

# Governance in Healthcare

*Study on the functioning of supervisory boards active in the elderly care  
based on the principles of legitimacy.*

---

**Publicarea**  
*Goed in Samenwerking*



*vrije Universiteit amsterdam*

Vrije Universiteit Amsterdam (VU)

Faculty of Earth and Life Sciences

Management, Policy-Analysis and Entrepreneurship in Health and Life Sciences

November, 2011

Shujah Malik

2040506

# Governance in Healthcare

Student: Shujah Malik [s.f.malik@student.vu.nl](mailto:s.f.malik@student.vu.nl)  
Student nr: 2040506  
06-15891887

Supervisor VU: dr. H. Wels [harry.wels@falw.vu.nl](mailto:harry.wels@falw.vu.nl)  
dr. B. Regeer [b.j.regeer@vu.nl](mailto:b.j.regeer@vu.nl)

Supervisor Publicarea: drs. H.J. Willemse [hettiwillemse@publicarea.nl](mailto:hettiwillemse@publicarea.nl)

Daily supervisor: drs. M. Tolman [maritatolman@publicarea.nl](mailto:maritatolman@publicarea.nl)

Company: Publicarea  
Weesperstraat 406  
1018 DN Amsterdam  
Tel. 020-6386425

Vrije Universiteit: Faculty of Earth and Life Sciences  
Management, Policy Analysis and Entrepreneurship  
in Health and Life Sciences

## Executive Summary

Recently, the healthcare sector has become a popular issue in the media. Especially nursing homes have been featured continuously, due to certain incidents concerning the quality and supervision within these homes. Following recent incidents in the elderly care, the extensive media attention, the political debate and the fact that many codes have been developed for this sector, this study addressed the way in which *supervisory boards in nursing homes operate and how transparent they are in their functioning*.

In order to answer the question above, a broader theoretical framework was developed, namely that of governance and the network society. Within the health care sector the model of markets and networks is used to govern. Therefore, this theoretical framework was developed during this study.

Within this model, there is no longer a top down approach of steering and decision making, which can lead to problems in the area of legitimacy. According to literature, legitimacy is a key concept of governance. Within literature, legitimacy can be divided in two concepts: input and output legitimacy. For this study input and output legitimacy can be defined as follow: with input legitimacy, the representatives in the board are a representative image of the interests involved. The boards are accountable to each other and towards the public. Output legitimacy refers to the problem solving quality of laws and rules, it provides the solutions for the problems and the results and the measures that are taken by the supervisory board are accepted by the people and other parties involved. From this the following research question was formulated:

***How do supervisory boards in nursing homes operate in terms of input and output legitimacy and to what extent are these boards transparent in their functioning?***

A desk research was conducted examining twenty five annual reports of different organizations, to gain deeper insight into the supervisory boards and their activities. Furthermore, twelve interviews were conducted with members of the supervisory board, client council, work council, board of directors and with a board advisor. The interviews were conducted to develop a view on how supervisory boards and members of the council review the two types of legitimacy, and to conclude if these concepts of legitimacy are achieved within supervisory boards active in the elderly care.

Results showed, that not all criteria<sup>1</sup> are generally mentioned by the organizations in their annual report. Often, the recruitment & selection procedure and the evaluation procedure are not mentioned.

---

<sup>1</sup> [http://www.jaarverslagenzorg.nl/doc/pdf/5996-A4-Jaarverantw%20v3\\_19030.pdf](http://www.jaarverslagenzorg.nl/doc/pdf/5996-A4-Jaarverantw%20v3_19030.pdf) (Visited 20-06-'11)

The results of the interviews showed that on the aspects of recruiting and selection procedure, there is a different view. The board members found that the procedure has become transparent due to the use of advertising methods. However members of the councils found that within same organizations the use of advertising is increasing but still not sufficient enough. They found that the board still uses their own “old boys” network to recruit new members. On the other aspects of input and output legitimacy the answers of the board and council did not differ. On the aspect of communication members of the council found that certain things could improve, they found it difficult to get in touch with the supervisory board.

For this study another aim was to evaluate to what extent the boards are transparent in their functioning and reporting towards public. On the aspect of transparency it seems that both with input and output legitimacy some procedures do not happen in a transparent way. The results of the study showed that, transparency is often not achieved, especially on the topics recruitment, selection and evaluation procedures. To insure the legitimacy of the board both forms of legitimacy have to be achieved. This study and several other studies performed have shown that, there is a need to improve certain aspects to achieve legitimacy within these boards. Furthermore, supervisory boards should pay more attention towards the quality, safety and patient welfare instead of only on the finance.

On the basis of this study the following recommendations can be made:

- The communication between the workplace and the supervisory board needs to improve. In order to improve this, there should be a direct channel of communication between the workplace and the board.
- Supervisory board should pay more attention to substantive issues. During the meetings much attention is paid to finance and administration issues and almost no issues on care or other substantive issues are discussed.
- For the quality of the care that the organizations provide a statement should be set up, by an external person. The external person controls whether the organization meets the requirements that are set on the topic of quality and safety on provided care.

## List of Abbreviations

- BoZ: Brancheorganisaties Zorg
- NZa: Nederlandse Zorgautoriteit
- IGZ: Inspectie voor de Gezondheidszorg
- VWS: Ministry of 'Volksgezondheid, Welzijn en Sport
- PR: Public Relations
- WMCZ: De Wet Medezeggenschap Cliënten Zorginstellingen
- NVTZ: Nederlandse Vereniging van Toezichthouders in Zorginstellingen
- CQ- Index: Consumer Quality Index

## Index

Chapter 1: Introduction.....	7
1.1 Reason for performing study .....	7
1.2 Theoretical background.....	9
1.2.1 Key concepts in Governance .....	12
1.3 Problem statement .....	16
1.4 Research Objective.....	16
1.5 Research Question .....	16
1.6 Sub questions .....	17
Chapter 2: Methodology .....	18
2.1 Literature search on Governance.....	18
2.2 Desk research .....	18
2.3 Interviews .....	19
2.4 Structure of the Interview .....	19
2.5 Reflection on selecting organizations .....	20
Chapter 3: Results .....	23
3.1 Results Deskresearch.....	23
3.2 Results Interview .....	26
3.2.1 Input legitimacy.....	26
3.2.2 Output legitimacy.....	33
Chapter 4: Summary & Conclusions.....	39
Chapter 5: Discussion .....	46
References .....	50
Appendix I: Planning.....	52
Appendix II: Organizational Structure .....	54
Appendix III: List of organizations that were contacted .....	55
Appendix IV: General information on the organizations .....	56
Appendix V: Distribution of organizations interviewed .....	57
Appendix VI: Organizations used for deskresearch .....	58
Appendix VII: Invitation letter .....	59

## Chapter 1: Introduction

### 1.1 Reason for performing study

Healthcare is a popular concept in the media. Not a day goes by without something to read, see or hear about health care. Within the concept of care, a wide range of organizations can be distinguished: hospital care, care for the mentally disabled, care for the disabled and elderly care (nursing homes) (Blokdijk & Goodijk, 2011).

Recently some nursing homes have been featured continuously (negatively) in the media due to certain incidents concerning the quality and supervision within these homes<sup>2,3,4,5</sup>. Therefore indicating the necessity to improve the quality and supervision in the elderly care.

Apart from these incidents and media attention, the demands that are set on governance in health care have also increased. This applies particularly to the operation of internal supervision, which plays an essential role in health care organizations (Blokdijk & Goodijk, 2011). Associations active in the health care sector, the 'Brancheorganisaties Zorg' (BoZ), the 'Nederlandse Zorgautoriteit' (NZA), the 'Inspectie voor de Gezondheidszorg' (IGZ) and the Dutch Ministry of 'Volksgezondheid, Welzijn en Sport' (VWS) have therefore taken the initiative to develop a set of guidelines. In the last ten to fifteen years different types of codes and rules have been developed to improve the governance (the quality and supervision) within the health care sector. A few examples of codes that were set up in recent years: 'Tabaksblad', Commissie Health Care Governance and two most recently codes were set up by the BoZ. They first introduced the "Zorgbrede Governance code" in 2006. After the implementation of this code the code was evaluated and renewed in 2010<sup>6</sup>.

Within the healthcare sector several studies have been performed on the concept of governance. Within these studies the focus was on the implementation and effectiveness of governance and how board members and stakeholders are involved.

---

<sup>2</sup> [http://www.telegraaf.nl/binnenland/9593242/Hygine\\_verpleeghuizen\\_slecht.html?sn=binnenland.buitenland](http://www.telegraaf.nl/binnenland/9593242/Hygine_verpleeghuizen_slecht.html?sn=binnenland.buitenland)  
(visited 13-05-'11)

<sup>3</sup> <http://www.zorgvisie.nl/Nieuws/Raden-van-toezicht-schieten-tekort.htm>  
(visited 13-05-'11)

<sup>4</sup> <http://www.parool.nl/parool/nl/265/GEZONDHEID/article/detail/1860311/2011/03/15/Osira-Amstelring-onder-verscherpt-toezicht.dhtml>  
(visited 13-05-'11)

<sup>5</sup> <http://www.skipt.nl/actueel/id7555-twee-thuiszorgorganisaties-onder-verscherpt-toezicht.html>  
(visited 13-05-'11)

<sup>6</sup> <http://www.brancheorganisatieszorg.nl/governancecode> (visited 13-05-'11)

These studies took place, in non-profit hospitals within the health care sector. The study of Eecklo (2003) took place in Belgian hospitals. The study showed that hospital governance can be characterised as a system in transition and that stakeholders are rarely represented in the governing bodies of the hospital (Eeckloo et al., 2003). The study of Cardinaels (2009) took place in non-profit hospital in the Netherlands. This study showed that when members of supervisory boards have more expertise, the supervisory boards are more effective in controlling agency problems, but at the same time that the monitoring function is hampered when supervisory board members receive a large compensation (Cardinaels, 2009).

These studies were carried out within hospitals, fewer studies have looked at governance and supervisory boards within the elderly care sector (nursing homes). Much public interest has been shown in the elderly care: on the one hand as a result of different incidents in the media and on the other hand in politics, with policy makers trying to regulate this sector and making it tangible and controllable through the development of different codes. In addition, care for the elderly is an important object of focus, because of the ageing of the population (Blokdijk & Goodijk, 2011). The topic has become the centre for social debate on elderly. Furthermore, obtaining reliable results is difficult: it has proven to be impossible to perform the study for all different types of healthcare institutions. Therefore, a choice has been made to focus on advisory boards active in nursing homes. This sector will be focused on from the broad scientific concept of governance, in particularly the concept of legitimacy. Next to this, the focus of the theoretical framework will also be on the network society. Within the network society there is no longer a top-down approach of steering and decision making, decisions are made within different networks of actors. In the theoretical background part, the concepts of governance and network society will be further assessed.

The question arises how this sector works and -operates and how it has been managed, especially the supervisory bodies within these health care institutions. The recent development of governance codes is mainly focused on these areas. Other questions that arise on the supervisory boards and how they operate are, for instance:

- How are the selection criteria set up (selection, reflection of society)?
- Are supervisory boards transparent in their functioning towards society and other actors?
- How is the distribution of power within these boards?
- How is the diversity of the members divided within in these supervisory boards?
- What percentage of the members are woman?
- How many members are immigrants?
- Through which channels and resources do they communicate?

In conclusion due to all the recent incidents in the elderly care, the extensive media attention, the political debate and the fact that many codes have been developed for this sector, the following question arises: ***How do supervisory boards in nursing homes operate and to what extent are these boards transparent in their functioning?***

## **1.2 Theoretical background**

In order to answer the questions mentioned above, a broader theoretical framework must be outlined, namely that of governance and the network society. Therefore the following theoretical framework will be used.

From a model based on principles of hierarchy, public sector reforms introduced other models of governing in the health care sector: those of markets and networks (Kjaer, 2004: 19). In the healthcare sector the model on principles of hierarchy can be applied, because the health care sector used to be governed through a hierarchy. Within this sector there was a vertical way of decision making. According to Kjaer (2004) the outcomes of these reforms would reduce the direct hands-on control of service delivery and instead increase steering through policy networks. In the model of markets and networks there is no longer a top-down approach of steering and decision making. In the markets and networks structure, decisions and policy are made with different networks of actors on different levels and markets, with each actor having their own interest in it. The government is no longer the central actor, but a participant in the group of actors (Kjaer, 2004).

In the old form, the public sector was separated from the private sector. In the public sector political professionals worked on implementing rules and processes in a neutral manner. According to Kjaer citizens chose their public representatives through election. Who gave their justification to the public during the next election (Kjaer, 2004:20). The current government is characterized by the emergence of markets and networks. Government officials are no longer professional bureaucrats, but mediators, managers and networkers. Political lines are no longer horizontal, but vertical (Kjaer, 2004: 19). In recent years healthcare institutions have gained more freedom to formulate their own policy. The policy is formulated through networks of various parties within the health care sector, the government has less involvement in this<sup>7</sup>. Besides the government there are now multiple actors such as, independent governing bodies, private parties with public functions, interest groups and foreign parties, involved in making policy (Picciotto, 2008).

---

<sup>7</sup> <http://www.rijksoverheid.nl/onderwerpen/goed-bestuur-in-de-zorg>  
(visited 13-05-'11)

Since the eighties there has been a visible change in how the public domain is shaped. Reorganization in the public sector has led to the loss of power of the model of top-down ruling with respect to market principles and networks. In this context the transformation of the public sector involves 'less government' but 'more governance' (Rhodes, 1996).

In the modernized nation-state, the government had control and the political lines were direct. This way of ruling was also called "*government*". In the nineties of the past century, awareness increased regarding the fact that the state could no longer run the society by itself (Bovens, 2007). The state became a versatile actor within a complex network of different organizations and interest groups. As described above, within the health care sector there are various actors, organizations and other groups involved. The state has become one of those actors, instead of being the main actor. Due to these changes, decisions and policy are now made by and through these networks. All of these actors are concerned with the approach of different social issues, what therefore makes it difficult to have control (Bovens, 2007).

The current government is challenged to deal with this rising network. The causes for this are divers. Among others, technological advances, globalization, individualization have had an impact on this movement (Kjaer, 2004). These transformations include technological innovations, new IT technology and new paths of communication. These innovations can have an influence, for example currently everybody can get all the information they need within a short time. Within a society where everyone knows or can know everything, the regulation by the government gets more complex, due to the new form of social interaction and relations between the state and the other actors, and the international relations between them. This way everybody can get the information they need. To deal with these changes the way of governing transformed towards a different system.

This alteration of policy, from a strong hierarchical state to a state within networks is also called "governance". Governance is characterized by a board with pluricentric networks that function by formal and informal rules. The rules are created through negotiation and by consultation rather than imposed from above. There is not one institution that is the center of policy but there are multiple actors involved. So instead of a steering government there now is a steering policy network, where the state, market and civil society actors participate in a variety of networks (Hajer et al. 2004).

To understand the concept of governance the term policy networks is essential (Hajer et al. 2004). This network perspective emphasizes the informal, decentralized and horizontal relationships within

policy and the mutual interdependence of public and private actors in the formation and implementation of policy.

Currently the term governance plays an important role in social scientific research. There are new forms of governance developed and also the role of the government often gets a new meaning (Hajer et al. 2004). The use of the term governance and the definition seems to be a rather complex and versatile concept (Eeckloo et al 2007). It consists of complex rules, values, procedures and structures.

The book, *Governance: key concepts* by Anne.M. Kjaer (2004) defines governance as follow: ‘the act or manner of governing; the office or function of governing. ‘To govern is to rule or control with authority; to be in government” (Kjaer, 2004: 3). In the article “*Understanding governance. Policy networks, governance, reflexivity and accountability*”, governance is defined as self-organizing, interorganizational network characterized by interdependence, resource-exchange, rules of the game, and significant autonomy from the state’ (Rhodes, 1997: 15). Rhodes also mentions that “governance is a new process of governing; or a changed condition of ordered rule; or the *new* method by which society is governed” (Rhodes, 2007: 1246). According to Lynn et al. (2001), Governance is achieved by different aspects, such as direction, control and coordination of autonomous individuals. These aspects are shared interests on to which they jointly contribute (Lynn et al. 2001).

The definitions above define governance in different ways. For this study governance will be defined as: Governance stands for the system by which organizations/institutions are directed and controlled, it refers to policy making through networks. In a network structure, policy is a product of interaction between different actors from different levels, with each having their own interest. The government is no longer the central actor, but a participant that performs public tasks together with other actors. For this study this is the most suitable definition, because within the health care sector policy is made through interaction between different actors and with the government. Within this sector the government is no longer the central actor, but a participant in a group of actors.

The healthcare system remains a subject of political debate. Recently the study of Goodijk (2011) showed that health care institutions have become more complex in recent years. A reason for this is that health care institutions all have a different approach on the type of care and treatment they provide. Furthermore, they all have their own regulatory and financing procedures. Within the

institutions new forms of governing have arisen, with different horizontal and vertical lines of accountability (Goodijk, 2011). The system also focuses attention on specific governance.

This new form of governing with non-hierarchical modes of steering is not as clear as in the old bureaucratic model. According to Risse (2004) and Kjaer (2004) through the model of markets and networks there is no longer a top-down approach of steering and decision making what can lead to problems on the area of legitimacy, controllability and accountability, these concepts are described in the paragraph below.

### 1.2.1 Key concepts in Governance

Within the literature the term governance is easily associated with attributes such as accountability and transparency (Eeckloo, 2007). According to the code for good governance<sup>8</sup> and Eeckloo (2007) one of the aspects for a board to operate properly, is the need of transparency in their public reporting and transparency in their functioning as this could improve accountability (Eeckloo, 2007). Goodijk (2010) describes that governance guarantees the transparency of the boards and supervisors of an organization, to achieve their aims (Goodijk, 2010). Therefore during this study one of the aims is to evaluate to what extent the boards are transparent in their functioning and reporting towards public. Within literature there are many different definitions of transparency. Essentially it means openness in sharing information and the degree to which information is publicly and easily accessible for outsiders (Florini, 2007).

Governance will be described here based on three key concepts, namely: *legitimacy, controllability and accountability* that are often mentioned in literature (Kjaer, 2004; Rise, 2004).

#### Controllability

In today's society where markets and networks are getting more important, the role of the government changes, the government is no longer the main actor. Decades ago the government mainly used vertical control, where they had legal, economical and communication instruments at its disposal (de Bruijn & ten Heuvelhof, 1991). In today's network society, the government should also use horizontal control. Control has become more complex, by the emergence of a network society. The reason for this is, that it is unclear who is steering policy and who can be held accountable due to all the different stakeholders involved. The question arises whether the government is still able to control the society (Peters & Pierre, 1998).

---

<sup>8</sup> [Brancheorganisaties Zorg. \(2010\) Zorgbrede Governance Code. Utrecht: BoZ;](#)

### Accountability

According to Bovens (2005) the term accountability is mentioned when an actor feels obliged to explain and justify his actions towards another. Accountability is about, who should be accountable for actions towards whom (Bovens, 2005). In the process of accountability there are three phases involving several actors. The actor should provide information, this will be followed by a debate phase and finally a phase where an assessment will be made about the actions taken by the actor (Bovens, 2005).

In the traditional way accountability came from the hierarchical structure, where the government officials had to justify towards the ministers. Nowadays there is a network society, where it is partly impossible to use the old hierarchical structure, because of all the different actors that are involved in making policy in the public sector. Therefore it is unclear who is accountable and to whom they have to justify (Kjaer, 2004).

According to Risse (2004), the concepts of accountability and legitimacy are related. To combine the two concepts we look at input and output legitimacy. If the people involved in governance are accountable to their clients and accountable to those who are affected by their decision (various stakeholders) then input legitimacy should be insured. Accountability also affects output legitimacy, for example if the governing actors feel responsible and have to justify their decisions to those who are affected by them, this is likely to enhance the perceived problem-solving capacity of government measures (Risse, 2004). By looking at the concept of legitimacy some aspects of controllability and accountability can be allocated among legitimacy.

### Legitimacy

Over the years social scientists have defined legitimacy in different ways. Kostava & Zaheer (1999) defined it as the acceptance of the organization by its environment and have mentioned that it is vital for an organization for its survival and success (Kostova & Zaheer, 1999). Governance is broadly defined as the enforcement, application and setting of the rules of the game. Such rules need to be legitimated if they are to be stable. In order to enhance the legitimacy of the public realm, the rules have to be managed through governance (Kjaer, 2004). According to Scharpf (1997) there are two forms of legitimacy: input legitimacy and output legitimacy. Input oriented legitimacy derives from agreement of those who are asked to comply with the rules (Kjaer, 2004). Input legitimacy will be achieved when the policy process proceeds according to democratic procedures. According to

Scharpf (1997: 152) input legitimacy “concerns the participatory quality of the decision-making process leading to laws and rules”. Those who have to comply with the rules ought to have an input in rule-making process (Scharpf, 1997). According to Bovens (2005) it is about the degree to which citizens accept the act of political and administrative leaders. Output-oriented legitimacy derives from the effectiveness of rules to produce tangible results.

In the past input legitimacy was achieved with more ease than in the current network society. Public representatives were chosen directly by the public, and this way obtained input legitimacy. Currently there are different actors, private companies that affect the Dutch public sector which are not democratically elected by citizens. Therefore there is a lack of input legitimacy, and thus only can be obtained through output legitimacy by using efficient methods. Where the hierarchical government previously could achieve two forms of legitimacy now, for many actors in the public sector, only output legitimacy is possible.

In a system of democracy, a social order is legitimate, because the governing body is accountable towards the public who can participate in rule-making through representations. This implies congruence between the governing body and the public through mechanisms of representation. These mechanisms are mostly absent in the new way of governing. As a result, this new form of governance faces legitimacy problems (Risse, 2004).

For this study the focus is on the concept of legitimacy, because the questions that arise and that are mentioned in the introduction concerning elderly care such as:

- How is the selection criteria set up?
- To what extent are the supervisory boards transparent in their functioning towards society and other actors?
- How is the distribution of power within these boards?
- Through which channels and resources the board communicates?

These questions can be divided among the concept of legitimacy that plays a part in a network society. The questions mentioned can be divided among the two forms of legitimacy, input and output legitimacy. Next to this, the emergence of networks has also led to problems concerning legitimacy. Furthermore, some aspects of the concepts of controllability and accountability can be divided among legitimacy.

Organizations, who are not elected in a democratic way, have an increasing interference in the lives of the public. Many decisions these days are taken by institutions and organizations that are not directly elected by the public, and thus lack input legitimacy.

Input legitimacy refers to 'government by the people', political choices are legitimate when they represent the interest of the public or a political community. In this form of legitimacy the focus is on the support of the public for the officials and towards the prevailing rules of the system (Tatenhove, 2009).

Output legitimacy refers to 'government for the people', political choices are legitimate when they work, perform or supply goods. It refers to the quality of the procedures and the structure of policy processes in terms of legality, transparency, fairness, responsiveness, deliberation, openness and efficiency (Tatenhove, 2009).

In this form of legitimacy the outcomes of collective decision-making processes are central. If the outcomes comply with the wishes/interest and preferences of the public than there is a case of legitimate policy.

For this study input and output legitimacy will be defined as follow. Input legitimacy: The representatives in the board are a representative image of the interests involved. The boards are accountable to each other and towards the public. Output legitimacy refers to the problem solving quality of laws and rules, it provides the solutions for the problems and the results and the measures that are taken by the supervisory board are accepted by the people and other parties involved

The questions and terms that are mentioned in the introduction can be divided under different themes that can be related to input or output legitimacy. Under Input legitimacy the following terms can be related: good reflection of society (diversity), selection procedures, democratic way of choosing members, accountability (the board shall be accountable for policy results towards other boards and the public) (Skogstad, 2003). Under Output legitimacy the following terms can be related: good results, clear and structural communication resources, transparency and clarity about the form of responsibilities of those involved (Skogstad, 2003).

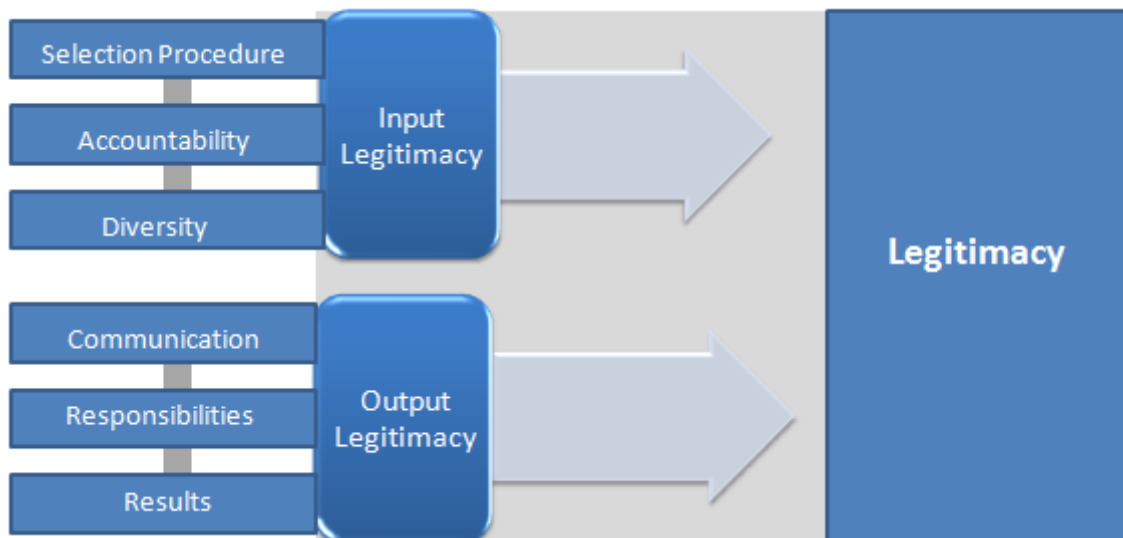


Fig.1 Conceptual Framework

In order to achieve legitimacy, it is essential to achieve input and output legitimacy as previously mentioned (figure 1).

### **1.3 Problem statement**

Recently there have been different discussions regarding the governance of supervisory boards in the healthcare sector. Due to recent incidents in elderly care, the extensive media attention on nursing homes, the political debate and the fact that there are many codes developed for this sector. The question arises on how this sector is monitored, particularly on how supervisory boards in nursing homes operate and whether there is a possibility to improve this.

### **1.4 Research Objective**

The main objective of this study is to gain more insight on how supervisory boards in the health care sector (nursing homes) operate, based on the principles of legitimacy.

### **1.5 Research Question**

By combining the questions mentioned in the introduction about how the elderly care sector and particularly the supervisory boards operate and with the theoretical framework governance combined with the concepts of *Legitimacy*, *controllability* and *accountability*, the following research question was formulated

***How do supervisory boards in nursing homes operate in terms of input and output legitimacy and to what extent are these boards transparent in their functioning?***

In order to answer the research question the focus will be on the concept of legitimacy. As mentioned above legitimacy according to Scharpf (1997) can be divided in input and output legitimacy.

### **1.6 Sub questions**

To be able to answer the main research question, the following sub questions, that all fall within the broader question of legitimacy of supervisory boards in the elderly care were formulated.

1. How is the input of legitimacy reviewed, by board itself, work council and Client Councils?
2. How is the output of legitimacy reviewed, by board itself, work council and Client Councils?
3. To what extent is input-legitimacy achieved within supervisory boards in elderly care?
4. To what extent is output legitimacy achieved within supervisory boards in elderly care?

## Chapter 2: Methodology

### 2.1 Literature search on Governance

The study started with an extensive literature study. First an online literature search was performed on the subjects about governance and supervisory boards within the health care sector and particularly the elderly care. Furthermore, articles on three key concepts on governance legitimacy, controllability and accountability were searched for. After going through and studying the literature, the introduction and theoretical background for the study were set up.

### 2.2 Desk research

The study started with a desk research. Articles and annual reports from different organizations and the websites of the organizations were looked at, to obtain a view on what kind of information about supervisory boards is accessible and how they score on legitimacy. Annual reports were researched, to gain more insight in how the boards report their functioning, the way they have operated and how decisions were made during the year.

The annual reports were compared with the criteria that are mentioned in the 'Zorgbrede Governance Code' and the guidelines of the Ministry of Health, Welfare and Sports. The Ministry has made a set of guidelines<sup>9</sup> on what an organization must mention in their annual report. One of the chapters is about the supervisory board. There are 15 points/criteria set up that the supervisory board must mention in their part of the report. The code and guidelines were set up to increase transparency of the organization and the board.

For this study twenty-five annual reports of different organizations were looked at.

The annual reports were retrieved from the organizations website and in some cases through the website of the Ministry of Health, Welfare and Sport<sup>10</sup>. All organizations active in the health care sector are obligated to deposit their annual reports to the Ministry of Health, Welfare and Sport.

Several times it occurred that on the website of an organization there is a different version available (more PR related material), but on the website of the ministry a more completed extensive version is available.

---

<sup>9</sup> [http://www.jaarverslagenzorg.nl/doc/pdf/5996-A4-Jaarverantw%20v3\\_19030.pdf](http://www.jaarverslagenzorg.nl/doc/pdf/5996-A4-Jaarverantw%20v3_19030.pdf) (visited 20-06-'11)

<sup>10</sup> <http://www.desan.nl/net/DoSearch/Search.aspx> (visited 01-06-'11)

## **2.3 Interviews**

To answer the research questions, 12 interviews were conducted. Hereby ten nursing homes were visited and interviews were conducted with a representative from the supervisory board, or a representative of the client council or a representative of the work council. In some occasions a representative of the supervisory board and from the work council were interviewed who are both active in the same organization.

In order to make this study more independent, there was chosen to also interview the client council members and members of the work council. When only interviewing members of the supervisory board it is possible that questions about their functioning / legitimacy are biased. Therefore the choice was made to also include client council members and members of the work council, because these councils have meetings with the supervisory board and can give information about how the board functions.

*“De Wet Medezeggenschap Cliënten Zorginstellingen (WMCZ)”* that was implemented in 1996, states that each health care provider, must have a client board to ensure the interests of patients and clients<sup>11</sup>. Their task is to assess the effects of the policy on the welfare of the clients. Therefore the client board gives advice to the managers, board members and members of the supervisory board.

A work council is a part within an organization, who exercises influence on the (working) conditions. It exists out of employees who on behalf of the staff consult with the employer about the policy and interests of the employees. By interviewing these boards, they can mention more about the output legitimacy of the organizations and the supervisory board.

## **2.4 Structure of the Interview**

For this study semi-structured in-depth interviews were developed, these are considered to be a valid and reliable research instrument and are widely used in the social sciences (Grindsted, 2005). This is a qualitative method of gathering data collection, where the researcher will ask a series of open-ended questions and raising topics for discussion (Conrad, 2001). By conducting semi-structured interviews, data can be collected from the respondent in order to answer the sub

---

<sup>11</sup> <http://www.rijksoverheid.nl/documenten-en-publicaties/vragen-en-antwoorden/wat-zijn-de-bevoegdheden-van-een-clientenraad-in-een-zorginstelling.html>  
(visited 13-05-2011)

questions and the problem statement. Also by this way of interviewing the respondent gets the chance to pursue issues they feel are important (Baarda et al., 2005).

In general the basic structure of the interview began with the interviewer introducing himself and the aim of the research. Also the respondent was asked if they have no objection against recording the interview. Furthermore, confidentiality of the interview was explained, and that what is mentioned during the interview will be anonymously used in the report. The interviews lasted for approximately one hour. Most of the interviews were conducted with one respondent. However few interviews were carried out with two respondents. At the end of the interview, the respondent was asked if they wanted to add anything or if they had any comments or questions regarding the interview. Furthermore, the respondent was asked if it would be possible to contact them in case additional questions arose. At last they were asked if they wanted a summary of the interview.

After conducting the interviews, transcripts were made using the recordings and notes. A qualitative analysis of the transcript then was performed using open coding (Punch, 2005). This method is used to point out the key points (quotes) in the transcript and assigned them with codes to identify different subjects. The codes then were grouped in to similar themes. The codes from different transcripts were then compared with each other, and if similar they were grouped in to the themes.

## **2.5 Reflection on selecting organizations**

From the literature search relevant organizations active in the elderly care were randomly chosen. While making a selection of organization to interview, a representative amount of organizations located throughout the country were contacted to gain a broad view.

Taking in to consideration that not all organizations will give a positive notice, there were send out as many invitations as possible. To get a certain representative amount of interviews the aim was to carry out as many interviews as possible (minimum of ten). Therefore, twenty organizations were contacted, these organizations got an invitation for an interview via post and mail. These invitations were directed to the board secretariat (appendix VII). In the letter it stated, that I would like to get in contact with members of the supervisory board, work council and client council, to interview them regarding this study. When there was no reply from the organizations, then the organizations were contacted by phone to determine their interest in being interviewed. Interviews were then scheduled with the interested at locations of their choosing, usually their workplace.

Table 1 Response contacted organizations

	Response Client Council	Response Work Council
<b>Total</b>	8	8
-	Negative 5	Negative 7
+	Positive 3	Positive 1

Table 1 shows through which channel the organizations that were contacted for this study responded. The results show that from the twenty organizations that were contacted only two gave a positive reply by email. From most of the organizations I got negative reply and from seven organizations there was no response at all not even after calling them.

The willingness of the organizations to cooperate with this study **was poor**. After getting a negative response, there was always asked for a reason why the invitation was rejected. The most common reason given by the board secretariat was that the board members were too busy and did not have time to participate in the study. The list of the organizations that were contacted can be found in appendix III.

Due to the large number of negative responses from the organizations, it was decided to personally contact members of the client council and work council to arrange interviews for the study. On most of the websites of the organizations often an email address or phone number of members of the client and work council can be found. However from the members of the supervisory board no phone number or email address could be found on any of the websites. The client and work council members were then contacted by mail and phone. In table 2 the response is shown I got from the councils I contacted.

Table 2. Response from council members

	Response by mail	Response by letter	Response after calling	No response
<b>Total</b>	8	0	5	7
-	Negative 6	Negative 0	Negative 5	-
+	Positive 2	Positive 0	Positive 0	-

After interviewing several respondents, several other interviews were arranged within in the same organization and with several other people active in the elderly care. By those networks and the network of "Publicarea" and the organizations that were contacted eventually twelve interviews were arranged for this study. Next to the members of the supervisory board, client council and work council, interviews were also conducted with several members of the board of directors.

Furthermore, an interview was conducted with a board advisor who is present at all meeting of the board of directors as well at the meeting of the supervisory board. Also someone of the Landelijke Organisatie Cliëntenraden (LOC) was interviewed. In table 3 the organizations and the profession of the respondents are shown. In appendix IV some general information about the organizations can be found.

*Table 3. Organizations that have been interviewed*

<b>Organization</b>	<b>Function Interviewee</b>	<b>Location</b>
LOC	Policy officer	Utrecht
Florence	Work Council	Rijswijk
Florence	Client Council	Rijswijk
Zorgsaam-ZV	2 Members of the Client Council	Hulst
Zorgsaam-ZV	Member supervisory board	Terneuzen
AxionContinu	Member supervisory board	IJsselstein
Eckmunde	Member supervisory board	Egmond aan Zee
Several	Member supervisory board	Amsterdam
Osira	Client Council	Amsterdam
Aafje	Board of director	Rotterdam
Vilans	Board of director	Utrecht
Zuwe Aveant	Board advisor	Utrecht

## Chapter 3: Results

In this chapter the result of the desk study on the supervisory boards within the healthcare will be presented. Next to the results of the desk study, the results of the interviews that were held, with several member of the supervisory board, client, work council and several other respondents will also be presented.

### 3.1 Results Deskresearch

For the desk research study, a representative sample was studied of twenty five annual reports of different organizations active in the elderly care. The samples were chosen taking geographical distribution into account in order to obtain a broad view. Within the health care sector, each organization is obligated to publish an annual report in which the board and management justify their actions and policies. For this study, the annual reports were compared with the guidelines set up by the Ministry of Health Welfare and Sports<sup>12</sup>, as mentioned in the chapter methodology.

The desk research was carried out to develop a view concerning the kind of information about the supervisory board that is available to society. Another aim of the study was to gain deeper insight into the supervisory board and their activities. The annual reports that were used for the study were retrieved from the organizations website and through the website of the Ministry of Health, Welfare and Sport. In some cases, the organisations had two different types of annual reports: one small compact version, with more pictures and easily accessible through the website of the organization and another extended version on the website of the Ministry.

Table 4 shows the results of the desk research. In the first column, the criteria are mentioned, which have to be included in the annual report under the section of the supervisory board, in line with ministerial guidelines. In the other two columns, the number of organizations is mentioned, that follow or fail to follow the guidelines in terms of the points mentioned.

---

<sup>12</sup> [http://www.jaarverslagenzorg.nl/doc/pdf/5996-A4-Jaarverantw%20v3\\_19030.pdf](http://www.jaarverslagenzorg.nl/doc/pdf/5996-A4-Jaarverantw%20v3_19030.pdf)

Table. 4: Results desk research

Criteria	Yes	No	Total
1. Composition of the board	25	0	25
2. Remuneration policy	22	3	25
3. Quantitative data on the remuneration	10	15	25
4. Way of monitoring	24	1	25
5. Recruitment and selection procedure	10	15	25
6. Insuring sufficient expertise	19	6	25
7. Approved decisions	15	10	25
8. Activities by board	23	2	25
9. Committees, composition and Tasks/activities	23	2	25
10. Ensure independence of board members	22	3	25
11. Way of evaluating board of directors	12	13	25
12. Way of evaluating own functioning	15	10	25
13. Amount of meetings	25	0	25
14. Way of consultation with external accountant	11	14	25
15. Used resources by board	18	7	25

Some of the annual reports that were examined started with a foreword, which has been written by the chairman of the supervisory board. In the foreword the chairman writes about the organization and what their position is at the moment. Furthermore, the chairman describes what the supervisory board has done during the previous year and what kind of major changes have taken place within the organization.

The results showed that only several points are included by all organizations in their annual reports. The composition of the supervisory board is included in all the reports, but it varies in some reports only the names of the members are mentioned and in other reports it is more detailed. Furthermore, in all the reports that were looked at, the amount of meetings that were held during the year, the members who were present and the topics that were discussed during the meetings are reported.

Also in most of the reports the remuneration policy is included, however the amount (quantitative data) of compensation the members receive is not always mentioned in the reports. In some of the reports, the quantitative data can be found in the financial statement or a separate appendix.

In several reports it is mentioned that the supervisory board has one annual meeting, where they evaluate their own performances of the previous year. This meeting is often without the board of directors, in all other meetings the board of directors are present. In most of the reports, it is only mentioned that an evaluation took place, it does not state what was discussed or what the outcomes of the meeting were. A few organizations mention in their report that the evaluation took place with an external supervisor.

The selection and recruitment method is often not included in the reports and when it is included it does not state in which way they recruit and select new members. Often it only states that a profile is made of a member they are searching for. In some of the reports is mentioned that with the implementation of the new 'Zorgbrede Governance code' they are using advertisements to recruit new members for the board.

Almost every supervisory board mentions in their report the number of committees they have within their organization. Here also the information that is given varies, in some reports it is mentioned how many committees there are and who the members are in the committee. Furthermore, in several reports also the amount of meetings and the topics that were discussed during these meetings are reported. This is not always the case, because in some of the reports it is only mentioned that they have committees, but not any further information on those committees is reported. From the reports it is notable that the committees audit and the remuneration committee occur most frequently in the boards. The audit committee deals in particular with the financial parts and the remuneration committee arranges meetings with the board, selection procedures for new members and salary indication of the board. Next to these committees some organizations have appointed several other committees, but in general each organization always has an audit and remuneration committee.

The results also show that the organizations are making some changes. In almost every annual report that was looked at during the study, it emerged that the organizations are all busy with implementing the 'Zorgbrede Governance code' within their organization. Therefore there were all kind of changes taking place. One of the changes that can be seen in the reports is that some of the boards have set up new committees. Several organizations now have a governance and a quality and safety

committee within in their board. Also the resign method is changing towards the requirements that are mentioned in the 'Zorgbrede Governance code'.

To sum up, most of the criteria seemed to be included in the majority of the reports, but still on several aspects it is unclear how the supervisory board operates. In many reports it is not clear how the procedure for recruiting and selecting new members takes place. Also no information can be found in the reports on how the board evaluates their own functioning. In the reports where it is mentioned it only states that it was performed. Also in most of the reports the way the supervisory board evaluates the board of directors is not reported. So it seems when the annual reports are examined that not all organizations follow the criteria and thus do not meet the requirements set up by the ministry. Only one annual report that was examined mentioned all the criteria and thus met all requirements.

### **3.2 Results Interview**

The interviews were conducted during a period of four weeks. The interviews were conducted with the respondents mentioned in the methodology. During the interviews several subjects related to the theoretical framework were discussed with the respondents. The questions asked, were divided under the concepts of input and output legitimacy. These were then divided into three different themes. For input legitimacy the respondents were asked to give their view concerning the selection procedure, diversity and accountability. For output legitimacy the respondents were asked to give their view on communication, responsibilities and results.

The interviews with the client councils were with members of the central client council or the chairman of the council. Within a big organization each location (house) has their own client council. Next to the client council these organizations have one central client council who represents the common interests of all the client councils combined.

#### **3.2.1 Input legitimacy**

As mentioned in the introduction selection procedure, diversity and accountability are aspects that can be divided under input legitimacy. During the interview several questions were asked to the respondents in relation to these three themes. Due to the confidentiality of the respondents no names or organizations are mentioned (related) to the quotes. Furthermore, the interviews with the respondents were conducted in Dutch. However, the quotes mentioned below are translated in English.

- *Selection procedure*

During the interview several questions were asked regarding the topic of recruitment and selection procedure of new members for the supervisory board. The respondents were asked what kinds of procedures are used to select and recruit new members and to what extent the process is transparent, as mentioned in the guidelines of the ministry<sup>13</sup>. A big majority of the respondents mentioned that the recruitment and selection procedure of new members for the supervisory board does not take place in a transparent way. Most organizations still use their own network for recruiting new members. Several respondents also mentioned that, nowadays there is an increase in using advertising methods to recruit new members, but still they found that it often still happens through their own network. Several member of the work council stated the following on the question if the selection and recruitment procedure for supervisory members occurs in a transparent way:

*“No, it does not happen in a transparent way, they know each other, and via via they get somebody. It sometimes occurs that they use advertising to recruit new members. “*

*“It occurs that such an institution places an ad for members for the supervisory board, but it often still goes through the network or friends of the board of directors “*

According to several respondents the recruitment and selection procedures now seem to change, for example more and more organizations are using advertising methods and even some are using external bureaus such as head hunters to recruit new members. The respondents mention that, the main reason for all these changes is because, more and more organizations are implementing the ‘Zorgbrede Governance code’ within their organization. The Code has set up rules for recruitment and selection procedures, which organizations then have to follow. In several interviews the respondents mentioned that the recruitment and selection procedure is often a case of cooptation.

A member of the supervisory board stated:

*“In most cases its cooptation, we ask ourselves is there somebody we know who would like to join us in the board. The recommendation is and that happens more often now, and that is through an advertisement in a paper. As a result it gets a bit more transparent, but the final decision never is transparent, because that is made by the supervisory board and that is not transparent.”*

The respondents were also asked if the client council had the right to nominate one person for the supervisory board. According to de WMCZ the client council has the right to nominate one member

---

<sup>13</sup> [http://www.jaarverslagenzorg.nl/doc/pdf/5996-A4-Jaarverantw%20v3\\_19030.pdf](http://www.jaarverslagenzorg.nl/doc/pdf/5996-A4-Jaarverantw%20v3_19030.pdf)  
(Visited 20-06-'11)

for the supervisory board. In several organizations that were interviewed the client council have the right to nominate a member for the supervisory board, but they are not involved in any further selection procedures. In some occasions the board had arranged an agreement with the client council to turn in their nomination right. The council turns in their right to nominate one person, and in return therefore they get to have a say in the recruitment and selection procedure of each new member for the supervisory board.

One member of the supervisory board stated:

*“In the organizations where I was chairman of the board, I exchanged there right. They may interfere with all appointments, so for each member I ask them for advice and for the profile en advertising I ask their advice. So they are involved with all appointments of new members and in return they turn in their right to nominate one person”*

Another organization that was interviewed did a similar thing only they had made a committee who is represented by the chairman’s of the work and client council and by the chairman of the supervisory board and board of directors.

*“In our organization we have a committee of preparation, that exists out of the chairman’s of the, Supervisory board, board of directors, client council and work council. And they lead the recruitment and selection and make the proposal and finally the supervisory board will appoint the new member. Thus the work and client council have gained more than they have handed in”*

The respondent mentioned that next to this committee, they also have an external company helping them in recruiting new members. According to the respondent this way of recruiting new members not only has a practical side, but also a legitimate side to it. This way of recruiting new members for the supervisory board is different than in all other organizations that were interviewed. Instead of using an advertisement, the respondent found this way, by setting up a committee with the chairman of the supervisory board, board of directors, work and client council a real transparent process. Also by using an external company for recruiting new members, the process gets more transparent according to the respondent.

Several other organizations that were interviewed mentioned that the client councils within in their organizations also turned in their right to nominate one member for the board. This seems to happen more often within several organizations, but it is not the case in all organizations. Several organizations that were interviewed mentioned that the client council has the right to nominate one person for the supervisory board and also uses their right.

- *Diversity*

During the interviews, the respondents were asked several questions regarding the subject of diversity. Diversity can be divided among a lot of aspects. According to the majority of the respondents, more attention is paid to the expertise rather than the gender or ethnical background of the applicant. What has become more common and also is required by the code is that the board sets up a profile of the member they are looking for. The reason much attention is paid to the expertise and profile is, to compose a group of people with all having different expertise, for example finance, juridical, real estate, healthcare or politics. This way a supervisory board can be composed with each member having their own expertise and furthermore, a board who have sufficient knowledge and experience to perform their function properly. During the interview the respondents were asked if the supervisory board is a reflection of society. Several different answers were given by the respondents, but almost everyone mentioned that the boards are not a reflection of society.

Several respondents stated:

*“This is not happened sufficiently enough. By setting high standards to the level of education, it gets difficult to make a good reflection of society. Because you already exclude people with low incomes and low education levels.”*

*“On the aspect of education it is not a reflection of society, there are only high educated people in the board.”*

One other requirement that is also mentioned in the ‘Zorgbrede Governance Code’, is that at least one member is a practicing health care professional (from another institution), to guarantee sufficient affinity with health care. The respondents were asked if there is someone in the board who has a background in the health care sector. Most of the respondents indicated that one or two members in the board have a background in health care. One chairman of the supervisory board mentioned that having a background in health care is also a benefit when talking to the board of directors or managers, he stated:

*“As a professional in health care, I can quickly understand what they are talking about, they do not have to explain certain things to me and I know what to ask”*

One of the respondent mentioned that within his organization, the supervisory board does not have a member with a background in the health care sector. The respondent stated:

*“Actually we do not, I myself am active for many years in the health care, but not specifically worked in the health care sector. We do not have members who worked in the healthcare sector, but there are people who from personal experience/perspective gain experience in health care.”*

The respondents were also asked how the ratio of male / female is divided within their board. From the organizations that were interviewed a majority mentioned that the ratio male female is not equally divided within their supervisory board, there are often still more males than females represented in the supervisory boards. Some respondents mentioned that they do see a slide change, organizations are now more actively searching for female members. In some boards this already happened, but still not enough.

Another aspect of diversity that was asked to the respondents was the ethnicity of the members. Almost all of the respondents mentioned that within their organization the supervisory board does not have a member with another ethnicity. Somehow it seems more difficult to find women and also people from other backgrounds/origin. One respondent stated:

*“In our consuetudinary it states that we do want women in our supervisory board and preferably people from other backgrounds, but the reality is there is no one with another background in the supervisory board”*

On other respondent mentioned that, within their organization they are searching for members with different ethnicities, but the members have to match to their profile and in most cases they cannot find a proper match.

*“We have searched for members from different backgrounds, but the problem is we are also looking for certain skills/expertise and if that does not match then you have a problem.”*

From the organizations that were interviewed, one board member mentioned that they just appointed someone for the supervisory board who is from another descent.

*“Last week we appointed a new member who is from another descent. We were looking for a member because most of our activities occur in a location where the flow of patients is getting more towards immigrants. So it is important we also have employees from different origins”*

Several respondents found that their board has a good combination of expertise and experience to fulfil their function properly. Several client council members found that it still needs improvement in certain aspects such as male / female ratio and there has to be more people with experience in the health care, who understand the organization and know what can go wrong.

On the aspect of diversity a majority of the respondents mentioned that within their organization much attention is paid to the expertise of new members and if it fits in their profile. Some of the respondents also mentioned that in the profile, they also state that they are searching for a female member and members with another origin. However the case is that there still is a majority of (white) males and almost no members with another background represented in the supervisory boards.

- *Accountability*

One other aspect that was discussed during the interviews was accountability. The respondents were asked different questions, regarding accountability of the supervisory board. During the interviews the evaluation process of the board was discussed. The respondents were asked several questions like, who evaluates the board, what kind of method to they use and are the results of the evaluation made public.

All of the respondents mentioned that within their organization the supervisory board evaluates their own functioning. Members of the client and work council mentioned that neither they nor any other groups within the organization are involved in evaluating the board. Several members of the client and work council that were interviewed also stated that the evaluation of the board does not happen in a transparent way. They mentioned that they do not see the report or any of the results or outcomes of the evaluation. The report of the evaluation is not made public, only the board itself and the board of directors get to see the report. The council members only know that the board does an evaluation, but do not know anything about the results, one member stated:

*“Internally, they have a certain system on how things are going and that they reflect their own performance. The reports are not public”*

Respondents of the supervisory board that were interviewed mentioned that in general once a year the board evaluates their own functioning. The members that were interviewed mentioned that they had their own method/system to evaluate their performances. In some cases they used the question list/ method of the NVTZ.

*“We do it in a structured way, we fill in the questionnaire of NVTZ, and then we discuss the differences and similarities and follow up appointments are made”*

Some of the organizations started with a new way of evaluating. They hired an external supervisor in helping and guiding them during their annual evaluation. One member of the supervisory board mentioned, that the board was positive about this new way of evaluating, this new method was introduced last year for the first time. Previously the board evaluated their own functioning, without an external person.

*“The agreement is that once every two years we do an evaluation ourselves, of how we function and the other year we do it under external guidance. This way of evaluating is new, previously I had some doubts on the way of evaluating”*

Although each board has their own method to evaluate their functioning, the majority of the members find it important to perform the evaluation in a structured and prepared way. So every member is prepared and knows about the subjects that are going to be handled. It has to be a separate meeting that is planned and with sufficient time to handle all subjects. One member of a supervisory board found it important to also have an external person to guide the process, he stated:

*“Once a year there is an evaluation on their own functioning, in most cases that is superficial. Best way is to have an external supervisor to guide the procedures”*

As mentioned above the results and reports of the evaluation are not public, only the board itself and the board of directors have access to the reports. The respondents were asked how the board then justify their performance towards the client and work council and towards other stakeholders and society. All respondents answered that in the annual report there is a part on the supervisory board where they mention certain things about the board like, amount of members, names, gender, age, amount of meetings etc. These are always mentioned in an annual report also often in the report it states that the board performed an evaluation, but nothing is mentioned about the results, outcomes or what kind of measures there are taken.

*“In the annual report it states that we performed an evaluation, but the content is not reported”*

### 3.2.2 Output legitimacy

As mentioned in the introduction, communication, results and responsibilities are aspects that can be distinguished under output legitimacy. During the interview several questions were asked to the respondents in relation to these three themes.

- *Communication*

The respondents were asked several questions about the way and resources the client and work council used to communicate with the supervisory board.

In the majority of the cases the communication between the client and work councils with the supervisory board goes through the board of directors, there is no direct way of communication. In most of the organizations the client and work councils have annually one or two meetings with the supervisory board. These meetings are often, with one or two members of the supervisory board. Also during these meetings the board of directors are always present. During these meeting several general topics are discussed, these meeting are often recorded by the councils.

Within one of the organizations that were interviewed, the client council indicated that they wanted to have a meeting with the supervisory board, without the board of directors. This eventually was not approved by the board of directors. The client council stated:

*“Annually we have two formal meetings with the supervisory boards with the board of directors also present. We wanted to exchange one of these meetings with an informal meeting without the board of directors.”*

Several members of the supervisory board that were interviewed mentioned that formally the communication goes through the board of directors, but if the work or client council wants to talk to them they can always contact us or meet us during informal festivities of the organizations. However most of the respondents mentioned that this does not occur often and that it is difficult to communicate with the supervisory board without involving the board of directors.

*“The Communication formal goes through the board of directors, but there is room/opportunity for them to contact us directly”*

Next to this one member of the supervisory board mentioned that if they receive letters from work, client councils or other employees they directly send it to the board of directors. The member found

that it is not a task of the supervisory board they have to gain their information through the board of directors only. The communication between the councils and the supervisory board seems to go always through the board of directors. Therefore it is important that the supervisory board can trust the board of directors in telling them all the information, because it seems that in most cases they are their only source of information. Therefore a certain trust between the supervisory board and board of directors must be build. One member of a supervisory board stated:

*“We do not have contact with the workplace, we have to believe the board of directors. What happens on the workplace has to be told to us by the chairman of the board, it is not the task of the supervisory board to find that out themselves.”*

In this case the relationship between the two boards has to be very close and trustworthy, to guarantee that everything what is going on in the organization is discussed. What also was mentioned by the respondent was that as a supervisory board you have to make sure that the meetings and conversations do take place between the board of directors and employees and councils.

During the interviews the client and work council were asked to describe in general their relation with the supervisory board. Almost all of the respondents answered that the relation between them and the board is on a distance. Some of the reasons that were mentioned for the distance between the council members and the board were that annually there are only one or two meetings of the council with the board and these are always in the presence of the board of directors. Furthermore, during those meetings with the supervisory board, only one or two representatives of the supervisory board are present. So in those one or two meetings annually they only get to talk to one or two members of the supervisory board and not freely, because the board of directors are also present.

Next to this, the councils also mentioned that they often are not involved in the advisory process or at a very late stage during the process. One example a member of the client council gave, was that during the selection procedure for new members for the supervisory board they were not asked for advice. When the new member was already appointed they got a letter with an apology from the board that they didn't involve them in the process.

*“We got a letter from the board that they forgot to ask us for advice. Then there is still an acquaintance with the new member, but we cannot give any advice anymore, because he is already appointed.”*

Within another organization, a member of the client council also mentioned that on the topics where the client council has to give their advice, the board involves them often too late in the process. The board often asks them for advice when the decisions are already made and cannot be changed anymore.

Besides using meetings to communicate, the supervisory boards are now more often arranging theme days, where they deal with substantive themes. During these theme days often the managers of the several nursing homes are invited. The aim of these days is to get as much input from different people on a particular subject and raise attention. Several organizations that held such a theme day, mentioned that the topic this year mainly was on governance and the quality of care.

- *Responsibilities*

In the literature and annual reports of the organizations, several responsibilities of the supervisory board are stated. For example ensuring a well functioning board of directors and approve strategic decisions of the board. These are only a few examples that can be found in several literature.

During the interviews the respondents were asked what are according to them the (social) responsibilities of a supervisory board. The respondents all gave different answers, but all of them had one common answer. All the respondents mentioned that the main responsibility of the supervisory board is to ensure that their organization provides good quality care to their clients. In ensuring this they should have educated staff, good facilities and make sure that the money is well divided within the organization.

*“Ensuring quality and financial stability of the organization”*

Next to this several other responsibilities were mentioned. Several respondents mentioned that a member of the supervisory board should keep up with the social developments and knowing what is happening and the changes that are made in the field of health care. One chairman of the supervisory board stated:

*“Ensuring that the company remains intact and ensuring that care is provided as requested by the residents and what they deserve”*

Several members of the client council mentioned that to be able in knowing what is going on at the workplace and to justify their responsibility of keeping their knowledge up to date, they should visit several workplaces to get in touch with the people who work there. This way they can gain

information and knowledge through this channel. This also could be an option to justify their (social) responsibility towards society. The several respondents were then asked to give their view on visiting workplaces. The majority of the respondents mentioned that this is something new and in a few occasions some boards already visited several houses. Within other organizations they are setting this up and they also want to start these visits. Some of the organizations combine the visits with their meetings. The meetings take place at different locations and before the start of the meeting they look around at the workplace.

*“The meetings of the supervisory board are at different locations en what we do, is that one hour before the start of the meeting we take a look around”*

Several respondents mentioned that such visits do not take place within their organization. One respondent mentioned that he does not see the benefit of having such visits. However another respondent mentioned that such visits have their benefits. You get to know much more than what is mentioned in the reports that they receive. Also this way the quality can be monitored, what seemed to be difficult aspect to monitor. During the interviews all the respondents mentioned that these visits are always together with the board of directors. Several respondents had different views on the way these visits should take place and the benefits of it. One respondent mentioned that they have made an agreement that the supervisory board does not just go to a house, they first have to consult with the board of directors. The reason that was mentioned was that you create panic, spastic situation in the house and the people then do not know what to do. The respondent stated:

*“That kind of surprise visits, leave that to the inspection that is what they are for”*

A representative of the client council had a different view on it. According to him it is important to know if such a visit is with or without the board of directors, is it announced or not. He stated:

*“I think that a good supervisory board member just walks in to a nursing home and talks with both staff and residents.”*

This way they can get a view on how the care is perceived and what kind of atmosphere there is. According to him, if it is done in such a manner, than you fulfil your responsibility as a supervisory board member in a proper way.

- *Results*

The last theme that was discussed with the respondents were the results of the organization and the involvement of the supervisory board. The respondents were also asked to give their view about the results of the supervisory board.

Several organizations, like Zorgvisie and Volkskrant annually publish a top 100 list of healthcare organizations based on several criteria. The respondents were asked if the supervisory board looks at those lists and what kinds of measures are taken. Most of the respondents answered that the lists of those companies, Zorgvisie and Volkskrant are not taken that serious. The members of the board discuss it, in some cases it is a point on the agenda, but little is done with those lists. Furthermore, they found that the way they measure the quality of the organization, does not happen in an accurate way. Also they mentioned there are a lot of those kinds of lists, and they are not comparable with each other. One respondent stated:

*“They do not take it seriously, there are too many lists and the changes of position in the list also vary a lot per year”*

However the majority of members of the supervisory board mentioned that they do look at the Consumer Quality index (CQ-index). This is a standardized method to measure, experiences of clients within the health care sector. The patients and clients get a written questionnaire to fill in. This way the health care provider can find out what patients and clients find important and what there practical/personal experiences are within the health care sector. The respondents found the CQ-index more accurate in gaining reliable, valid and comparable results on the quality of healthcare from the perspective of the client. Next to this they mention that the use of the CQ-index is also supported by the ministry of Health, Welfare and Sports.

When those lists are discussed, the members of the supervisory board ask the board of directors to explain why they scored less in certain areas and tell them what kind of measures are taken to improve those areas. One chairman of a supervisory board stated:

*“We look at areas where we are scoring well and where less, and with who we discuss it and what we are going to do. We try to run through the whole Plan DO Check Act cyclus.”*

However the lists of Zorgvisie and Volkskrant are not that reliable according to the respondents, still the board has to pay attention to it.

Future clients or their relatives will make their decisions where they want to live based on those lists. If the organization is ranked low on those lists, clients will easily choose another higher ranked organization, with better results. So it seems to be important for the supervisory board, to monitor the results of the organization and regularly have a meeting with the board of directors to get an update of the results. Therefore the respondents were also asked, if the supervisory board gets to see the reports of the inspection. This differed between the organizations, within some organizations the supervisory board got the whole report, but in most cases they only got a summary of the report. In one organization a respondent mentioned that they also wanted additional information from the board of directors. This was the case when the report was negative. When asking the same question to the council members most of them did not know if the supervisory board had seen those reports.

Next to the general results of the organizations, members of the work and client council were asked to what extent they are familiar with any of the results of the supervisory board. The respondents mentioned that the results and reports of the meetings of the supervisory board are not public, they have no access to those reports. The members of the council also pointed out that because of the lack of information they receive, that it is very unclear to them what the board is doing and how certain decisions are made. As mentioned above certain council members found that they are not involved in any policy or decision making process, which makes it difficult for them to know how the board handles certain topics and which measures they take to solve certain problems. Respondents of the supervisory board however mentioned that the results and reports of their meetings are discussed with the board of directors. They did not find it necessary to present their results to the councils or other groups, they found that if the board of directors find it necessary to inform them or ask them for any advice they should talk to them.

## Chapter 4: Summary & Conclusions

This study was performed to gain a view on how supervisory boards within the elderly care operate in terms of input and output legitimacy and to what extent these boards are transparent in their functioning. To answer the research question, a desk research was performed looking at the websites and examining annual reports of the organizations. Next to the deskresearch, semi-structured interviews were conducted with client councils, work councils, supervisory board members and several other actors involved in the elderly care. During these interviews the questions asked were based on the two aspects of legitimacy, input and output legitimacy.

When comparing the answers given by the members of the supervisory board and members of the different councils, only some small differences are notable. All of the respondents mentioned that the boards are changing and trying to function according to the Governance code, what also is mentioned in the annual reports. In most cases, the difference between the answers given by the board and council members is that the members of the board often mentioned that they already implemented and are following the code. However most of the council members mentioned that the board is changing and is trying to function according to the code, but not enough they often still use their own old methods. Furthermore, most of the answers that were given by the board did not differ much from the answers given by members of the councils.

### ***- How is the input of legitimacy reviewed, by board itself, work council and Client Councils?***

The results show that that there is a slight difference in how input legitimacy is perceived by the councils and by the board. Respondents of the council clearly found that input legitimacy is not achieved by the supervisory boards within their organization.

According to the interviews the majority of the client councils found that the recruiting and selection procedure still does not occur in a transparent way. They found themselves less involved in this process, they mentioned that often they were not asked for their advice. According to the council members the recruitment and selection procedure is changing, the organizations are more often using advertising methods to recruit new members for the board. However the members of the council still found that the procedure of recruiting and selecting new members still occurs in the old way, through the network of friends of the board, the “old boys network”.

The members of the supervisory board who were interviewed had a different view on this subject. They mentioned that they are following the 'Zorgbrede Governance code', what mentions a public transparent way of recruiting members, for example through advertisements. The majority of the members therefore mentioned that they implemented this new way of recruiting members through advertisements in the newspaper or on the internet. According to them there is no longer a case of an 'old boy's network', however several members of the supervisory board did mention, that when a member cannot be found who matches the profile, they ask each other if they know someone in their network who matches the profile.

On the aspect of diversity the councils and the board both had the same opinion. Both of the groups mentioned that with diversity, not only the gender and origin of the members is looked at but more attention is paid to the expertise and skills of the members. When asking the respondents if their supervisory board is a reflection of society, members of the board as well as respondents of the council mentioned that often this is not the case. A majority of the members within the supervisory board are male and there are no members with another origin representative in the boards, except from one organization that mentioned they just appointed a new member with another origin. During the interviews, one respondent mentioned that it is difficult to find people with an ethical background to match with the (profile) skills and expertise there looking for. However, within one organization they were specifically looking for a member with an ethical background and successfully found one to support them with their activities. This shows that it is indeed possible to find a member with an ethical background. If the organization finds it important to have them in their board, then members with an ethical background can be found.

The last aspect that was discussed with the respondents on input legitimacy was accountability of the supervisory board. Members of the councils and members of the supervisory board were asked how the supervisory boards justify their functioning towards other groups and society. The respondents of the councils and of the supervisory board both mentioned that, the evaluation of the supervisory board is done by the members themselves. The results and outcomes of these meetings are not made public, the results also cannot be found in the annual report of the organization.

Respondents of the council mentioned, that they do not know how the supervisory board evaluates their functioning and what the outcomes of these evaluations are. Furthermore, they do not know how certain decisions are made, according to them the board is not transparent in their way of functioning. Most of the Respondents of the board found that, it is not important for the councils or society to know how we function, it is important that the organizations must function properly. The

board members found that they already mention in the annual report the composition of the board and the amount of meetings and the topics. Most of them found this transparent enough they did not find it necessary to let other people know how the members within the board judge each other.

**- How is the output of legitimacy reviewed, by board itself, work council and Client Councils?**

When the results of output legitimacy are compared with each other, there also is a small difference in the answers given by the councils and by the respondents of the supervisory board.

The respondents were asked to give their view on how the communication between the councils and the supervisory board takes place. The answers of both groups were almost similar, all the respondents from both groups mentioned that in general once or twice a year there is a meeting of the client council/work council with the supervisory board. These meetings are always in the presence of the board of directors. The communication between the groups always formally goes through the board of directors, there is no direct line of communication. During some occasions there can be informally contact between the groups without the board of directors, but this does not occur often. These meetings are often with only one or two representatives of the supervisory board. The respondents of the councils found that the relationship between them and the supervisory board is on a distance. The reason for this is that they only see the board once or twice a year and they do not get to meet everybody, only the two representatives. Next to this they found that in the presence of the board of directors, they cannot speak out freely. Most of the respondents would like to be more involved with supervisory board and within one organization the client council wanted a meeting with the supervisory board without the board of directors. This request eventually was turned down by the board. The respondents of the supervisory board also found the relation between them and the councils was on a distance. However most of them did not find any reason to change, they found this way of communication through the board of directors a preferred way of communicating with the councils.

On the aspect of the social responsibility of the supervisory board both groups had the same view. They found that the main responsibility is to ensure that the organization provides good quality care to their clients. When asking the respondent if the supervisory board visits workplaces, the groups had a different view. Respondents of the councils found that the board should visit workplaces to know what is happening in the field. Several respondents of the board however found such visits useless; they do not see the benefits of it.

The last topic that was discussed were the results, the respondents of the councils mentioned that they are not aware of the result of the supervisory board, they do not see any reports. In most cases they also could not mention if the board looks at several ranking lists.

The respondents of the board mentioned that they do look at the ranking lists and often ask the board of directors for further explanation. **Furthermore, the board mentioned that several reports of meetings are discussed with board of directors and they found that members of the councils do not have to see those results.**

**- To what extent is input-legitimacy achieved within supervisory boards in elderly care?**

With input legitimacy the choices are legitimate when they represent the interest of the councils and society. According to the data of the deskresearch and the data that was collected during the interviews, input legitimacy is not achieved adequately/satisfactory enough within the supervisory board.

The deskresearch showed that in most of the annual reports there is not anything stated on how the recruitment and selection procedure takes place within the organization. One other topic that is not that often included in the reports, is the way the supervisory board evaluates their own functioning. In the reports where the organization did mention it, nothing was mentioned on the content of those meetings, often it just stated that an evaluation took place. From the interviews that were conducted, it also derived that little was known on the recruitment and selection procedure by the councils and society. Members of the council mentioned that, by not knowing and often not being involved in the process it is not a transparent process. However several board members that were interviewed did mention that by using advertisements they are moving towards a transparent way of recruiting members.

One other aspect of input legitimacy that was discussed during the interviews was diversity. From the interviews that were conducted, almost all the respondents mentioned that there board is not a reflection of society. In most of the board there are still a majority of men active and in almost none of the board there are members from another origin, only one organization that was interviewed just named a new member with another origin. Most of the respondents did mention that their supervisory board is divers in the different skills and expertise of the members. It also became clear that most attention is paid on searching members with having different skills and expertise. The accountability of the supervisory board, the way they justify their functioning was also discussed

during the interviews. All the respondents from the interviews mentioned that, the supervisory board evaluates their own functioning. The outcomes of these meetings are not made public, the reports can only be seen by the board themselves and the board of directors.

Furthermore, the data from the interview showed that in the annual report the supervisory board does not justify their way of functioning, often only the composition, meetings and the topics that were discussed are mentioned.

When looking at these results of the deskresearch and interviews, it can be concluded that the three aspects of input legitimacy, democratic way of choosing members, diversity of the board and the way the board should justify their way of functioning (accountability) are not achieved sufficiently enough. The councils are in most cases not actively involved by the board in the recruitment and selection procedure and not much is known on how the selection eventually takes place. So it seems that the way of choosing new members does not occur in a democratic way. Also according to the guidelines of the ministry, the board has to mention their recruitment and selection procedure, in most of the reports this is not included. Furthermore, nothing is known about the way the board has functioned, the reports of the evaluation are not public and nothing is mentioned in the annual report. So the board does not seem to justify their way of functioning in a proper way.

As is mentioned in the theoretical framework input legitimacy is achieved when, the representatives in the board are a representative image of the interests involved and when the boards can be held accountable towards society. This is not the case within the supervisory boards that were interviewed during this study, so it can be concluded that input legitimacy is not achieved by these supervisory boards.

***- To what extent is output legitimacy achieved within supervisory boards in elderly care?***

As mentioned in the introduction output legitimacy refers to solutions for the problems and the results and the measures that are taken by the supervisory board are accepted by the people and other parties involved. When we look at the results it seems that on certain areas output legitimacy is not achieved by the supervisory board.

From the results it can be concluded that the communication between the supervisory board and the councils is through meetings that in general are held once or twice a year. Also during these meetings the boards of directors are always present. The respondents of the councils were often not pleased with the way of communicating with the board, because in the current situation the communication goes through the board of directors, there is no direct line of communication with the supervisory

board. Furthermore, all the respondents found that the relation between the groups is on a distance. The respondent of the councils found that communication process and relationship could be improved by being more involved in certain processes. They wanted that the board also listens to what they have to say, because in the current situation the supervisory board gets most of their information through the board of directors. The results also showed that members of the council or other parties within the organization are not involved in making policy or having any influence in making decisions. Only on certain subject where the councils have the right to give their advice they are involved in the process, but even then in several cases they are not involved or very late in the process. Here output legitimacy does not seem to be achieved, because as mentioned in the background output legitimacy also refers to the transparency of policy processes and procedures. This not the case, the process are not transparent for the councils or any other groups within the organization.

The respondents found it difficult to give their view on if the board is keeping their responsibilities several respondents found that when the organization is performing well, it is difficult to say whether it is because the board is functioning properly. The council members did mention that visiting workplaces what can be seen as a responsibility needs to be improved.

In general the results of the organization can be found back in the annual report, also ranking lists that are made and CQ-index that are performed mention something on the organization. However the results of the supervisory board are not made public and also are not included in the annual report. So it is unclear to the councils and society what the supervisory board is doing and how certain decisions are made. It is not clear to them or society how the supervisory board handles certain topics and which solutions are taken to solve certain problems. On this point output legitimacy is not achieved by the board, because the results and solutions taken by the board cannot be accepted by the councils and other parties involved, if they do not know the results of the supervisory board.

For this study another aim was to evaluate to what extent the boards are transparent in there functioning and reporting towards public. On the aspect of transparency is seems that both with input and output legitimacy it some procedures do not happen in a transparent way. As mentioned in the theoretical background transparency refers to a process by which information about existing conditions, decisions and actions is made accessible. The results of the study showed that, transparency is often not achieved, especially on the topics recruitment, selection and evaluation procedures.

In literature it is mentioned, to insure the legitimacy of the board both forms of legitimacy have to be achieved. In conclusion, this study and several other studies performed have shown that there is a need to improve certain aspects to achieve legitimacy within these boards. Furthermore, supervisory boards should pay more attention towards the quality, safety and patient welfare instead of only on the finance.

## Chapter 5: Discussion

As was mentioned in the introduction, the change towards governance seems to lead towards problems on the field of both input and output legitimacy. The results of the study have shown that input and output legitimacy are not achieved, properly within the supervisory board's active in elderly care. This conclusion is based on a deskresearch and twelve interviews. The amount of interviews conducted for this study, is not a representative amount to make a general conclusion on supervisory boards active in elderly care. However, the results of this study have given a view on the perspectives of these disciplines and an indication of the current situation within these homes.

From the interviews that were conducted it seems that it is difficult for the council members and other employees to get in touch with the supervisory board. Furthermore, a recent study performed by CNV Publieke Zaak (2011) also showed, that for many employees it is not clear what the role of the supervisory board is. Furthermore, the study showed that the employees often have no resources to communicate or get in touch with the supervisory board. During the interviews several members of the client council found that the board is busy with all kind of different things, the board for example does not directly deal with the clients. Most of the respondents mentioned that the supervisory board is a relatively closed group, not much is known about them except from what is reported in the annual report.

Although most of the supervisory board members that were interviewed mention that, they are changing their way of recruiting and selecting new members towards a more transparent way, by using advertising. Still two recent studies on supervisory boards within the healthcare sector showed that often it is still a case of an own network. The study of Goodijk (2011) showed that over more than half of the supervisory boards uses their own network, personal relationships to recruit new members. The study of (Popping, 2011) also showed that in most cases it is still an "old boys" network.

As recommended in the code of BoZ and the article of Willemse (2011) the supervisory boards must not only monitor the organizations interests but also the interest of all other stakeholders involved and the public interest. This does not occur that often, several members of the supervisory board mentioned that a member of the board is independent and should not look after interest of other groups.

During the interviews several respondents defined transparency as the openness of an organization or group with regard to sharing information about how it operates. During this study the results showed that in terms of input and output legitimacy transparency is not always achieved by the supervisory boards. This leads to acting on partial information and assumptions. Due to the absence of certain information it is difficult to judge the quality of the board and know who is accountable

There were different limitations during this study, namely the willingness to cooperate by most of the organizations. Therefore it was not possible to conduct interviews with representatives from the client council, work council and supervisory board within the same organization. The organizations were first contacted through the board secretariat, often they mentioned that the members of the councils and board have no time to give an interview. However when contacting members of the client council or work council within the same organization personally, there was a positive reply. Through one member of the client council, an interview could be arranged with a member of the supervisory board. This was also from an organization, who said that the board members are too busy. These respondents were also asked if the board secretariat had contacted them concerning this study, this was not the case. It seems that in several cases the organization did not want to cooperate, without even discussing it with the council and the board. Also most of the interviews were held in the east part of the Netherlands. At first the aim was to interview organizations throughout the country, but due to the lack of positive response this was not possible.

### **Recommendations**

As was mentioned in the introduction, various incidents have led to the development of several codes. On paper it seems that organizations have implemented several changes according to these codes. However, when looking at the results of this study and several other studies (Goodijk, 2011) there still is room for improvement. During the interview several points were mentioned to improve the way supervisory boards operate and be more transparent in their functioning towards other groups and society.

On the aspect of input legitimacy there should be a more diverse team both in terms of gender and in terms of origin. Furthermore, within the board the expertise of the members must be properly divided, with at least one member having a background in healthcare. This to have feeling with the sector and to guarantee sufficient affinity with the healthcare sector.

The board needs to follow the developments and innovation in their sector to keep their knowledge up to date. If the board does not have enough knowledge on the subject, they should get themselves

informed. Also when the board of directors does not give them sufficient information, they should ask other groups or external people and professionals, who have more knowledge regarding the subject for explanation. To make sure that they have enough information to make decisions.

Members of the board should also get periodically education and perform an external evaluation to improve their functioning. Members of the board have to learn to ask in-depth questions and have knowledge on what can go wrong in the sector they work in. Also it was mentioned that the members should not have many other positions/functions within other organizations. They must dedicate enough time in their role as member of the supervisory board.

To make the evaluation procedure of the supervisory board transparent, an external party should test the way they evaluate and help them in the process. Such an external test can be performed for example by the inspection (IGZ). The evaluation process could also be improved, by filling in the list of NVTZ in advance and letting an external person bring up the differences and discussions. Furthermore, to improve transparency the reports of the supervisory board should be made public in any form whatsoever. It does not have to be the complete report, a summary can be enough. By doing this, the board can show the councils and society what they are doing and working on, and this way the board also becomes more transparent.

In recent years healthcare institutions have been given more freedom to implement their own policies. This way the government hoped to ensure that the client would become central in the care and support. In practice, this was not always successful. Perhaps it may be useful if the government can intervene quickly. For example the ministry should be given the power to suspend the board of directors when it comes to live and death situations.

Next to these improvements and recommendations mentioned by the respondents, several other recommendations to improve the functioning of supervisory board are:

- Communication

The communication between the workplace and the supervisory board needs to improve. In order to improve this, there should be a direct channel of communication between the workplace and the board. Also there should be some channel of communication between the clients and the board, this can be achieved through work visits and theme days by the supervisory board.

Supervisory boards need to be more accessible for the councils, employees and society, now it is almost impossible to get in touch with the supervisory board. In order to improve this, the organizations should provide contact information of members of the board for example through their website. On the websites of the organization now, not much information can be found on the supervisory board, except for their names.

- Quality and care statement

By law it is regulated that organizations have to let an accountant control their financial statements of the previous year. The accountant controls whether the financial records of the organizations have met all the requirements and if the figures are correct. When everything meets the requirements, the accountant sets up an approved statement and when this is not the case improvement points are mentioned. This way the organization and all the actors involved and society get to know if financially the organization is performing well.

For the quality of the care that the organizations provide also a statement can be set up, by an external person, because now there is no external control on the annual reports. The external person or group then controls whether the organization meets the requirements that are set on the topic of quality and safety on provided care. This way it can be defined how the quality of care is provided, and it is public accessible. This then also improves the transparency by making all relevant documents easily accessible.

- Substantive issues

Supervisory board should pay more attention to substantive issues. During the meetings much attention is paid to finance and administration issues and almost no issues on care or other substantive issues are discussed. This can be improved by discussing at least one substantive issue during each meeting, or have one separate meeting were these issues are discussed. Also organizing a theme day once a year on substantive issues can be performed in order to discuss these issues.

This study has shown that supervisory boards active in the elderly care, have certain points to improve on the aspects of input and output legitimacy. The recommendations that have been mentioned in this study will be very useful in practice if they are implemented successfully. This will without doubt improve the quality of supervisory boards, active in the elderly care.

## References

- Anne M. Kjaer, (2004). *Governance key concepts*. Cambridge: Polity press
- Baarda, D.B., M.P.M. de goede & J. Teunissen (2005), *Basisboek kwalitatief onderzoek. Handleiding voor het opzetten en uitvoeren van kwalitatief onderzoek*. Tweede geheel, herziende druk. Groningen/houten:Wolters-Noordhoff.
- B.F. Delsing et al. (2011). *Toolkit Toezicht Zorg*, Nationaal Register, Den Haag
- Blokdijk, T.M, Goodijk. R. (2011) *Zorgtoezicht in ontwikkeling: naar een betere balans tussen controle en strategisch partnerschap?Onderzoek naar samenstelling, werkwijze en functioneren van raden van toezicht in de zorg*, Nationaal Register, Den Haag
- Bovens, M.A.P. (2005) Publieke verantwoording: Een analysekader, in: W. Bakker & K. Yesilkagit (red.), *Publieke verantwoording*, Amsterdam: Boom
- Bovens, M.A.P. et al.(2007) *Openbaar Bestuur; beleid, organisatie en structuur*. Zevende, herziende druk. Deventer: Kluwer
- Brancheorganisaties Zorg. (2010) *ZorgbredeGovernance Code*. Utrecht: BoZ;
- Bruijn, J.A., de, & E.F. ten Heuvelhof (1991), *Sturingsinstrumenten voor de overheid*, Leiden
- Cardinaels E. (2009). *Governance in non-for-profit hospitals: Effects of board members' remuneration and expertise on CEO compensation*. Health Policy 93, p. 64–75, Tilburg
- Conrad, P. (2001). Health Research, Qualitative. *International Encyclopedia of the Social & Behavioral Sciences*. P. 6608-6612, Massachusetts, USA
- Eeckloo K, Van Herck G, Van Hulle C, Vleugels A. (2003) From Corporate Governance To Hospital Governance. Authority, transparency and accountability of Belgian non-profit hospitals' board and management. *Health Policy* 68 p. 1-15, Leuven.
- Eeckloo et al.(2007). Where is the pilot? The changing shapes of governance in the European hospital sector, *The journal of the Royal Society for the Promotion of Health*.
- Florini, A. M. (2007). The battle over transparency. In A. Florini (Ed.), *The right to know: Transparency for an open world* (pp. 1–16). New York: Columbia University Press
- Grindsted, A. (2005), *Interactive resources used in semi-structured research interviewing*, *Journal of Pragmatics*, Volume: 37, Issue: 7, Pages: 1015-1035
- Hajer, M.A., Tatenhove, J.P.M. van, Laurent, C. (2004) *Nieuwe vormen van Governance. Een essay over nieuwe vormen van bestuur met een empirische uitkering naar de domeinen van voedselveiligheid en gebiedsgericht beleid*. Bilthoven, Rijksinstituut voor

## Volksgezondheid en Milieu

- Kostova & Zaheer (1999). Organizational legitimacy under conditions of complexity: The case of the Multinational Enterprise. *Academy of management review* Volume: 24, Issue: 1, Pages: 64-81
- Lynn L.E., Heinrich C.J., Hill CJ(2001). *Improving Governance: A New Logic for Empirical Research*, Washington DC: Georgetown University Press.
- Peters, B.G., & Pierre, J (1998) Governance without government? Rethinking public administration in: *Journal of Public Administration Research and Theory*, 8(2), 223-243
- Picciotto, S. (2008) Constitutionalizing Multilevel Governance?, in: *I•CON*, volume 6, nr. 3 & 4, p. 457-479
- Popping, J. (2011) *Oldboysnetwerk in het management van de zorg, Ons kent ons, Zorgvisie Magazine* vol 4. 38-39
- Punch, K.F. (2005). *Introduction to Social Research – Quantitative and Qualitative Approaches*. (2<sup>nd</sup> ed.) . Las Angeles, CA; SAGE
- Rhodes, R.A.W. (1996). 'The new governance: Governing without Government, *Political Studies*, XLIV
- Rhodes, R.A.W (1997). *Understanding governance. Policy networks, governance, reflexivity and accountability*, Buckingham: Open university Press.
- Rhodes, R.A.W (2007). *Understanding Governance: Ten Years On*, *Organization Studies*, vol. 28 no. 8 1243-1264. Australian National University.
- Risse, T. (2004). *Transnational Governance and Legitimacy*, Center for Transatlantic Foreign and Security Policy. Freie Universität Berlin
- Rozman R. (2000). The organizational function of governance: development, problems, and possible changes, *Management*, vol 5.
- Scharpf, F.W. (1997). Introduction: The problem solving capacity of multi-level Governance, *Journal of European public policy*. vol. 4, no.4, 520-38.
- Skogstad, G (2003) 'Legitimacy and/or policy effectiveness?: network governance and GMO regulation in the European Union', *Journal of European Public Policy*, 10: 3, 321 — 338
- Tatenhove, J. (2009) *Politieke legitimiteit van regionale samenwerking*, NIROV, Den Haag
- Travers, M.(2001) *Qualitative research through case studies*, London: SAGE Publication Ltd.
- Willemse, H., Klinkenberg T. (2011) De toezichthouder als medehoeder van het publieke belang. *ZM Magazine*, 2011

## Appendix I: Planning

Week	Activities
<b>1</b> 31-03 t/m 08-04	- Getting to know Publicarea - Literature search
<b>2</b> 11-04 t/m 15-04	- Start writing proposal - Literature search - Write introduction
<b>3</b> 18-04 t/m 22-04	- Writing of conceptual framework - Writing of background
<b>4</b> 25-04 t/m 29-04	- Writing background - Writing conceptual framework - Writing methodology
<b>5</b> 02-05 t/m 06-05	- Finish writing background and framework - Writing methodology
<b>6</b> 09-05 t/m 13-05	- Finish writing proposal - Six week assessment - contacting people to interview
<b>7</b> 09-05 t/m 13-05	- Contacting people to interview - Developing interviews - Preparing interviews
<b>8</b> 16-05 t/m 20-05	- Contacting people to interview - Preparing interviews - Desk study
<b>9</b> 23-05 t/m 27-05	- Desk study - Preparing interviews
<b>10</b> 30-05 t/m 03-06	- Interviews - Transcribing
<b>11</b> 06-06 t/m 10-06	- Interviews - Transcribing
<b>12</b> 13-06 t/m 17-06	- Interviews - Transcribing
<b>13</b> 20-06 t/m 24-06	- Analyze interviews
<b>14</b>	

27-06 t/m 01-07 - Analyze interviews

**15** - Analyze interviews  
04-07 t/m 08-07

**16** - Finish analyzing results  
11-07 t/m 15-07 - Start writing report

**17** - Writing report  
18-07 t/m 22-07

**18** - Writing report  
25-07 t/m 29-07

**19** - Writing report  
01-08 t/m 05-08

**20** - Finish writing report  
08-08 t/m 12-08 - Presentation

## Appendix II: Organizational Structure

“Publicarea” is a consultancy agency specialized in guiding complex (cooperation) processes within and between organizations in the public area. The core of “Publicarea” is formed by Hetti Willemse and Ad van Elzaker

“Publicarea” focuses on cooperation between independent organizations and institutions in the nonprofit sector, the health insurance companies, patients/customers and the government  
Key issues are healthcare, welfare and public area

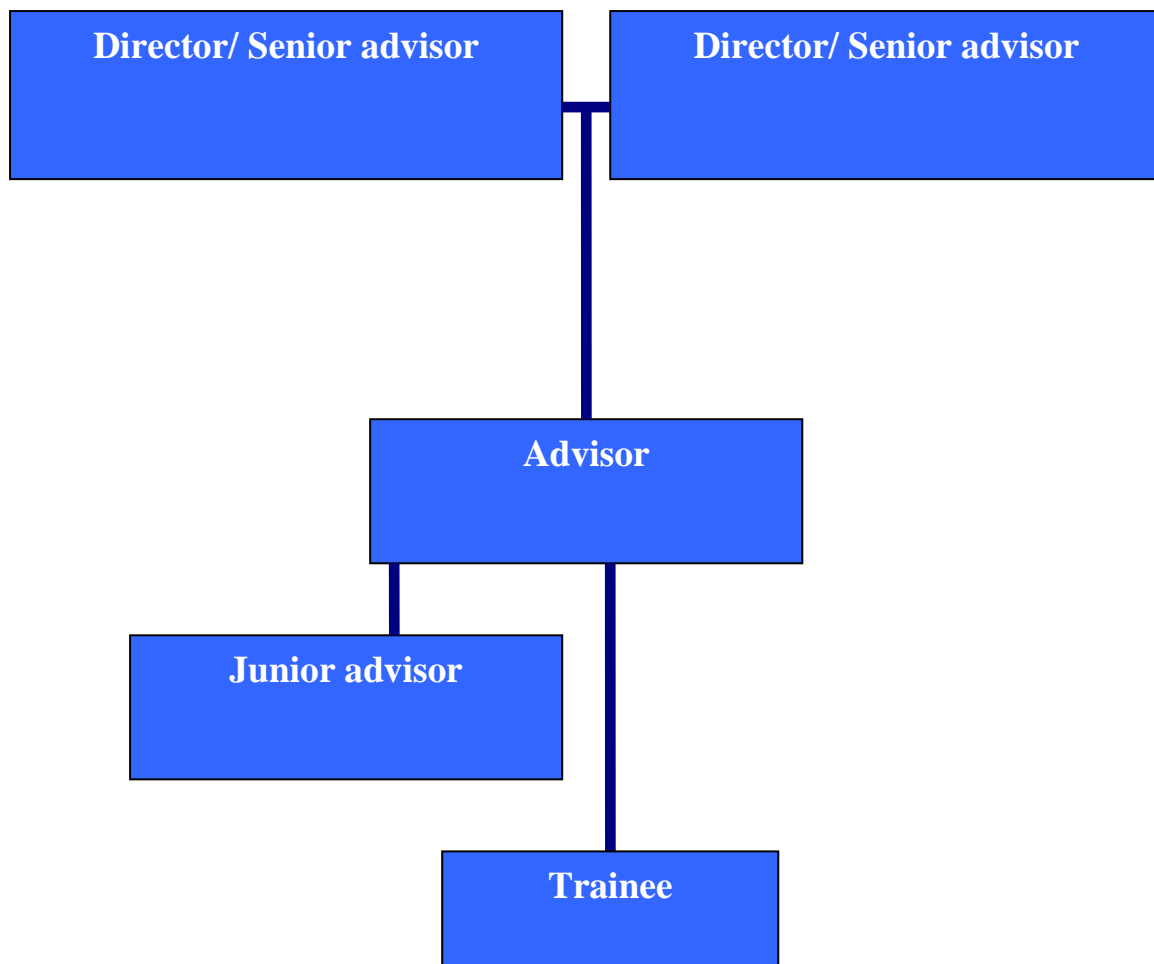


Figure 1. Organogram Publicarea  
(Made by Shujah Malik)

### Appendix III: List of organizations that were contacted

Organization	Location	Interviewed
Espira	Noord Oost Noord West Nederland	No
Zorggroep Noorderbreedte	Noord Friesland	No
Cordaan	Amsterdam	No
Orbis	Limburg	No
Zorggroep Noord- en Midden Limburg	Noord- en Midden Limburg	No
Bestuursstichting Lentis	Drenthe	No
Laurens	Rotterdam	No
De opbouw	Baarn/soest	No
Rivas Zorggroep	ZH, NB, Utrecht en Gelderland	No
Zorggroep Florence	Den Haag	Yes
Leveste	Drenthe	No
Carint Reggeland Groep	Twente	No
Careyn Zuwe Aveant	Utrecht	Yes
Aafje	Rotterdam	Yes
Pantein Groep	Brabant	No
Osira Groep	Amsterdam	Yes
ZorgSaam Zeeuws-Vlaanderen	Zeeuws-Vlaanderen	Yes
Zorggroep Almere	Almere	No
Vierstroom	Zuid Holland	No
ZZG Zorggroep	Nijmegen	No
Eckmunde	Egmond aan Zee	Yes
LOC	Utrecht	Yes
Vilans	Utrecht	Yes
Axioncontinuu	Zuid Holland	Yes

## **Appendix IV: General information on the organizations**

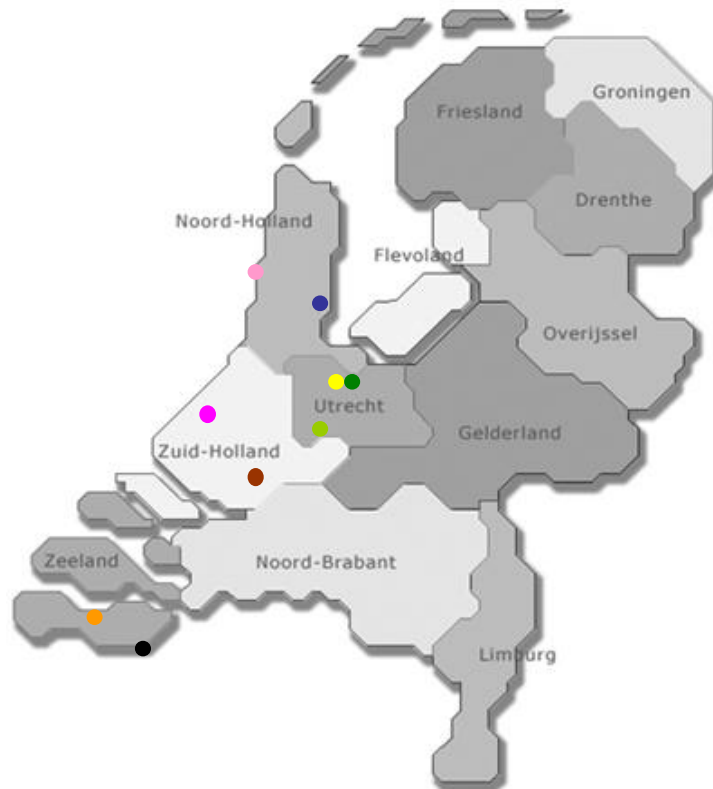
<b>Organization</b>	<b>Location</b>	<b>Amount of houses</b>
Aafje	Rotterdam	12
Axioncontinu	IJsselstein	12
Careyn Zuwe Aveant	Utrecht	16
Eckmunde	Egmond aan Zee	4
Florence	Zuid Holland	18
Osira	Amsterdam	17
ZorgSaam Zeeuws-Vlaanderen	Zeeuws-Vlaanderen	4

Next to these organizations that provide elderly care, also three other persons were interviewed. One from the LOC, one from Vilans and one person who has been a member and chairman of supervisory boards for many years in different health care related organizations.

The LOC is a nationwide client organization; it supports client councils active in the healthcare, in performing their duties and provide them with information about their rights. By interviewing the LOC more insight can be gained on what kind of function client councils have and what their rights are. Also to get to know what kind of influence they have in their own organization and how their relation is with the supervisory board.

Vilans is an independent knowledge centre for long-term care. Together with professionals from the field, they develop practical knowledge that helps improve the long-term care.

## Appendix V: Distribution of organizations interviewed



Organization	Colour on map	Province	Location
Florence 2x	Purple	Zuid-Holland	Rijswijk
Aafje	Brown	Zuid-Holland	Rotterdam
Osira	Blue	Noord-Holland	Amsterdam
LOC / Vilans	Green	Utrecht	Utrecht
Zuwe Aveant	Yellow	Utrecht	Maarsen
ZorgSaam	Black	Zeeland / Zeeuws-Vlaanderen	Hulst
ZorgSaam	Orange	Zeeland / Zeeuws-Vlaanderen	Terneuzen
Eckmunde	Pink	Noord-Holland	Egmond aan Zee
Axioncontinu	Light green	Utrecht	IJsselstein

## Appendix VI: Organizations used for deskresearch

Organization	Location
Espira	Noord Oost Noord West Nederland
Zorggroep Noorderbreedte	Noord Friesland
Cordaan	Amsterdam
Orbis	Limburg
Omring	Noord Holland
Bestuursstichting Lentis	Drenthe
Laurens	Rotterdam
De Opbouw	Baarn/soest
Rivas Zorggroep	ZH, NB, Utrecht en Gelderland
Zorggroep Florence	Den Haag
Leveste	Drenthe
Kwadrantgroep	Friesland
Careyn Zuwe Aveant	Utrecht
Aafje	Rotterdam
Pantein Groep	Brabant
OsiraGroep	Amsterdam
ZorgSaam Zeeuws-Vlaanderen	Zeeuws-Vlaanderen
Zorggroep Almere	Almere
Vierstroom	Zuid Holland
Meandergroep	Limburg
Amsta	Amsterdam
Eckmunde	Egmond aan Zee
Brabantzorg	Brabant
Humanitas	Den Haag
Sensire	Gelderland

## Appendix VII: Invitation letter

Betreft: Deelname Interview

Amsterdam,..../...../2011

Geachte heer/mevrouw,

Mijn naam is Shujah Malik en ik ben eerstejaars master student Management, Policy-Analysis & Entrepreneurship in the Health and Life Sciences (MPA) aan de Vrije Universiteit te Amsterdam. Sinds maart 2011 loop ik stage bij Publicarea, een adviesbureau gespecialiseerd in het begeleiden van complexe (samenwerkings)processen binnen en tussen organisaties in het publieke domein. Ik word begeleid door Hetti Willemse, zij heeft veel ervaring in de gezondheidszorg en wellicht kent u haar van publicaties waaronder de maandelijkse column in Zorgvisie. Als onderdeel van mijn stage bij Publicarea doe ik onderzoek naar governance in de zorgsector. Het doel van dit onderzoek is meer inzicht te krijgen in hoe raden van toezicht binnen de zorg (ouderensector) functioneren en in hoeverre ze transparant zijn in hun functioneren. Daarnaast wil ik in kaart brengen hoe het netwerk van toezichthouders binnen de ouderensector eruit ziet.

De reden waarom mijn onderzoek over de zorgsector gaat, is dat dit onderwerp een hoog actualiteitsgehalte heeft. De media en politiek besteden hier veel aandacht aan. Er gaat geen dag voorbij zonder dat we iets lezen, zien of horen over de zorgsector. Al met al staat de ouderenzorgsector volop in de belangstelling.

In mijn onderzoek zal ik inzoomen op governance in de zorgsector. Daarbij zal ik met name aandacht besteden aan de verpleeginstellingen. De afgelopen tijd zijn deze instellingen nogal in de media als gevolg van bepaalde incidenten met betrekking tot de kwaliteit en toezicht binnen deze huizen.

Een onderdeel van mijn onderzoek is het interviewen van leden van verschillende raden binnen de ouderensector, de raad van toezicht, ondernemingsraad en cliëntenraad. In dat verband zou ik een lid van de raad van toezicht, een lid van de ondernemingsraad en een lid van de cliëntenraad willen interviewen. Ik zou het zeer op prijsstellen als u hieraan wilt deelnemen en derhalve een bijdrage wilt leveren aan mijn onderzoek. Het interview zal ongeveer 1 uur duren en bij voorkeur bij uw organisatie. Desgewenst zal ik de conclusies van mijn onderzoek aan u kenbaar maken.

De interviews zullen plaatsvinden in de periode van 13 juni t/m 1 juli. Ik hoor graag welke datum en tijdstip u schikt. Indien dit niet mogelijk is, dan hoor ik graag andere voorkeursdata en tijdstippen. Ik ben zeer flexibel in het plannen van een afspraak.

Ik zou graag met u in contact willen treden om namen, telefoonnummers en e-mailadressen van personen die in aanmerking komen te vernemen.

Ik hoop dat ik u hiermee voldoende heb geïnformeerd. Mocht u nog vragen hebben dan hoor ik graag van u. U kunt mij altijd mailen [shujahmalik@publicarea.nl](mailto:shujahmalik@publicarea.nl) en bellen op telefoonnummer 020-6386425

U ontvangt deze brief per post en per mail.

Alvast bedankt voor uw inzet.

Met vriendelijke groet,

Shujah Malik

Stagiair Publicarea  
Weesperstraat 406  
1018 DN Amsterdam  
tel. 020-6386425  
fax 020-6242154  
[shujahmalik@publicarea.nl](mailto:shujahmalik@publicarea.nl)  
[www.publicarea.nl](http://www.publicarea.nl)