

Boards vs. Managers - A Balancing Act

Who's in charge here? In trying to balance the constant but often competing demands of dealing with day-to-day activities while maintaining long-range goals, nonprofit leaders can often become confused about who is supposed to do what.

Thomas McLaughlin, a national nonprofit management consultant with Grant Thornton LLP, offers several broad suggestions about leadership that can help clarify roles and even help avoid problems.

The suggestions are:

- A manager's focus is on short-term execution. Boards concentrate on long-range plans.
- Concepts vs. details. Boards need to operate in a conceptual sphere and managers live in a world of details.
- Boards invest, managers spend. Boards need to be primarily concerned with things of inherent value. Boards make investment decisions with the very long-term view in mind. Managers are primarily occupied with costs. They see needs and crises and opportunities to improve.
- If it has to be decided today, it's the wrong question. If a question like this comes before the board, either it's the wrong kind of question to come before them or it has come too late.
- Boards "own" the controls, and managers implement them. This is one item, representing a change for many organizations, that has been demanded by Sarbanes-Oxley guidelines. Boards and managers can each use their part of the financial statements to guide their work.