

Defining Governance and Management

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All boards—corporate, nonprofit, and charter school—struggle with developing a clear understanding of the distinctions between governance and management.

Simply put, if it sets a goal, states an expectation, or clarifies a direction, then it is governance and “belongs” to the board.

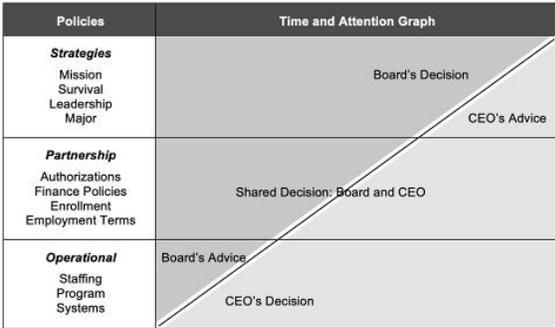
If it acts in any way to accomplish a goal or carries out an activity, then it is management and “belongs” to the administration.

The very nature of charter schools makes them institutions rife with governance/management issues. Key factors contributing to this are:

- During the founding phase of a charter school, board members often step in to help with management tasks before there are funds to hire staff for the school. Once the school is operational, it is often hard for trustees to shift to a purely governance role.
- Many charter school board members and CEOs lack previous governance experience. Having never served on a board, this is the first time they are trying to understand the distinctions between governing and managing.
- The distinction between governance and management is not a static thing. As a charter school evolves the governance/management line shifts. For example, during the first year of school operations, the governance/management line for financial oversight is significantly different than for a school with fifteen years of budget to actuals.

The chart below is the National Association of Independent Schools’ clarification of the distinction between governance and management. Anything above the diagonal line (darker shaded area) refers to the allocation of the board’s time. Anything below the diagonal line (lighter headed gray area) refers to the allocation of the administrators’ time.

NAIS Design of the Partnership¹



Above the diagonal line = allocation of board's time
 Below the diagonal line = allocation of CEO's time



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The board and CEO should discuss the difference between governance and management frequently. Directing attention to the issue will help build a group understanding and will help board members to internalize the distinction.

For example, there may be instances in which a board member brings up a concern—for example, about a potentially dangerous traffic pattern in front of the school during pick-up and drop-off. Other board members begin to chime in. Someone—another board member or the CEO—should stop the discussion briefly and ask, “What of this situation is governance and what is management?” The group should deliberate about that and clarify roles and responsibilities before continuing the discussion.

In addition, we find that creating governance/management charts that have a column articulating what the board does, vs. the committee, vs. the organization’s CEO are a great way to clarify the distinction.

[1] Adapted from, Mary Hundley DeKuyper, *Trustee Handbook: A Guide to Effective Governance for Independent Schools*. 7th Edition (National Association of Independent Schools, 1998).