



THE CLASH! MANAGEMENT VS. BOARD

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The role of the board and that of management are delineated and quite separate. Sometimes the lines are blurred where certain management personnel have a seat in the board. Some CEOs are also board members. The board secretary may also be a part of senior management as the head of legal affairs.

When the lines are blurred, trouble can brew because at times the execution of management's role can come under the board's scrutiny. In order to avoid this scrutiny, and for self-preservation, accuracy of information may be compromised.

A CEO who sits on the board as an executive member of the board, for the same reason that their conduct may come under scrutiny, may not be forthright with the board.

THE DOUBLE-EDGED SWORD

A board secretary who is removed from management may advise the board in abstract as they do not have the benefit of day - to - day management.

On the other hand, a CEO who sits on the board is usually viewed as the "inside director" who can assist the board with practical decisions

You can already see that there are advantages and disadvantages of having either the board secretary removed from management or the CEO separated from the board. The truth is, there is no right or wrong – a company must elect, based on its circumstances – how the role of the board secretary and CEO must be discharged from both the board and management perspective.

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