Characteristics of effective board working for quality improvement in healthcare: summary of ideas and evidence

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Why do boards in healthcare matter? The policy context

- The Francis Inquiry

- Francis, Keogh, Berwick, Clwyd and Hard Truths reports all point to role of boards in setting the tone and shaping a patient-focused and quality improvement culture

- Other guidance: NHS Healthy Board 2013;   Monitor's well-led board framework; Leading By Example

- Recently published research (Nuffield Trust, Mannion et al, Chambers et al) indicates continuing variability in board practices & concerns about sustainability

What is the job of a board?

- Strategy (direction)
- Performance (control)
- Shape organisation culture (set the tone)

What are boards for? Alternative explanatory theories about boards

- Agency theory – relates to assurance & compliance
- Stewardship theory – hinges on support & partnering
- Resource dependency model – board members as boundary spanners
- Stakeholder theory – representativeness
- Power theory – responds to human desire for control
- Contingency theory – relates to circumstances

Guiding realist theoretical framework (from Chambers et al 2013)

Theory	Contextual Assumptions	Mechanism	Intended Outcome
Agency	Low trust & high challenge & low appetite for risk	Control through intense external and internal regulatory performance monitoring.	Minimisation of risk & good patient safety record
Stewardship	High trust & less challenge & greater appetite for risk	Board support in a collective leadership endeavour	Service improvement and excellence in performance
Resource dependency	Importance of social capital of the organisation	Boundary spanning and close dialogue with healthcare partners	Improved reputation and relationships
Stakeholder	Importance of representation and collective effort; risk is shared by many	Collaboration	Sustainable organisation; high levels of staff engagement
Board power	Human desire for control	Use of power differentials	Equilibrium

Board structures/composition

- Unitary board (managers / owners / shareholders / stakeholders)
- 2 tier board – management board of directors and governing council (eg German *Vorstand* and *Ausrichtsrat*)
- Trustee board
- Chair / chief executive duality
- Proportion of independent / non executive directors
- Diversity

Diversity: The legal, moral & business case

- Equality duty (EDS) & 9 protected groups
- Kline (Snowy Peaks)
- Taps into broader experience / skills talent pool
- Better understanding of stakeholders
- Balance between £ & non £ measures
- Women more likely to.... prepare well, ask awkward questions, monitor implementation of strategy, ensure code of conduct
- (Weak) association with > company performance
- Welcomed into boardroom; not perceived as 'out group'

Distinguishing characteristics of public sector boards

- Core purpose is social performance (public value)
- Greater predisposition to 'managerial work'
- Danger of 'institutional isomorphism'
- Influence of political patronage
- Importance of organisation-environment linkage
- Embeddedness of public governance
- Hybridised corporate & philanthropic models of governance
- Little involvement in the setting of strategy

Evidence of links between boards and organisation performance

- Highly contingent
- Smaller boards with concentration of power (public sector)
- Majority of independent NEDs (private sector)
- > NEDs with relevant expertise (from study of 6 banks)
- > Turnover of directors (ibid)
- Focus on strategy, use of resources & talent management
- Well functioning board committees (public sector: avoiding 'distant cordiality')
- High trust + high challenge + high engagement

Evidence of links between boards & organisation performance in healthcare

- Corporate rather than philanthropic governance structures

- Fuller engagement in governance processes

- Organisation culture & performance

- Strategic focus

- > CEO length of tenure

- > care + < mortality by close board oversight of clinical quality & hospital clinical performance

- Efficiency in use of resources affected by > levels of challenge by NEDs & clinicians on board + CEOs that exert moderate/high control

Good practices in board composition, focus, dynamics and development dependent upon….

- Risk appetite
- Organisation life cycle (start-up, mature, decline)
- Stability vs transformation or crisis
- Degree of professionalization
- Strategy of innovation vs efficiency
- Length of tenure of CEO

- Understanding the use of alternative board governance theories for different contexts

- Developing skills in understanding the core business of the organisation: safe, effective, compassionate care

- Balancing elements of fiduciary, strategic & generative governance

- Building board-level capability in the science of quality improvement

- Focussing on patient and staff engagement

- Reflexivity: insight into board member behaviours, preferences and impact

References

N Chambers, G Harvey, R Mannion, J Bond and J Marshall (2013) Towards a framework for enhancing the performance of NHS boards : a synthesis of the evidence about board governance, board effectiveness and board development

http://t.co/hAnC8PmTQY

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