



# ABC of Governance

*Towards informed and transparent societies*

Health Governance Unit, Medical Research Institute, Alexandria University

## Hospital Governance Framework

### Introduction

Hospital governance has never been more necessary than now when the healthcare sector in Egypt is entering a new era of reform where the public are demanding better services. Governance is an important concept that can help improve the functional capacity of our healthcare organizations. Hospital governance is mainly concerned with a) setting direction and objectives b) making policies c) generating resources to achieve objectives d) ensuring objective are achieved through oversight, risk control and compliance with rules and regulations. The hospital governance framework presented in this brief is based on The Egyptian Healthcare Accreditation Program and can be regarded as a feasible and affordable approach to establish well-governed hospitals.

### Organizational Structure

The success and sustainability of hospitals depends largely on well-defined governance and management structures. Governance structures are usually collective in the form of governing boards where membership depends on possessing a number of competencies that are essential for board effectiveness. To create the right environment within the governing board, members with an executive role in the hospital should represent a minority. This helps ensure that the governing board does not become preoccupied with the day-to-day running of the hospital and that management remains

accountable for it and answerable to the board for its execution. Management, on the other hand, has a more hierarchal nature with a chief executive officer (director) at the top of the pyramid, taking the responsibility with the executive team for implementing board policies that aim at accomplishing hospital mission through well-timed plans.

### Effective Communication

To guarantee hospital well-being and to avoid confusion between governance and management each party's responsibilities and accountabilities should be clearly stated. A two-way communication policy should be established through which hospital governing boards can monitor and evaluate executive performance (through reporting of agreed targets) and hospital management can express its concerns and receive feedback on its performance.

### Mission Statement

Defining the purpose of the hospital in the form of a mission

statement is one of the fundamental roles of a governing body. This statement plays a vital role in motivating hospital staff and creating a cultural contract that guides hospital staff while also delivering quality and safe services. Visibility of the mission statement and related plans denotes transparency and leadership commitment towards the hospital's purpose.

### Community Engagement

Hospitals should align their services with their community health needs. In this context, communities can be defined geographically or by exhibiting a certain health problem. This process may require the help of specialized bodies that have the capacity to define community health needs. However, to ensure an effect that is sustainable and reasonable in magnitude, frequently several hospitals work collaboratively on certain priority community health needs. Such an approach accomplishes hospital responsibility towards its community and beneficiaries.



## Reading Material

- Standards for Hospitals. Ministry of Health and Population. Accreditation Executive Committee. 2nd edition. 2013.
- Hospital Governance Assessment Guide. Health Governance Unit, Medical Research Institute, Alexandria University. 2018.
- Principles and guidelines for governance in hospitals. CIPE and HEGTA. 2014.
- The Guide to Good Governance for Hospital Boards. Center for Healthcare Governance. 2009.

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## ABC of Governance

aims at

creating an awareness of issues related to health governance;

providing a core of knowledge that is practice-based;

encouraging communication between advocates of governance.

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Contributions are welcomed and will be published

## Governance Framework cont...

### Resource Allocation

Resources include financial, human resources, technology (facilities and equipment) and information systems. The typical scenario is one of abundance of plans and shortage of resources. Therefore, governing bodies should develop policies for resource allocation and ensure that funds follow services that accomplish the hospital mission and objectives. Such policies should also ensure resource allocation process transparency and the efficient use of resources.

Activities that aim at achieving mission-related objectives should only be eligible for resource allocation. This process of selection is then followed by a process of prioritization among selected activities. Prioritization criteria should be known to all to ensure a fair and transparent resource allocation process.

### Quality and Safety

Every hospital board should develop a quality and safety plan aligned to the hospital mission and tied to a quality framework. The plan should have measurable patient-related objectives achievable with available resources. The quality and safety plan should be progressive, ultimately leading to internal organizational cultural change and external official accreditation. The plan should be developed in consultation with all levels of the hospital, including governing board members, management, clinical leadership and quality officials with clear responsibilities, roles and accountabilities to ensure hospital-wide ownership.

### Risk Management

The quality and safety plan should establish the foundations of a safety culture with systems for patient safety incident reporting and analysis. This risk management system should include hazard identification, risk prioritization and risk control processes and should go beyond the clinical domain to include other governance and management decisions.

### Performance Disclosure

Patients and the wider community have the right to know the level of quality and safety of the hospital in which they will be treated. Disclosure of performance data that is reader-friendly is one way the hospital can show its commitment to quality, safety and efficiency in a transparent manner. Working towards accreditation from the relevant bodies assures higher authorities and the public that the hospital maintains the highest standards of quality and safety through processes of continuous improvement and regulatory compliance.

### Oversight

A key role of any hospital governing body is oversight of the hospital performance in achieving its objectives. This is done by monitoring the effectiveness of management strategies set to achieve these objectives. When certain deficiencies are recognized through this process of overseeing, they should be alleviated by new or revised strategies. Data presented for review should be comprehensive and objective related and in a format that facilitates comparison — internally with set targets and over time and externally with other similar organizations and established standards.

We hope this framework has helped you understand the outlines of hospital governance. For further understanding of this topic you can refer to our Hospital Governance Guide which can be downloaded from our website ([www.healthgovernanceunit.com](http://www.healthgovernanceunit.com)).