



Hands Off – Hands On

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You notice that the Board Chair is more ‘hands on’ than one would expect or that the CEO is very ‘hands off’, allowing the Chair to get involved with the day-to-day operations of the business. You are also frustrated since you often feel like the ‘ham in the sandwich’ between the two. Let’s explore the appropriate and respective roles of a CEO vs the Chair.

This **KWIK series** aims to start conversations amongst individuals, social groups, and in organisations. We share practical knowledge – built up over decades, and which would have helped us if we knew it earlier. We believe that people between 25 and 45, if they have access to this knowledge, are ideally placed to lead in rebuilding South Africa.

Think About

- As an Executive, do you receive instructions from both the CEO and the Chair?
- Are these instructions either conflicting or the same instruction for the same task?
- Do both expect a report from you? At different times?
- Does the Chair give direct instructions to staff members?
- Is the CEO largely absent or allowing the Chair to run operational matters?
- Do you feel like the ‘ham in the sandwich’?
- Are staff approaching you to assist in these situations?
- Is there confusion, contradiction, and/or more work because of this?
- Is their conflict between the CEO and the Chair?
- Are you clear on what the duties of each role should be?

The duties between the CEO and the Chair are quite different; separate but also easy to understand. The one is a strategic oversight role whilst the other is more operational. There are also basic governance tools, policies, and procedures that clarify and ensure adequate separation of duties. The latter is critical for the organisation to ensure accountability for strategy vs operations. The Chair, with the Board, receives his/her mandate from the Memorandum of Incorporation or Constitution. The Board uses this document to determine the level of authority that it delegates to the CEO (and Executive team) by way of a Delegation of Authority (DOA). The DOA is a good indicator of ‘materiality’ and the Board’s risk appetite levels. The CEO’s level of autonomy is therefore made visible through the DOA. Where an organisation makes losses, the Chair, through the Board, may be more ‘hands-on’. A more ‘hands-off’ approach may be noticeable when the organisation does well, based on the adage ‘profits liberate’. Both the Chair and the CEO have a clear fiduciary duty to always act in the best interest of the organisation. It is important for all Executives, and in particular the Company Secretary (who is responsible to guide the organisation on the roles of the board and the executive respectively), to understand these roles:

The Chair’s Responsibilities

- **Collaborate with the CEO:** The Board delegates the responsibility of managing the CEO to the Chair. The Chair is responsible for all approvals (as per the DOA) regarding the CEO, e.g. approval of leave, expenses, and the CEO’s personal performance. The Chair will also provide guidance and support to the CEO to execute the organisation’s strategy.
- **Board Governance:** The Chair leads Board meetings, ensures effective communication within the Board, and facilitates the Board’s decisions making process. This includes the efficient and effective running of meetings and ensuring that the Board adheres to good governance and fulfils its fiduciary duties in line with legal and good governance requirements.
- **Representation:** The Chair acts as an official representative of the Board. In some cases, specifically in some non-profit organisations, the Chair could also be the face of the Organisation and/or its official spokesperson.

The CEO’s Responsibilities

- **Execute the Strategy:** The CEO’s primary responsibility is to execute the organisation’s strategy as set by the Board. This includes designing and implementing initiatives or projects to achieve the organisation’s objectives.
- **Operations:** The organisation’s operation is led by the CEO together with a team of executives and staff.
- **Leadership:** The CEO leads all employees working for the organisation. This means he or she is responsible for creating a culture and work environment that is conducive to achieving the organisation’s objectives.
- **Report to the Board:** The CEO must regularly report progress made regarding the achievement of strategic objectives, financial performance and material decisions that requires consideration and approval of the Board.

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- Coaching takes place face-to-face or online, one-on-one or in groups – as suitable for participants.
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