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SUMMARY

The governance scandals of the last decade have brought a lot of attention to effective board functioning both in the public and private sectors. Various stakeholder groups have demanded more transparency on board functioning and board members have become more accountable for organizational mismanagement. The need to set a new course for good governance has rapidly increased and governance best practices have become an important toolkit for board members. The healthcare sector is a good example of how demand for more transparent and effective governance has shifted the landscape of hospital board governance. Governance codes and international best practices aim to help hospital directors to improve their organizational governance. However, it remains challenging to determine which best practices to adopt and eventually adapt to the respective organizations. How do board members make decisions about adopting and implementing governance practices in their hospitals?

The majority of research in practice implementation focused on the economic, political and technological features of the organizations that would encourage the adoption of a certain practice. However, we still know very little about how governance implementation decisions are made in the boardroom and what shapes the individual directors' decision-making process. By integrating the literature on board governance, group dynamics and practice implementation, I investigate what multi-level frames board members use to legitimize their decision-making on implementing best practices. In order to answer this research question, I rely on the findings of four empirical studies focusing on cultural, organizational and cognitive frames board members rely on. Looking through the prism of frame analysis, these studies shed new light on the practice implementation decisions as perceived by the individual directors.

Chapter 2 provides a foundation for the overall PhD study by conducting a literature review on the current state of research in the field of board governance. I specifically focused on the underlying themes of one-tier and two-tier governance structures in hospitals. Drawing on the findings of this literature review, I could highlight that structural factors dominated the board governance literature, having control as of the central themes. These factors included themes such as board structure, the role of the board, remuneration techniques and board diversity. These structural factors often provide the base for designing governance codes and best practices due to the easily measurable outcomes. I found a limited number of studies focusing on board dynamics, informal governance mechanisms and board processes, although they are considered rather important concerning the behavioral and quality aspects of a well-functioning board. I propose that these informal governance mechanisms require more attention from both scholars and practitioners when considering the design and implementation of best practices in their organizations.

Chapter 3 explores the application of governance theories to public sector boards, with a special focus on the healthcare sector. This qualitative study focusses on identifying key influencing factors and their effects on the implementation of governance practices as perceived by board members. It is based on in-depth interviews with not-for-profit hospital trustees and executives in the United States and the Netherlands. I used these findings to develop an emerging model that could illustrate the various factors influencing the governance implementation process and the possible relationships between them. I propose, that at the individual level personal motivation, role perception and internal/external information about governance are the main influencing factors on board dynamics. At the group level, board structure, communication among board members and board processes have the main influence on the overall dynamics of the team. The findings also suggest that these factors could primarily influence the proactive approach

towards implementing new governance practices in the form of internal board charters and organizational governance guidelines. When it comes to a more reactive approach in the form of compliance, these factors play a less influential role in the perception of the hospital directors.

Chapter 4 takes a step further by examining how board members perceive their role in the implementation of governance practices under a high level of institutional complexity. Based on the findings of this qualitative, explorative study of U.S. and Dutch not-for-profit hospitals, I show how the individual directors' cognitive frames of governance can influence their choice of implementing governance practices. In contrast to prior research, I suggest that practice adoption decisions are based on the way different decision makers perceive the expected value of practice appropriation, which is influenced by the different cultural frames they rely on. This could result in different decision makers making practice implementation decisions using separate moral worlds. By using frame analysis, I could identify four cognitive frames that board members relied on to legitimize their practice implementation decisions: (1) Comply and Control Executives, (2) Make Strategic Decisions and Execute, (3) Engage in Dialogue to Create Trust, and (4) Board Members as Custodians of Stakeholders. This study contributes to the practice adoption literature by focusing on the insider-driven practice appropriation through studying the cultural frames decision-makers rely on.

Chapter 5 explores if the findings of the first empirical study (Chapter 3) can be validated by an independent group of hospital directors and if new themes emerge during the panel session. Ten hospital directors from the United States and the Netherlands were invited to participate in two rounds of the Delphi-study: first a Delphi-survey and then a panel discussion about the most challenging and controversial themes. The results of the survey and group discussion suggest that factors at the individual level contribute the most to group dynamics and effective communication

in decision-making, while board structure and organizational framework have less significant influence on board dynamics. I also found that group dynamics play a significant role in proactive board governance and implementation of new governance practices. Less effective communication among board members and negative group dynamics often put the board into a more reactive mode (compliance only) when it comes to adopting new practices. In addition to that, boards also need to pay more attention to the possible threat of information asymmetry due the extensive use of informal communication channels.

Chapter 6 presents the results of the second Delphi-study with the objective of investigating what frames hospital board members use to give sense to the process through which new governance practices are implemented in their organizations. Similar to the previous chapter, I used a Delphi-survey and a panel discussion to validate the findings of the second empirical study (Chapter 4) and to explore new emerging themes. Based on these discussions, I found that the cognitive frames of directors could be directly linked to how they interpret institutional pressure and how they are willing to respond to it. Board members with the Comply and Control Executives frame emphasized the importance of legal pressure, while board members with Custodians of Stakeholders frame experienced this pressure more as a social norm or normative pressure from the stakeholders 'side. The study also suggests, that while finding a cultural fit with the hospital is still important in the implementation process, board members can also play a significant role in the mutual adaptation of organizational culture and new governance practices. The research also discusses the possible benefits of understanding board member's perspectives on the demands of the complex institutional environment and how board members interpret the pressure of implementing good governance practices in the hospitals.

Each empirical chapter, independently and together, make important contributions to the scholarly debate on the practice adoption and adaptation decisions as perceived by the individual directors. This PhD study offers unique insights into how hospital board directors use multi-level frames to legitimize their decision-making process of implementing best practices by studying the use of cultural, organizational and cognitive frames at the individual level. The findings of this thesis suggest several future research avenues aimed to advance relevant literature in board governance. This PhD study also offers practical implications to encourage practitioners and board members to become more aware of the influence of the various frames present on their boards and how they can contribute to the overall decision-making process. The findings also highlight the importance of understanding the role informal communication plays in group dynamics and how information asymmetry poses a threat to effective board functioning.