Texas Healthcare Trustees

Governance and Management: Defining Roles for Effective Hospital Leadership

The Importance of Clearly Defined Roles

The highest-performing healthcare organizations recognize the importance of maintaining a clear distinction between the responsibilities of governance and management, particularly those of the governing board and executive leadership. While several members of executive leadership teams may work closely with the board, either through reporting or as subject matter experts, it is important to remember the sole employee of the board is the CEO. Both the board and management must understand their respective roles and responsibilities, as finding the right balance is essential to the success of the organization.

When a board loses sight of its overarching responsibilities and becomes too involved in the day-to-day operations of the organization, it risks diverting valuable time and attention away from its primary objectives- upholding the hospital's mission and fulfilling its governance and oversight responsibilities.



Reminder

The **sole** employee of the board is the **CEO**.

Maintaining the Boundaries between Governance and Management

There are several ways governing boards and executive leadership can foster a strong and boundary-conscious relationship that supports the hospital's success.

- **Knowledge of Duties and Education -** Board members and management must understand their exact responsibilities and expectations. They must be educated on the scope and limitations of their roles, recognizing when to exercise their authority and when to defer to the responsibilities of the other. Clear roles and responsibilities should be provided during board orientation.
- **Respect and Trust -** The governing board should trust management to carry out operational responsibilities within the boundaries of the board's established expectations. Likewise, management should trust the governing board will guide them in their mission without overstepping.
- **Communication -** Regular and transparent communication among the governing board, board chair and CEO helps cultivate a healthy working relationship.
- **Annual board self-assessments and a formal CEO evaluation process -** This allows both the board and CEO to self-reflect on performance and how each can be supported by the other.

 Texas Healthcare Trustees ©2026. All rights reserved

Texas Healthcare Trustees

Governance vs. Management: Defining Roles for Effective Healthcare Leadership

Governance and Management: A Practical Guide

Shared Area	Governance Provides direction and oversight	Management Executes strategy and manages day-to-day operations
Mission, Vision, and Values	Establishes and safeguards the mission, vision and values.	Integrates the mission, vision, and values into daily operations.
Strategic planning	Approves strategic direction and organizational priorities.	Recommends and executes the strategic plan.
Budget and finance	Approves budget and oversees financial performance.	Prepares budget and provides regular performance reporting. Deploys resources (budget, staff, etc.) appropriately to achieve goals.
Quality and patient safety	Establishes and approves governing policies.	Drafts, recommends and implements policies.
Policy	Selects, evaluates and supports the CEO.	Recommends and executes talent strategy and builds the leadership team.
Medical staff	Monitors organizational quality, safety and performance.	Ensures effectiveness of quality and safety initiatives.
Risk and compliance	Oversees organizational risk and regulatory compliance.	Policy implementation and risk management.

Note: Specific responsibilities may vary depending on organizational structure, governing documents and applicable regulations.

Pulse Check

Ask: *Is this about the **what and why,** or about the **how**?*

The **what and why** belong to the board, the **how** belongs to management.

Visit THT.org for more info | *Texas Healthcare Trustees ©2026. All rights reserved*