Exploring the Role of Ownership Structures in the Results of Professional Healthcare Franchises from a Multi-Actor Perspective

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Abstract

Franchising is being increasingly applied in the professional services sector, but evidence on how successful this model is in this sector is scare. This paper explores how the choice of different ownership structures within franchises has an impact on the results that are achieved from the perspective of multiple actors: franchisors, franchisees and professionals. We conducted a comparative embedded case study with three professional healthcare franchises in the Netherlands, using data from 101 interviews, various observations and document analyses. The study reveals that different system-level (plural form, pure franchise, cooperative franchise) and unit-level (stand-alone vs. fractional, active vs. passive, single vs. multi-unit) structures are believed to contribute differently to results. The combinations of structures can strengthen or weaken each other in terms of the achievement of results. Professionals and franchisees regularly feel satisfied and able to deliver high quality and efficient services in a pure franchise system with a stand-alone, active, single-unit ownership structure, although some professionals prefer fractional passive unit ownership. In contrast, the franchisors find a plural form the most advantageous system-level structure in terms of the achievement of multiple results. They (wrongly) assume that the franchisees also derive advantages from this structure. Professionals and organizations should carefully select their ownership structures by considering the relative importance of the different types of results for the different stakeholders. Quantitative or mixed methods research in other professional (healthcare) services should extend and confirm these insights.

Key words: healthcare, ownership structure, service, outcomes