

AGENDA

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Not a Beautiful Friendship: Perfecting the Chair-CEO Balance

By Kristin Gribben November 21, 2011

More companies are mastering the art of separating the chair and CEO roles. But the relatively new leadership structure can still cause friction at companies that haven't yet hit on the right formula. Personalities may clash, the CEO may resent not holding the chairman title, or the chairman may have his own eye on the corner office. For example, AIG's former non-executive chair, **Harvey Golub**, resigned last year because of strategic disagreement and just plain bad chemistry with CEO **Robert Benmosche**.

Building an effective relationship between the chairman and CEO requires giving careful consideration to their dynamic when each individual is appointed.

"It's a matter of providing the right oversight [as a chairman] and having the right culture as a company," says **Andrew McKenna**, the non-executive chairman of **McDonald's** since 2004. McKenna has worked with two CEOs at the fast-food chain and says that an open line of communication is the key to making the split roles work.

Many non-executive chairmen agree that for their relationship with the CEO to be successful, it needs to stay professional. **David Scileppi**, an attorney with Florida law firm **Gunster** who advises boards on corporate governance, says every non-executive chairman he's worked with has kept a certain distance from the CEO. "They're not going to dinner together or to their kids' birthday parties.... If you get too close to the CEO your independence can be called into jeopardy."