

The Governance Institute

Management vs. Governance: Who Does What?

This table outlines activities that may fall within the scope of a board’s deliberations. Review the activities and select where you believe the responsibilities rest. Because the distinction between management and governance varies from organization to organization, and from time to time, within each organization, there are no “correct” answers. However, we provide suggestions in the column furthest to the right.

(Some key words to consider: Recommend, approve, implement, employ, monitor, determine, prepare, establish.)

Overall Direction (Mission, Vision, Values)	Governance	Management	Both	Recommended*
Revise mission, vision, values				G
Determine annual goals				G
Monitor progress on goals				G
Determine strategies to achieve goals				B
Recommend policy				M
Approve policy				G
Implement policy				M
Change bylaws				G
Employ outside consultants (counsel, financial, etc.)				B
Ensure compliance with regulations				M
Strategic Planning				
Prepare strategic plan				M
Approve strategic plan				G
Approve strategic plan budget				G
Approve deviations from strategic plan budget				G
Finance				
Approve annual operating budget				G
Approve capital budget				G
Approve deviations from operating budget				G
Approve deviations from capital budget				G
Approve senior management travel budget				M

Board Effectiveness				
Prepare and administer a board self-assessment program				G
Prepare and approve a board orientation program				B
Recommend changes in board composition				G
Recruit new board members				B
Quality of Care				
Recommend criteria for credentialing				M
Approve criteria for credentialing				G
Recommend quality indicators				M
Approve quality indicators				G
Establish standards for quality of care				G
Monitor quality improvement program				B
Management				
Hire CEO				G
Specify CEO performance expectations				G
Develop CEO annual goals				M
Prepare CEO transition plan				G
Evaluate CEO				G
Operations				
Assess organizational problems and suggest solutions				M
Hire Director of Nursing				M
Approve a raise for Director of the Emergency Room				M
Approve revisions in nursing career ladder				M
Terminate contract with health insurance carrier				B
Approve professional recruitment strategy				M
Secure a strategic alliance/merger				B
Approve expansion of a program				B

**G: The responsibility of the board.*

M: The responsibility of the CEO/executive management.

B: The board and CEO/management share the responsibility.