality of the evaluations	The IGO has a policy/procedures for the quality control of its evaluations.
		The IGO implemented the quality control procedures (i.e. reviewed its evaluations) within the past five years.
		There is evidence (in the reports on the quality of evaluations/review of evaluations) that the IGO is respecting relevant evaluation standards (e.g. UNEG standards, DAC standards, ECG standards) in its centralized and decentralized evaluations.
		The reviews of the IGO's evaluations (i.e. the reports on the quality of evaluations) cover organization-wide, country and project level evaluations.
		There is evidence that the IGO's evaluation practices have changed as a result of the review of evaluations.

Table A2
Raw Data and Descriptive Statistics

		Conditions (Features of board structure)					Outcome (Monitoring effectiveness)		Number of members	IFI‡
	IGOs†	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**	**Objective**	**Subjective**		**Yes/No**
1	FAO	50	0.26	3	1	0	4.33	4.37	194	No¶
2	IFAD	18	0.10	2	0	0	5.00	4.79	173	Yes¶
3	UNAIDS	22	0.12	1	1	1	2.66	4.45	189	No§
4	UNDP	36	0.20	0	0	1	4.50	4.60	177	No§
5	UNEP	58	0.36	0	0	0	5.00	4.11	163	No§
6	UNFPA	36	0.20	0	0	1	4.25	4.44	179	No§
7	UNHCR	94	1.00	1	1	0	2.75	4.11	94	No§
8	UNICEF	36	0.19	0	0	1	4.66	4.39	190	No§
9	UNRWA	27	1.00	0	1	1	3.00	3.77	27	No§
10	UNW	41	0.21	0	1	1	4.75	4.76	193	No§
11	WFP	36	0.19	1	0	0	4.00	4.35	194	No§
12	WHO	34	0.18	5	1	0	3.00	4.04	194	No¶
13	WB	25	0.13	4	1	0	4.66	4.76	188	Yes¶
	Maximum Ambiguity	21	0.205				4.49	4.49		

Notes:
(1) High absolute board size
(2) High relative board size
(3) More board committees
(4) Executive committee
(5) Board secretary
†See Table 1 for the full titles of IGOs.
‡International Financial Institution
§UN program
¶UN specialized agency

Table A3
Truth Table—Highly Effective in Monitoring

Conditions					Outcome		Consistency			
(1)	(2)	(3)	(4)	(5)	Objective	N	Raw	PRI	SYM	Cases†
0	0	0	0	0	1	1	0.97	0.95	0.95	IFAD
1	1	0	0	0	1	1	0.93	0.90	0.90	UNEP
1	0	0	0	1	1	3	0.93	0.74	0.74	UNDP, UNFPA, UNICEF
1	0	0	0	0	0	1	0.75	0.59	0.59	WFP
1	0	1	1	0	0	2	0.66	0.34	0.34	WHO, WB
1	1	0	1	1	0	2	0.55	0.38	0.38	UNRWA, UNW
1	0	0	1	1	0	1	0.54	0.40	0.40	UNAIDS
1	1	1	1	0	0	1	0.53	0.00	0.00	FAO
1	1	0	1	0	0	1	0.50	0.00	0.00	UNHCR

Notes:
(1) High absolute board size
(2) High relative board size
(3) More board committees
(4) Executive committee
(5) Board secretary
†See Table 1 for the full titles of IGOs.

Table A4
Truth Table—Perceived as Highly Effective in Monitoring

Conditions					Outcome		Consistency			
(1)	(2)	(3)	(4)	(5)	Subjective	N	Raw	PRI	SYM	Cases†
0	0	0	0	0	1	1	1.00	1.00	1.00	IFAD
1	0	0	1	1	1	1	0.97	0.91	0.91	UNAIDS
1	0	0	0	1	1	3	0.91	0.53	0.59	UNDP, UNFPA, UNICEF
1	0	0	0	0	1	1	0.87	0.53	0.62	WFP
1	1	1	1	0	0	1	0.87	0.13	0.20	FAO
1	0	1	1	0	1	2	0.82	0.57	0.57	WHO, WB
1	1	0	1	1	0	2	0.75	0.53	0.53	UNRWA, UNW
1	1	0	1	0	0	1	0.74	0.09	0.10	UNHCR
1	1	0	0	0	0	1	0.67	0.00	0.00	UNEP

Notes:
(1) High absolute board size
(2) High relative board size
(3) More board committees
(4) Executive committee
(5) Board secretary
†See Table 1 for the full titles of IGOs.

Table A5
Truth Table—Less Effective in Monitoring

Conditions					Outcome		Consistency			
(1)	(2)	(3)	(4)	(5)	~Objective	N	Raw	PRI	SYM	Cases†
1	1	0	1	0	1	1	1.00	1.00	1.00	UNHCR
1	1	1	1	0	1	1	0.95	0.90	1.00	FAO
1	0	1	1	0	1	2	0.82	0.66	0.66	WHO, WB
1	0	0	0	1	0	3	0.80	0.26	0.26	UNDP, UNFPA, UNICEF
1	1	0	1	1	0	2	0.72	0.62	0.62	UNRWA, UNW
1	0	0	1	1	0	1	0.70	0.60	0.60	UNAIDS
1	0	0	0	0	0	1	0.64	0.41	0.41	WFP
1	1	0	0	0	0	1	0.38	0.09	0.09	UNEP
0	0	0	0	0	0	1	0.38	0.05	0.05	IFAD

Notes:
(1) High absolute board size
(2) High relative board size
(3) More board committees
(4) Executive committee
(5) Board secretary
†See Table 1 for the full titles of IGOs.

Table A6
Truth Table—Perceived as Less Effective in Monitoring

Conditions					Outcome		Consistency			
(1)	(2)	(3)	(4)	(5)	~Subjective	N	Raw	PRI	SYM	Cases†
1	1	0	1	0	1	1	0.95	0.82	0.90	UNHCR
1	1	1	1	0	1	1	0.93	0.52	0.80	FAO
1	1	0	0	0	1	1	0.88	0.64	1.00	UNEP
1	0	0	0	1	0	3	0.88	0.38	0.41	UNDP, UNFPA, UNICEF
1	0	0	0	0	0	1	0.81	0.33	0.39	WFP
1	0	1	1	0	0	2	0.76	0.43	0.43	WHO, WB
1	1	0	1	1	0	2	0.72	0.47	0.47	UNRWA, UNW
1	0	0	1	1	0	1	0.69	0.09	0.09	UNAIDS
0	0	0	0	0	0	1	0.57	0.00	0.00	IFAD

Notes:
(1) High absolute board size
(2) High relative board size
(3) More board committees
(4) Executive committee
(5) Board secretary
†See Table 1 for the full titles of IGOs.

5

General conclusions and future research

The effectiveness of IGOs in pursuing their mandates has become a growing issue over the past several years, given their widespread impact on global interests that can only be addressed through collective action. With the increasing number of IGOs failing to meet expectations or being perceived to be less effective, this thesis argues that understanding the challenge for collective action helps to determine what should be done to initiate changes geared toward better outcomes.

Before beginning this research, an argument that this thesis offers is that governance is one of the key ingredients for IGOs to perform better. Governance has been argued and found to improve the effectiveness of organizations in the literature. Yet, governance in IGOs remains understudied. In this regard, the main aim of this doctoral thesis is to identify how can IGOs be governed to improve their organizational

performance. This thesis has found that governance indeed matters in IGOs in terms of improving their organizational performance and it offers ways to enhance the effectiveness of IGO governance. Accordingly, Essays I and II of this thesis focus on strategy making in IGOs, where Essay I proposes a framework of strategic planning to develop better strategic plans in order to improve IGO performance and Essay II identifies the configurations of board activism that can be conducive to effective strategy making. Further, Essay III focuses on monitoring in IGOs, where configurations of board designs have been identified that might explain varying levels of monitoring effectiveness in IGOs.

This thesis has also argued that governance in IGOs is likely different from that in other types of organizations because of three organizational features: the difficulty in measuring their performance; their lack of external regulatory and legal requirements that govern them, and the composition of their principals. Hence, the three essays in this thesis tackle these three features that may alter IGO governance mechanisms. In Essay I, an IGO organizational performance framework has been developed to help elucidate how to formulate strategies and evaluate IGOs. Meanwhile, in Essay II and III, the focus is on the boards of IGOs, which serve as a critical internal governance mechanism for strategy making and monitoring. Finally, all three essays have discussed how the preferences of member states (as principals) change the direction and board design of IGOs.

In this section, the findings from the essays comprising this doctoral thesis are synthesized. Their theoretical implications are expounded to converse broadly with the current streams in the literature. Moreover, the findings are discussed on how they can be useful for practitioners. Finally, the limitations are presented and prospective avenues are suggested for academic research.

5.1 Strategy making in intergovernmental organizations

One key conjecture that this doctoral thesis conveys concerns the role of strategy making in IGO governance. Strategy making involves the determination of organizational goals and the formation of a plan to achieve such goals by adopting courses of actions and allocating the necessary resources (Andrews, 1971; Chandler, 1962). This thesis argues that effective strategy making in IGOs entails proper alignment of organizational direction and stakeholder needs, particularly those of the member states. Consequently, this alignment guides IGO managers to prevent deviating from member states' expectations. Moreover, when there is effective strategy making, we can expect that IGOs will likely also reap benefits, including better organizational outcomes (e.g., Hart, 1992; Hart & Banbury, 1994). Indeed, prior research has found that strategy making is positively related to firm performance (e.g., Miller, 1987; see also the review of Miller & Cardinal [1994] on strategic planning).

In IGOs, the challenge concerns how strategies are devised to achieve specific goals. IGOs typically are restricted not only by the mandates established by their member states but also by the expectations of their wider array of stakeholders. In the first essay in Chapter 2 of this thesis, a framework that guides how IGO chief executives—with some participation of IGO boards—can effectively devise strategic plans to improve decision making, increase organizational performance, and enhance legitimacy has been developed. The framework proposes that different organizational design features will determine the type of strategy (member-driven strategies, results-driven strategies, and environment-driven strategies) to be formulated and suggests that strategic planning approaches should be combined when strategies are devised. Ultimately, the framework aims to improve strategy making through the effective use of strategic planning approaches in IGOs, which eventually should also improve their organizational performance. Hence, the framework reinforces the argument of this thesis that strategy making may indeed serve as a governance mechanism in IGOs by aligning the direction of the organization with its mission, principal interests, and stakeholder needs and expectations.

5.2 Monitoring in intergovernmental organizations

Another compelling takeaway from this doctoral thesis concerns the role of monitoring in governing IGOs. Prior research suggests monitoring as one of the means to mitigate the agency problem in organizations (Fama & Jensen, 1983) because it reduces agency costs, which can eventually improve organizational performance (Fama, 1980; Zahra & Pearce, 1989). Indeed, scholars who have studied IGOs under agency theory contend that IGO principals establish *ex post* monitoring and control requirements to reveal information about agents' actions (Hawkins, Lake, Nielson, & Tierney, 2006). However, research on monitoring in IGOs focuses on "police patrols" through continued monitoring by the principal themselves or through "fire alarms" through the reporting of agency slack by third parties (McCubbins & Schwartz, 1984), which are likely to produce bureaucratic drift that negatively affects organizational performance (Shepsle & Bonchek 1997). This thesis argues that boards constitute as the alternative effective and efficient means of monitoring in IGOs.

Monitoring by the board is even greater for IGOs because they lack external mechanisms that facilitate monitoring, and IGO principals are typically dispersed around the world, which prevents them from efficiently and effectively monitoring senior executives. Yet, despite the importance of this subject, there is almost no research on the role of IGO boards in monitoring (e.g., Martinez-Diaz, 2009). In this thesis, the focus is on boards by identifying the mechanisms affecting monitoring in IGOs. In Chapter 4, the board designs have been analyzed to explain how they may facilitate or inhibit effective monitoring in IGOs. Evidence has also been provided to demonstrate how board design may explain the perceptions of stakeholders regarding the effectiveness of monitoring in IGOs. Thus, this thesis provides empirical evidence supporting the argument that boards also matter in IGOs.

5.3 The boards of intergovernmental organizations

Although the arguments on how to govern IGOs in this thesis are centered on strategy making and monitoring in IGOs, the underlying governance mechanism that this thesis underscores is the role of IGO boards. This thesis supports prior literature arguing that the board is a critical governance mechanism in organizations (John & Senbet, 1998). IGO boards have similar importance to boards in other organizations in terms of governance, or their importance may even be greater, since IGOs lack external mechanisms to ensure that they act pursuant to the mandates established by their member states and the expectations of their large pool of stakeholders. The importance of boards in IGOs was epitomized during the recent negotiations regarding the reform of the International Monetary Fund in 2010 and the creation of Asian Infrastructure Investment Bank in 2015, where one of the main agendas in the meetings concerned the designs and functions of boards (Beaulieu & Dobson, 2015; Woods, 2010). However, research on IGO boards remains elusive. Only three studies in the literature have focused on IGO boards (Hexner, 1964; Kaja & Werker, 2010; Martinez-Diaz, 2009). For this reason, this thesis has explored IGO boards to demonstrate how their characteristics affect how they effectively perform their functions—particularly strategy making and monitoring—which ultimately affect their organizational performance.

Two conclusions are drawn regarding the boards of IGOs in this thesis. First, the boards of IGOs should be designed to fit with the characteristics of the organization in order to facilitate highly effective board functioning. This thesis has found two organizational characteristics to be considered when designing an IGO board: organizational complexity and the extent of distribution problem. Organizational complexity, indicated by the scope and coverage of IGO mandates, has emerged in the analysis as a determinant of the difference between effective and ineffective board designs regarding board functioning. Using a set of board characteristics, different board designs—through configurations of board structure and board activism (Carter &

Lorsch, 2004)—have been identified. The results show that the board designs of highly complex IGOs are very different from the board designs of less complex IGOs. Hence, there are different ways regarding how to structurally design IGO boards or how to make them active to facilitate highly effective board functioning. On the other hand, the extent of distribution problem affects the effectiveness of monitoring in IGOs. A distribution problem refers to the number of options available to yield an efficient outcome that may arise from a difference in preferences among member states (Koremenos, Lipson, & Snidal, 2001), and this thesis has found that the board design depends on the interplay of the extent of the distribution problem with the organizational complexity of an IGO to perform effective monitoring.

Second, there are board designs in IGOs that create barriers inhibiting effective board functioning. For instance, boards that are somehow active and that have a high number of board directors are less effective in monitoring and strategy making in less complex organizations (e.g., United Nations High Commissioner for Refugees [UNHCR], United Nations Relief and Works Agency for Palestinian Refugees in the Near East [UNRWA], and World Health Organization [WHO]). Perhaps a barrier for information processing is produced when there are more decision makers in an IGO with a focused and limited scope. Moreover, heterogeneity among principals may also increase as the number of member states grows, which results in uncertain outcomes (Koremenos et al. 2001). A high number of directors indicates a high representation of member states, which may also increase uncertainty within the board, resulting in inefficient decision making. Further, perhaps as boards tend to be active, they may lose their ability to monitor management because of their proximity to operations, which can blossom into social ties between them and the management and thus be detrimental to board functioning. Hence, board design can become a barrier to effective board functioning in various ways.

5.4 Theoretical contributions

As of the writing of this thesis, no studies have examined how IGOs formulate and use strategies, even though many of them may have publicly available strategic plans. Hence, this doctoral thesis is among the first to explore strategy in IGOs that unlocks a promising avenue for future strategy research in such organizations (as demonstrated in an article of Chorev [2013] showing that the WHO engages in strategic behavior to advance its own bureaucratic agendas and in the study of Barnett & Coleman [2005] arguing that IGOs have different strategies to survive). Drawing from the functionalist perspective of IGOs (Mitrany, 1948), this thesis contends that IGOs are more than merely arenas for member states to convene or an instrument to pursue member states' self-interests. Rather, IGOs have the autonomy and capacities to participate in international forums (e.g., Henkin, 1969), influence state behaviors (e.g., Donno, 2010; Kelley, 2004; Pevehouse, 2002), and initiate collective actions (e.g., Eberlein & Newman, 2008; White, 1999). For instance, the IMF can impose conditionalities when providing bailouts to countries and thus influence state activities. Moreover, the International Civil Aviation Organization frames standards for the airline industry to provide regulations, procedures, and information about all airspace and airports on each country; thus, it not only influences state behaviors but also promotes global cooperation. Considering these capacities of IGOs, IGOs are then able to establish specific goals that can effectively be materialized through strategic behavior (e.g., Borras & Radaelli, 2011), and one aspect of strategic behavior is the formulation of strategies (Mintzberg, Ahlstrand, & Lampel, 2005). With the dispersed existing strategy research on IGOs, this thesis can invoke interest within the academic community to conduct strategy research on IGOs.

Meanwhile, extant research on governance in IGOs has primarily focused on member states as the plenary and/or the secretariat (e.g., Bauer, 2006; Blake & Payton, 2015; Elsig, 2011; Ingram, Robinson, & Busch, 2005; Kille & Scully, 2003; Meltzer, 1976; Saz-Carranza, 2016). International relations scholars have already recognized that the principal-agent relationship between member states and IGOs can produce an agency

problem (e.g., Gutner, 2005; Hawkins et al. 2006; Lake, 2007; Nielson & Tierney, 2003), and previous studies have examined the delegation of duties to secretariats by member states (e.g., Hooghe & Marks, 2015; Koremenos et al. 2001). However, the governance structure of IGOs is beyond the plenary and secretariat (comparable to the shareholders and the top management team/CEO in corporate entities). One important missing piece of the governance puzzle in IGOs concerns boards, which have been overlooked in the literature. Indeed, there is still scarce research on IGO boards (Hexner, 1964; Kaja & Werker, 2010; Martinez-Diaz, 2009), where no study has examined the effects of IGO boards in governance. This thesis contributes to this gap in the literature by showing how IGO boards play a crucial role in IGO governance, as they participate in strategy making and perform monitoring that mitigates the agency problem in IGOs. This thesis builds on Martinez-Diaz's (2009) work on IGO boards and extend his work by exploring how board characteristics are associated with specific board functioning that affects organizational performance. In this regard, the tenets of corporate governance research have been used to study IGO boards. Hence, the empirical findings in Essays II and III of this thesis also relate to the corporate governance literature, wherein the theoretical underpinnings proposed in this thesis can draw systematic attention to IGO boards in future research.

Furthermore, the essays comprising this thesis adopt the configurational perspective in studying IGOs. Scholars have argued that the traditional contingency approach using a reductionist analysis of unidirectional linear relationships may not capture the state of the reality of complex phenomena in organization studies (Meyer, Tsui, & Hinings, 1993). Therefore, a configurational perspective can provide a comprehensive understanding of organizations because it allows us to analyze how different elements may reinforce each other to produce certain relationships. This thesis has demonstrated how a holistic approach to examining the elements of governance can build theories that may resolve contradictory findings in the literature (e.g., Aguilera, Filatotchev, Gospel, & Jackson, 2008; Boivie, Bednar, Aguilera, & Andrus, 2016; Desender, Aguilera, Crespi, & Garcia-Cestona, 2013). For instance, results have shown that group-level characteristics—i.e., board structural characteristics—should be analyzed with organizational-level characteristics to better understand how

governance structure is associated with organizational outcomes. In Essay II, different configurations of board activism and the varying degrees of organizational complexity explain why some IGOs are better at strategy making than others. Similarly, in Essay III, different combinations of board structural characteristics—and the interplay between organizational complexity and the distribution problem in IGOs—explain why some IGOs are better at monitoring than others. Further, by using a configurational approach, complementarity and substitution among board characteristics have been untangled, as previously suggested by Misangyi and Acharya (2014). Moreover, Essay I has argued for a configurational perspective when choosing the appropriate strategic planning approach to devise strategies. Essay I has proposed to combine two distinct strategic planning approaches while considering two organizational design features in strategy making, and it contends that there are different combinations of strategic planning approaches that will be effective in strategy making to improve organizational performance (e.g., Bryson, 2011). In addition, using a configurational approach allows also this thesis to explore the complementarity of different theories to explain the relationships that are intended to be understood. For instance, Essays II and III have used the information-processing perspective, that integrates agency theory and resource dependence theory (Hillman & Dalziel, 2003), to explain why certain board designs are associated with effective strategy making and monitoring. Similarly, in Essay I, the rational-design perspective has been integrated with stakeholder and institutional theories to propose the combination of two strategic planning approaches for stakeholder-driven strategies. Therefore, the three essays in this thesis support and urge for the use of a configurational perspective in building more nuanced theories for organization studies.

Moreover, this thesis contributes to the use of a configurational approach as a method in conducting research on organizations. The analyses in Essays II and III are performed using Qualitative Comparative Analysis (QCA) on a small sample size. QCA has already been used to conduct configurational analyses in previous studies, including those in corporate governance research. Yet, studies on corporate governance have used larger sample sizes (e.g., 198 cases for Bell, Filatotchev, & Aguilera, 2014; 363 cases for Garcia-Castro, Aguilera, & Ariño, 2013; and 1135 cases for Misangyi & Acharya, 2014).

Essays II and III of this thesis use 16 and 13 cases in the analysis, which demonstrate the strength of conducting an inductive approach in theory building for a small size sample in comparative research (e.g., 32 cases analyzed by Haxhi & Aguilera, 2016). A smaller sample takes advantage of the deeper knowledge of the cases to link back to the configurations that emerge from the analyses. Therefore, the essays provide empirical support for our theoretical expectations and for nuance theories that can be explored or tested in future studies.

In addition, an IGO organizational performance framework has been developed in Chapter 2 of this thesis. In this way, the thesis has built on the work of Gutner and Thompson (2010), who elaborate the politics of organizational performance in IGOs. Prior research has shown that measuring organizational performance in IGOs is quite challenging because there are multiple sources (Gutner & Thompson, 2010). For instance, Pollack and Hafner-Burton (2010) suggest using output-based measures, whereas Abbott and Snidal (2010) suggest using process-based measures through orchestration. Hurd (2008) further argue that the UN may be concerned about the perceived legitimacy of its Security Council. Considering these sources of organizational performance in IGOs suggested by international scholars, a framework suggesting that organizational performance in IGOs is characterized by four types (process, output, outcome, and impact) and two dimensions (real and perceived) has been proposed. This framework is particularly important during strategy making, since one of the key elements of strategy making is to identify and set clear, concise, and measurable goals and objectives that correspond to the intended organizational performance. Moreover, to illustrate the utility of the framework in understanding IGO organizational performance, the relationship of one governance mechanism (board design) and one measure of organizational performance (monitoring effectiveness) has been analyzed in Chapter 4 of this thesis. Monitoring effectiveness has been operationalized by using its real and perceived dimensions, and the results show that there may be tradeoffs between the real and perceived dimensions of monitoring effectiveness, which is significant in IGOs because the perceived dimension of organizational performance may be equally important to the actual performance of such organizations. Therefore, this thesis provides a guiding framework for academics

and practitioners in identifying which box fits their conceptualization and measurement of IGO organizational performance. Indeed, management research has long recognized the difficulty of operationalizing organizational performance (Campbell, McCloy, Oppler, and Sager 1993; Richard, Devinney, Yip, and Johnson 2009), and the dichotomy of real and perceived dimensions of organizational performance has already been examined in prior research (e.g., Desender et al. 2013; Judge & Zeithaml, 1992; Pearce & Zahra, 1991). Although the framework that have been proposed in this thesis describes the organizational performance of IGOs, it may also be applicable to other types of organizations that consider performance beyond profitability measures (e.g., nonprofit organizations and governmental agencies).

5.5 Managerial implications

Aside from its contributions to theory, this doctoral thesis offers three principal implications for practitioners. First, this thesis has built a strategic planning framework suggesting that IGOs should consider different organizational features when choosing the appropriate strategic planning approaches during strategy making to formulate better organizational strategies. In line with the concept of equifinality, this thesis contends that there is no on-size-fits-all strategic planning approach for IGOs (Bryson & Roering, 1987). Rather, there are multiple ways to devise strategies—contingent on the different types of strategies that an IGO intends to formulate and IGO organizational features that affect specific aspects of the strategy planning process. The framework suggests that complementary strategic planning approaches should be combined with careful consideration of IGO organizational design features. In addition, practitioners may use different combinations of strategic planning approaches at the same time or at different moments in time, which will depend on their member preferences, intended results, and environmental needs.

Although practitioners given the task of strategy making—which can benefit from the framework that has been proposed in this thesis—are CEOs and other chief executives,

boards may also benefit from knowing how to devise better strategies. Research has shown that one of the fundamental roles of boards is to participate in strategy making (Carter & Lorsch, 2004; Judge & Zeithaml, 1992; McNulty & Pettigrew, 1999). Boards can influence strategies by shaping a company's vision, mission, and values (McNulty & Pettigrew, 1999) and by establishing goals (Hendry & Kiel, 2004). Boards can also provide resources and advice during strategy making (e.g., Forbes & Milliken, 1999; Zahra and Pearce, 1989) by scanning the environment for opportunities and setting the boundaries of strategies (Stiles & Taylor, 2001). Moreover, boards perform a strategic control function during strategy making by setting the conditions for the strategy process, evaluating the strategy content, proposing and evaluating alternatives, and supervising the progress of strategy formulation (Hendry & Kiel, 2004). Hence, this thesis can also be useful to IGO boards, since directors may use the strategic planning framework that has been proposed in Chapter 2 to guide IGO CEOs and chief executives in formulating better strategies.

The second managerial implication of this thesis concerns the board design of IGOs. Results show that there are multiple ways to design IGO boards to facilitate effective board functioning. Research has argued that altering the organizational design—which includes the board design—constitutes strategic behavior (Greenwood & Hinings, 1988). Therefore, this thesis argues that practitioners can modify the organizational design to introduce strategic changes corresponding to organizational needs. Essays II and III in Chapters 3 and 4, respectively, present different board designs of IGOs that are associated with highly effective strategy making and monitoring. To facilitate effective board functioning, the board designs should fit certain organizational features of the IGO. For instance, Essay II suggests that the boards of highly complex IGOs should be more active and that boards of less complex IGOs should be less active to enable effective strategy making. Moreover, Essay III suggests that there are multiple ways to structure the board to correspond with different types of IGOs, which are determined by the interplay of organizational complexity and the extent of the distribution problem in these organizations.

Knowing how to design the board to facilitate effective board functioning may help practitioners evaluate whether the board design of their organization fits with the overall organizational features. The findings from this thesis can provide guidelines for practitioners concerning which aspects of board design should be modified. To illustrate how practitioners can use the findings from this thesis, an analysis of the board design of less complex IGOs that are less effective in strategy making can be performed (see Solution 3 in Table 2 of Chapter 3 in page 87), in which the UNHCR, UNAIDS, and UNRWA have an auxiliary body on their board. Similarly, the board design of less complex IGOs that are less effective in monitoring (see Solutions 7 and 8 in Table 2 of Chapter 4 in page 124) shows that there is an executive committee (which is the same as the auxiliary body) on the board. Perhaps, the presence of an auxiliary body may no longer be needed to facilitate effective strategy making and monitoring in these IGOs because of their low complexity. Indeed, results have shown that boards of less complex IGOs effective in strategy making and monitoring do not have an auxiliary body (e.g., UNICEF and UNEP in Table 2 of Chapter 3 in page 87 and in Table 2 of Chapter 4 in page 124). Therefore, practitioners can alter the board design of their organizations by removing the auxiliary body to help facilitate better strategy making and monitoring.

The third managerial implication of this thesis concerns the possibility of tradeoffs between the real and perceived dimensions of organizational performance. The tradeoffs are particularly important for IGOs, since IGOs are concerned with not only their actual effectiveness but also the perceptions of their stakeholders who provide the resources necessary for their operations and survival. The focus of this thesis is on board structure to illustrate the dichotomy of organizational performance because it is a visible element of board design that is susceptible to external pressure (e.g., Carter & Lorsch, 2004). Although the findings show that stakeholders generally capture whether an IGO has effective monitoring in place, the results show that this is not necessarily the case for all board designs. The results of Essay III in Chapter 4 show that some board designs in IGOs assessed as highly effective in monitoring are perceived by stakeholders as less effective in monitoring. Similarly, some board designs associated with positive perceptions of stakeholders are assessed as less effective in monitoring.

Therefore, this thesis not only provides practitioners with different configurations of board designs that can be conducive to both the real and perceived dimensions of monitoring effectiveness but also presents some board designs that can be conducive to one dimension but detrimental to another dimension. Practitioners are then furnished with options that enable them to choose the best fitting board design depending on whether their organization prioritizes their actual effectiveness in monitoring or the perceptions of their stakeholders.

Apart from IGOs, the dichotomy of organizational performance may also be useful to other organizations that operate in the nonmarket environment. For instance, governmental agencies, charitable institutions, and other entities that are classified under the umbrella of nonprofit organizations also consider both their actual performance and their legitimacy to operate and survive. Perhaps in some cases, one dimension of organizational performance may outweigh the other in priority. Therefore, this thesis can also provide insights and guidance on their organizational designs regarding how to address either or both dimensions of organizational performance.

5.6 Limitations and future research

This research is the first comprehensive study that has specifically concentrated on governance in IGOs, particularly on strategy making and monitoring in such organizations. Notwithstanding, this doctoral thesis entails limitations. First, this thesis has used a functionalist approach in studying IGOs, where the focus are on efficiency and effectiveness as the goals of IGOs. Yet, another stream of research uses a constructivist approach in understanding IGOs. Future research can delve into the social and political understanding of state actors when creating or joining IGOs. Moreover, an interesting avenue would be to use both the functionalist and constructivist approaches to study IGOs, which follows Fearon and Wendt (2002) who argue that functionalism and constructivism are complements rather than competitors

in understanding IGOs and a study of Nielson, Tierney, and Weaver (2006) that bridges the functionalist-constructivist divide to explain institutional changes at the World Bank. Hence, another interesting avenue for future research is to integrate the functionalist and constructivist perspectives in understanding the structures and dynamics of IGO governance. Perhaps, IGOs are designed differently that deviate from traditional effective governance mechanisms and practices because of different socio-cognitive governance discretion among organizations (Aguilera, Judge, & Terjesen, 2016).

Second, although this thesis uses a multi-theoretical perspective in understanding IGO governance, it does not cover nor map all the theoretical perspectives that might explain the designs of IGO governance structures, difference in performance among IGOs, and the changes within the IGO and their environment over time. For instance, a population ecology perspective in IGOs might be interesting to use in exploring how IGOs interact among each other to effectively pursue overlapping goals (e.g., Abbott, Green, and Keohane 2016), or using transaction cost economics to understand different governance structures in IGOs (e.g., Keohane, 1982). Tapping to various literature on public administration, diplomacy, and international law might also be useful in exploring IGO governance.

Third, this thesis has focused on strategy making. In this regard, the thesis has used the formal strategic planning process, which has been argued to be positively associated with organizational outcomes. However, aside from deliberately making strategies through strategic planning, strategies may also emerge from practice (Mintzberg & Waters, 1985). Future research may also explore how emergent strategies in IGOs can contribute to improving strategy making. Moreover, strategic planning does not guarantee better outcomes. The implementation of formulated strategies is crucial to achieving established goals and objectives. However, there is also the possibility that even the best-laid strategic plans may not be materialized because of a failure to implement them. Thus, it is important to explore how implementation mediates the relationship between strategic planning and organizational performance. Such an examination is extremely relevant to IGOs with wider geographical coverage and more

stakeholders where challenges in implementing the established strategies may be generated.

Fourth, this thesis has focused on the structural characteristics—at both the organizational level and the board level. There may nevertheless be other elements that can affect organizational outcomes, such as exogenous factors (e.g., power games among member states and politics within member states); other organizational features (e.g., routines, culture, and learning); networks at both individual and organizational levels; team dynamics and conflict; and individual characteristics of board directors (e.g., cognitive and social capabilities and demographics). Researchers can explore some of these elements together in future studies.

Fifth, this thesis has produced the first configurational approach specifically focused on internal governance mechanisms in IGOs. It complements previous studies that have used a configurational approach in corporate governance research (e.g., Bell et al. 2014; Garcia-Castro et al. 2013; Misangyi & Acharya, 2014), and it addresses calls for the use of a configurational approach to studying board characteristics specifically (Desender et al. 2013; Misangyi & Acharya, 2014). However, the exploratory nature of the analyses that have been performed here warrant further research to develop a more comprehensive configurational analysis in order to include other board-level factors (e.g., director selection) and other external constraints that may have an effect on governance (e.g., media pressure).

Sixth, the empirical works in Essays II and III are conducted on a small sample size. Normally, a limited number of cases threatens the generalizability of the findings. However, the cases used in the analyses have a multitude of scopes and mandates spanning both a global and regional presence that addresses external validity. Yet, researchers can expand in later studies on the findings in this thesis by using a larger sample size to include other types of IGOs.

Seventh, strategy making and monitoring are only parts of governance mechanisms in IGOs. The actions of the member states in the Plenary may also have an obtrusive

effect on monitoring and strategy making. Further, the workings of all levels of IGO governing bodies—which includes the Plenary, the Board, and the Secretariat—may be interrelated, which may also explain the difference in performance among IGOs. Researchers can also examine the interplay among the three levels in future studies to have a more nuanced understanding of governance in IGOs.

Finally, this doctoral thesis has focused on a specific type of organizations: IGOs. It is arguable that the application of the assumptions and empirical findings from strategy and corporate governance research to such organizations may be questionable. Indeed, firms can be straightforwardly evaluated on their performance by the market and their financial position, whereas assessing IGO performance can be quite challenging. However, research on the governance of public and nonprofit organizations that also operate in the nonmarket environment has demonstrated how strategy research can be interjected to such literature (e.g., Bryson, 2011; Cornforth, 2003; Stone & Ostrower, 2007). Hence, this thesis argues that IGOs, as closely comparable to public and nonprofit organizations, can also follow a similar path in using strategy and corporate governance research to understand how governance works in these organizations. Moreover, the arguments and findings derived from this thesis may be related back to the broader umbrella of strategy and corporate governance research. Nevertheless, researchers can test whether the theoretical underpinnings, propositions and empirical findings produced here permeate to other types of organizations.

5.7 Final thoughts

To end this doctoral thesis, it is important to emphasize the role of IGOs in our society today. As globalization progresses with time, the amount of global public goods and interests that necessitate collective actions will also be expected to significantly increase. Consequently, IGOs will play a central role in the governance of international cooperation, which will potentially affect everyone. Despite the criticisms that IGOs

receive from some world leaders, activists, cynics, and pundits, there remains no proposed efficient alternative to replace them. Thus, these organizations will continue to provide a substantial contribution in global governance. In this respect, studying governance in IGOs is crucial to reduce the risk of governance failure and to help understand and eventually improve in governing those who govern.

5.8 References

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