

Study on the Relationship between the Board of Directors and Principals in Private Schools: Governance Structure, Interaction Mechanism, and Support-Supervision

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Abstract: This paper focuses on the core issue of private school governance, systematically explores the coupling relationship between the governance structure of the board of directors and principals' leadership, conducts an in-depth analysis of the operational logic of their interaction mechanism, and examines the impact path of the board's balance between resource support and supervision of principals' work on the sustainable development of schools. By integrating the methods of literature review, multiple case comparison, and questionnaire survey, this study selects 6 private schools at different educational levels from the eastern, central, and western regions of China as research samples. Through in-depth interviews, on-site observations, and data analysis, it reveals how the differences in the allocation of principals' decision-making power under different governance models affect leadership effectiveness, as well as the mechanism by which efficient interaction mechanisms optimize school management processes and improve educational quality. The study finds that: 1) a decentralized governance structure is more effective in stimulating principals' innovative management capabilities; 2) high-frequency, multi-channel formal and informal interactions can significantly reduce governance costs; 3) a dynamic balance mechanism featuring "support as the mainstay and supervision as a supplement" is the key to ensuring effective school governance. The conclusions of this paper can provide theoretical references and practical paradigms for private schools to improve their governance systems and enhance the quality of school-running.

Keywords: Private Schools, Board of Directors, Principal, Governance Structure, Interaction Mechanism, Support and Supervision, Leadership, School Development.

1. Introduction

In the process of the diversified development of education in China, private schools have become an important part of the education system. As of 2023, the number of private schools in China accounts for 34.5% of the total number of schools nationwide, and their governance level is directly related to the quality of education received by millions of students (Ministry of Education, 2024) [10]. As the highest decision-making body of private schools, the board of directors undertakes core functions such as strategic planning, resource coordination, and supervision and accountability. Meanwhile, the principal, as the executive core of the school's daily management, relies on the board's institutional design and the allocation of powers and responsibilities to exert their leadership. Currently, some private schools face problems such as the board's "overstepping intervention" or "lack of supervision", communication barriers between the board and principals, and an imbalance between support and supervision, which lead to low school management efficiency and fluctuations in educational quality.

Existing studies mostly focus on a single dimension of the board's governance structure or the individual traits of principals' leadership, and there is insufficient systematic research on the relationship between the two, especially a lack of empirical analysis on the interaction mechanism and the balanced path of support and supervision. Based on this, this paper adopts the analytical framework of "governance

structure-interaction mechanism-support and supervision" to explore how these three factors collaboratively affect principals' leadership and school development. It aims to fill the theoretical gap in the research on governance relationships in private schools and provide actionable optimization plans for policymakers and private school administrators.

2. Theoretical Background and Literature Review

2.1. Governance Structure of the Board of Directors

The core of the board's governance structure lies in the mode of power and responsibility allocation. Scholars at home and abroad have classified it into three types: "centralized governance", "decentralized governance", and "hybrid governance" (Jackson, 2016) [2]; (Wang, 2018) [5]. Under the centralized governance model, the board firmly controls strategic decision-making, personnel appointment and dismissal, and resource allocation, while the principal only undertakes executive functions. A typical example is some family-run private schools. This model tends to result in low decision-making efficiency and dampened enthusiasm of principals (Smith, 2017) [4]. In contrast, the decentralized governance model clarifies the boundary of powers and responsibilities between the board and the principal through institutional arrangements, entrusting the principal with daily decision-making powers in areas such as teaching

management and faculty development. The board only retains the functions of strategic approval and supervision. This model is relatively common in private schools in Europe and America and has been proven to effectively enhance the flexibility of school management (Brown, 2014) [1].

Domestic studies point out that the governance structure of China's private schools has the problem of "formal decentralization but substantive centralization". Although some schools have established decentralized systems, the board still influences the principal's decision-making through implicit intervention (Li, 2020) [8]. This is closely related to the vague definition of "the powers and responsibilities of founders" in China's private education policies.

2.2. Principals' Leadership

Principals' leadership is a multi-dimensional concept, including decision-making leadership, strategic leadership, and executive leadership (Lee, 2015) [3]. Decision-making leadership is reflected in the principal's ability to judge and choose on issues such as teaching reform and curriculum design; strategic leadership requires the principal to formulate long-term development plans based on the school's positioning; and executive leadership is related to the implementation of policies and the effectiveness of team management.

Existing studies show that the impact of governance structure on principals' leadership has "path dependence": under the centralized governance model, the principal's decision-making leadership and strategic leadership are suppressed, and only executive leadership can be exerted (Green, 2019) [6]; in contrast, the decentralized governance model enables the principal to enhance all three types of leadership in a coordinated manner by granting autonomy (Zhang, 2021) [7]. In addition, the effectiveness of principals' leadership is also regulated by external environments (such as policy supervision and parental needs) and internal resources (such as faculty and funds), and the support from the board is the key to obtaining internal resources (Johnson, 2020).

2.3. Interaction Mechanism between the Board of Directors and Principals

The interaction mechanism between the board and the principal serves as a bridge connecting the governance structure and leadership, which can be divided into two categories: formal interaction and informal interaction (Smith & Johnson, 2017) [4]. Formal interaction mainly takes the form of regular meetings (e.g., quarterly board meetings, annual performance reports) and written reports (e.g., monthly work statements, annual financial reports). It is characterized by standardization and proceduralization and serves as the core carrier for the performance of powers and responsibilities. Informal interaction includes daily communication, ad-hoc meetings, and online exchanges. It is highly flexible and can promptly solve emergent problems that cannot be covered by formal meetings.

Foreign studies have found that when the frequency of formal interaction reaches 1-2 times per quarter and informal interaction reaches 2-3 times per week, the trust between the board and the principal is the highest, and the rate of decision-making disputes is the lowest (Brown, 2014) [1]. However, domestic cases show that about 60% of private schools have the problem of "valuing formal interaction while neglecting informal interaction", which leads to delayed communication and affects the efficiency of problem-solving (Wang, 2022) [9].

2.4. Support and Supervision of the Board of Directors

The support and supervision of the board constitute a dialectical relationship. Support is reflected in resource supply (funds, policy connection, social networks) and capacity empowerment (training, consulting), while supervision includes process supervision (daily work inspection) and result supervision (evaluation of school-running quality) (Lee, 2015) [3]. Excessive supervision will make principals "hesitant to act" and inhibit innovation; on the other hand, the lack of supervision may lead to "moral hazards", such as principals ignoring long-term development in pursuit of short-term performance (Jackson, 2016) [2].

The ideal state of balance is "support first, supervision as a guarantee": in the early stage of school development, the board mainly provides resource support to help the principal build a management system; when the school enters a stable period, the board gradually strengthens result supervision and reduces process intervention (Zhang, 2021) [7]. However, most private schools in China have not yet established a dynamic balance mechanism, and either have excessive supervision or insufficient support, which has become a major bottleneck restricting school development.

3. Research Methods

3.1. Research Design

This paper adopts a "mixed research method", integrating literature review, multiple case comparison, and questionnaire survey to form a research closed loop of "theoretical construction-case verification-data support". First, it sorts out core concepts and theoretical frameworks through literature review; second, it selects typical cases for in-depth analysis to explore the practical form of governance relationships; finally, it verifies the universality of case conclusions through questionnaire surveys to ensure the scientificity and validity of the research.

3.2. Research Objects

The case selection follows the principles of "geographical coverage, diverse levels, and typical problems". Six private schools from 3 provinces in China were selected:

(1) Eastern region: School A (K12 consistent education system, decentralized governance), School B (higher vocational college, centralized governance);

(2) Central region: School C (senior high school, hybrid governance), School D (compulsory education stage, decentralized governance);

(3) Western region: School E (secondary vocational school, centralized governance), School F (K12 consistent education system, hybrid governance).

The questionnaire survey was conducted among 42 board members and 6 principals from the 6 schools. A total of 45 valid questionnaires were recovered, with an effective recovery rate of 93.75%.

3.3. Data Collection and Analysis

(1) Literature data: Through databases such as CNKI and Web of Science, literatures on topics such as "private school governance" and "relationship between the board of directors and principals" were searched. A total of 86 core literatures were selected for theoretical sorting and framework construction.

(2) Case data: Case materials were obtained through in-depth interviews (3-5 board members and 1 principal were interviewed in each school, with each interview lasting 60-90 minutes), on-site observations (3 days of on-campus observation in each school to record governance processes), and text analysis (120 documents including school charters and board meeting minutes were collected).

(3) Questionnaire data: A questionnaire was designed using a 5-point Likert scale, with questions set from dimensions such as "satisfaction with governance structure", "frequency of interaction", and "balance between support and supervision". SPSS 26.0 software was used for descriptive statistics and correlation analysis.

3.4. Research Results

3.4.1. Relationship between the Board's Governance Structure and Principals' Leadership

(1) Decentralized governance model is more optimal: Among the 6 schools, the principals' leadership scores of School A and School D (decentralized governance) were 4.23 and 4.15 respectively, which were significantly higher than those of School B and School E (centralized governance, 2.87 and 2.92) and School C and School F (hybrid governance, 3.56 and 3.61). Under decentralized governance, principals have sufficient decision-making power in issues such as curriculum reform and faculty recruitment, enabling them to quickly respond to the needs of the education market. For example, the "STEAM curriculum system" led by the principal of School A was implemented in only 1 year, while the "training base expansion plan" proposed by the principal of School B was delayed by 2 years due to repeated approvals from the board.

(2) Clarity of the boundary between powers and responsibilities affects effectiveness: Even in schools with decentralized governance, if the school charter does not clarify the boundary of powers and responsibilities (e.g., School D did not define the specific standard for "large-scale fund use"), principals will still hesitate to make decisions for fear of overstepping their authority. As a result, their leadership score was 0.08 points lower than that of School A, where the boundary of powers and responsibilities was clear.

3.4.2. Interaction Mechanism between the Board of Directors and Principals

(1) Positive correlation between interaction frequency and management efficiency: School A (with 2 formal meetings per quarter and 3 informal interactions per week) had the highest management efficiency score (4.31), while School B (with 1 formal meeting every six months and 1 informal interaction per month) had the lowest (2.76). High-frequency interactions can solve problems promptly. For instance, School A finalized the "online teaching plan during the epidemic" within 1 week through ad-hoc meetings, while School B's online teaching plan was delayed by 2 weeks due to lagging communication.

(2) Significant supplementary role of informal interaction: Although the frequency of formal interaction in School C and School F (hybrid governance) was similar to that in School A, their neglect of informal interaction (only 1 time per week) led to lower trust scores between principals and the board (3.21 and 3.35) compared with School A (4.18), and higher rates of decision-making disputes (28% and 30%) than School A (12%).

3.4.3. Support and Supervision of the Board of Directors

(1) Resource support enhances leadership effectiveness: The boards of School A and School D provided sufficient

funds and social support to principals by connecting with corporate resources and securing policy subsidies. As a result, the strategic leadership scores of their principals (4.25 and 4.17) were significantly higher than that of School E (2.90), where resource support was insufficient. For example, the board of School A introduced cooperation with a technology enterprise to help the principal build a leading maker laboratory in the province.

(2) Moderate supervision ensures the direction of development: In schools with "less process supervision and more result supervision" (School A and School D), the principals' innovation willingness scores (4.02 and 3.95) were higher than those in schools with "more process supervision and less result supervision" (School B and School E, 2.85 and 2.91). The board of School A only supervised the "annual evaluation of school-running quality" and did not interfere in the principal's daily management, allowing the principal to smoothly implement innovative measures such as the "flexible working system for teachers". In contrast, the board of School B checked teaching logs every month, and the principal did not dare to promote any teaching reform for fear of violating regulations.

4. Discussion

4.1. Theoretical Significance of Core Findings

(1) Improving the theoretical framework of governance relationships: This paper confirms that "governance structure-interaction mechanism-support and supervision" are not isolated, but form a closed loop where "structure determines the form of interaction, interaction affects the effect of support and supervision, and support and supervision in turn promote structural optimization". This fills the gap in systematic research on governance relationships in private schools.

(2) Expanding research on influencing factors of principals' leadership: The study finds that the impact of governance structure on principals' leadership is not "black or white", but exerts its role through mediating variables such as "clarity of the boundary between powers and responsibilities" and "interaction frequency". This provides a new perspective for understanding the contextual dependence of principals' leadership.

4.2. Practical Implications and Problem Reflection

(1) Optimization path of governance structure: Private schools should abandon the traditional "centralized governance" model and adopt a governance structure featuring "decentralization as the mainstay and hybrid governance as a supplement". Through the school charter, the boundary of powers and responsibilities between the board (strategic decision-making, supervision) and the principal (daily management, teaching reform) should be clarified. In particular, specific standards for "major issues" (such as the amount of fund use and the scope of personnel appointment and dismissal) need to be defined to avoid implicit intervention.

(2) Suggestions for improving the interaction mechanism: Establish a "formal + informal" dual-track interaction system: in terms of formal interaction, set 1-2 board meetings per quarter and 1 written report per month; in terms of informal interaction, encourage board members to communicate with the principal 2-3 times a week online or offline. Systems such

as "principal reception day" and "board liaison officer" can be established to reduce communication costs.

(3) Strategy for balancing support and supervision: Dynamically adjust the proportion of support and supervision according to the school's development stage:

Start-up stage (1-3 years after establishment): Focus on resource support (e.g., connecting funds, introducing faculty), and limit supervision to compliance (e.g., financial auditing);

Growth stage (4-10 years after establishment): Gradually increase result supervision (e.g., evaluation of school-running quality), and focus support on capacity empowerment (e.g., principal training);

Mature stage (more than 10 years after establishment): Take result supervision as the core, and shift support to strategic coordination (e.g., connecting with education policies, expanding social resources).

4.3. Research Limitations

(1) The number of selected cases is limited (6 schools), and private universities are not included, so the universality of the conclusions needs to be further verified;

(2) The questionnaire survey only covers board members and principals, and does not include stakeholders such as teachers and parents, resulting in a limited perspective;

(3) The impact of the policy environment (e.g., *Implementation Regulations of the Private Education Promotion Law*) on the relationship between the board and principals is not discussed, which can be supplemented in future research.

5. Conclusion

5.1. Research Conclusions

(1) Among the governance structures of the board of directors in private schools, the decentralized governance model is most effective in stimulating the principal's decision-making, strategic, and executive leadership, and clear boundaries between powers and responsibilities are the prerequisite for the effectiveness of decentralized governance;

(2) An efficient interaction mechanism between the board and the principal (high-frequency formal interaction + regular informal interaction) can improve trust and management efficiency, and informal interaction plays an irreplaceable role in supplementing formal communication and reducing decision-making disputes;

(3) The board's dynamic balance mechanism of "support as the mainstay and supervision as a supplement" is the key to ensuring the principal's innovation capability and promoting the sustainable development of schools. Excessive supervision or insufficient support will restrict the effectiveness of school governance.

5.2. Practical Recommendations

5.2.1. Recommendations for Private Schools

(1) Revise the school charter to clarify the list of powers and responsibilities of the board and the principal. Entrust the principal with powers such as "teaching management, faculty recruitment, and daily fund use (e.g., single payment of less than 50,000 yuan)", while the board only retains core powers such as "strategic planning, approval of large-scale funds (e.g., single payment of more than 500,000 yuan), and appointment and dismissal of principals";

(2) Establish a "dual-track interaction" system: hold 1 board meeting per quarter and submit 1 principal work

briefing per month; set up a "weekly communication day" and assign 1 liaison officer from the board to communicate with the principal online or offline to solve problems promptly;

(3) Build a "phased" support and supervision system:

Start-up stage: Focus on providing support for funds and policy connection, and conduct 1 compliance supervision per year;

Growth stage: Provide support for principal training and social resource expansion, and conduct 1 evaluation of school-running quality every six months;

Mature stage: Focus on strategic coordination support and conduct 1 comprehensive performance supervision per year.

5.2.2. Recommendations for Policymakers

(1) Issue the *Guidelines on the Division of Powers and Responsibilities between the Board of Directors and Principals of Private Schools* to clarify their legal boundaries and avoid "formal decentralization";

(2) Establish a governance evaluation system for private schools, incorporating indicators such as "rationality of governance structure", "effectiveness of interaction mechanism", and "balance between support and supervision". Provide policy preferences (e.g., enrollment quotas, financial subsidies) for schools with excellent governance;

(3) Build a governance training platform for private schools, and regularly organize board members and principals to participate in thematic training to improve their governance capabilities.

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