



# RELATIONSHIP BETWEEN CHAIR AND CEO

## PURPOSE

To stimulate thinking around the preferred relationship and how this is to be established and maintained.

For an organisation to operate at optimum efficiency, a great deal depends on the relationship between the board and senior staff, in particular between the Chair of the board and the CEO. The Chair is the CEO's line manager and if this relationship is not happy, a great deal of time and emotional energy is wasted that could otherwise be productively invested in furthering the aims of the organisation.

Chair and CEO should strive to develop a relationship that is characterised by trust and honesty, with the aim of finding effective communication on how to help each other. It is important for them to be able to discuss not only things that are working well but also things that have not gone so well in order to learn and improve for the future.

Much confusion and communication breakdown can be avoided by making sure that responsibilities are clearly defined in written form. For some suggestions regarding demarcation of responsibilities, see the 'Sharing the Load: Some Respective Roles of the Board and CEO' Factsheet.

Some specific ideas on how the Chair and CEO might work together are:

- > Developing agendas and ensuring that the board is effectively served with appropriate papers and contextual information in a timely manner
- > Planning board meetings to ensure decision-making and information flow run as smoothly as possible
- > Recommending composition of board sub-committees and recommend committee chairpersons with an eye to future succession
- > Recruiting board and other talent for whatever volunteer assignments are needed
- > Building and maintaining external relationships together, with the Chair serving as an alternate spokesperson
- > Working in partnership to make sure board resolutions are carried out
- > Chair, CEO and Secretary of the Board of directors working together to conduct official correspondence of the organisation, and jointly, with designated officers, execute legal documents

There are two arms to an organisation: the Chair is the leader of the board, the highest authority of the organisation, responsible for overall governance, while the CEO is the key focus of operational management. Communication between these two arms of the organisation works best when it is channelled through Chair and CEO. With these clear lines of communication, any concerns the staff have regarding the role of the board or individual members can be reflected to the board and any concerns of the board and/or other constituencies about management or individual staff members can be reflected to the CEO.

The Chair/CEO relationship is further affirmed through regular appraisal of the CEO's performance and remuneration. Many CEOs express a desire for appraisal but it is seldom offered. The appraisal process is led by the Chair with the support of the Board. It provides a clearing ground for dealing with any potentially irksome issues from either side, leaving the way open for positive, constructive progress for the organisation.

When this partnership between Chair and CEO is working at optimum effectiveness, the organisation is unstoppable.

For further information on appraisal processes, see the CEO Appraisal Fact Sheets on the Positive Solutions website: [www.positive-solutions.com.au](http://www.positive-solutions.com.au)

## SOURCE

- > Fishel, D, The Book of the Board, Federation Press, Sydney, NSW (2003; 3rd edn. 2014)
- > Minnesota Council of Non-profits, <https://www.minnesotanonprofits.org/resources-tools/resources-detail/the-executive-director-and-board-relationship>

## ABOUT POSITIVE SOLUTIONS

[Positive Solutions](#) offers a range of services to non-profit boards throughout Australia. [Board development workshops](#) and detailed board reviews can be tailored to the needs of each organisation. To find out more about how Positive Solutions can help you, contact: [info@positive-solutions.com.au](mailto:info@positive-solutions.com.au) or call 07 3891 3872.

## THE BOOK OF THE BOARD

[The Book of the Board](#) is Australia's standard reference book for board and committee members of non-profit organisations. Authored by Positive Solutions Director, David Fishel, and currently in its third edition, The Book of the Board provides clear guidance on the role of the non-profit board, formal and legal responsibilities, and the ways in which the board can maximise its effectiveness for the organisation.

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