Governance Diversity on Boards
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Agota Szabo explores the notion of "good governance" in boardrooms and discusses the paper, "In the Boardroom: How Do Cognitive Frames Shape American and Dutch Hospitals' Responses to the Pressure of Adopting Governance Best Practices?" she and Riku Ruotsalainen wrote in the Journal of Management Inquiry.

Understanding the decision-making process of a boardroom is one of the most fascinating parts of organizational research. We are all interested in power games, team dynamics and how the external environment could influence the decision of directors. One of the important buzzwords of today is "good governance" and many boards face a lot of societal pressure to implement best practices of governance. It goes beyond regulatory requirements and boards need to take a different perspective on integrating governance codes and best practices in their organizations. In this study, we focused on the role of individual directors in developing organizational responses to that pressure. More specifically, we looked at how directors' own cognitive frames of governance influence the way boards choose best practices. Understanding your own cognitive frame of governance is a must for every board member, as it will guide largely the choices of good governance practices.

One of the most interesting findings of the research was to realize how often directors take a one-dimensional view on good governance. Some of the connections might look obvious to you, like legal background often determines strict compliance focus in board governance, but most directors had a strong preference for one specific angle in governance. For example, they described being responsible to the community or running the organization in the most efficient way as leading principles when selecting best practices. Many directors, who are chairs of their boards, had the most comprehensive view on governance and were able to navigate between the often conflicting demands of

Understanding your own cognitive frame of governance is a must for every board member, as it will guide largely the choices of good governance practices. (Photo: Unsplash)

various stakeholder groups. It was also interesting to see that having board experience in the specific sector had a big impact compared to having extensive board experience in other sectors.

They are all very valid perspectives, however; you also run the risk of having a one-dimensional board if many similar cognitive frames are present. Bringing this awareness to the team level is equally important. Having directors with different frames of good governance in organizations is very common, therefore, it is important to understand the set-up of the board from this perspective as well. Being a diverse board from a governance-framing perspective would mean that you are able to oversee the value of implementing a large set of best practices and successfully align them with the current and future organizational goals. Implementing best practices is not a goal on its own, but they could help you to create more efficient and effective organizations. Regular talks on how boards envision their own governance preferences could help to avoid being blindsided in important areas of good governance and to shed some light on which governance areas did not get the necessary attention from the board.