PRESIDENT & CEO

The larger the company, the more markets it serves, the broader its product portfolio and, paradoxically, the fewer the direct responsibilities of the Chairman seem to be.

It may sound like a provocative statement, but very often that is exactly how it works.

When people look at a large multinational from the outside, they tend to imagine the Chairman as the absolute commander of the ship. In reality, in modern corporations, the Chairman often represents institutional authority, continuity, and the relationship with the Board of Directors and the shareholders.

The person who actually walks onto the battlefield every morning is someone else: the CEO.

The CEO is the one who must deliver results.

The CEO is the one who must explain why sales are growing or declining.

The CEO is the one who must justify a loss of market share.

The CEO is the one who must deal with strikes, industrial crises, product recalls, strategic mistakes, and organizational changes.

In short, the CEO lives under constant scrutiny.

Every quarter brings judgment.

Every year brings evaluation.

Every decision carries a price.

When things go well, credit is shared.

When things go badly, responsibility usually lands on a single desk.

The CEO’s.

The Chairman, on the other hand, occupies a more sophisticated territory.

The Chairman participates in strategic decisions.

The Chairman helps define direction.

The Chairman influences priorities.

The Chairman engages with shareholders.

The Chairman builds relationships.

The Chairman manages balances and power structures.

Yet the Chairman rarely appears on the operational front line.

It is a role built more on influence than execution.

More on guidance than direct accountability.

More on power than exposure.

For this reason, in large corporations, the relationship between Chairman and CEO is one of the most delicate dynamics in the entire system.

On paper, they appear to be allies.

In reality, they often serve different needs.

The Chairman wants to protect the institution.

The CEO must protect performance.

The Chairman thinks in terms of stability.

The CEO thinks in terms of results.

The Chairman can wait.

The CEO must answer immediately.

When both roles are aligned, the organization becomes stronger.

When conflict emerges, the entire company quickly feels the tension.

Executives no longer know whom to follow.

Priorities become blurred.

Decisions slow down.

Internal politics begin to replace competition in the marketplace.

And very often, it is the CEO who ultimately pays the price.

For one very simple reason.

A Board of Directors can replace a CEO in a matter of minutes.

Replacing a Chairman is far more complicated.

That is why the CEO of a large corporation occupies a unique position.

The CEO carries enormous responsibilities.

The CEO manages thousands of people.

The CEO moves billions of dollars.

The CEO makes decisions that influence entire markets.

And yet, the position is always temporary.

One day the CEO can be celebrated as the architect of success.

A few quarters later, the same CEO can become the primary explanation for the company's problems.

The Chairman, meanwhile, often represents the memory and continuity of the system.

One executes.

The other oversees.

One runs.

The other watches.

One delivers results.

The other protects power.

And it is within this fragile balance that one of the least discussed truths of corporate management becomes clear:

in large corporations, power and accountability do not always sit in the same office.

Ferdinando