The Evolving Relationship Between Chairs And Chief Executives: A Negotiated Order Perspective

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The relationship between Chairs and Chief Executives (CEs) has been largely neglected in research on the governance of third sector organizations. Yet a small but growing body of research on corporate governance in the private and public sectors suggests that this relationship is crucial to the effective functioning of the board and the leadership of the organization (e.g. Stewart, 1991; Roberts and Stiles, 1999; Robinson and Exworthy, 1999; Kakabadse et al, 2010). Much of the research on chair-CE relationships has employed cross-sectional research designs. However, as Shen (2003) notes the relationship between boards (and hence also chairs) and CEs is a dynamic one and will evolve as the relationship matures. As a result he calls for longitudinal research to examine the board-CE relationship.

This paper responds to this challenge. It presents the results from research that examined the relationship between the chair and chief executive in third sector organizations, and how this relationship is ‘negotiated’ and evolves over time in response to both contextual and situational changes.

The research involved a longitudinal case study of a small voluntary organization in the UK that worked to support young mothers. The research was carried out over a roughly 3 year period beginning in early 2010. Interviews were carried out with the Chair and CE at regular intervals over that period. In addition interviews were carried out with some other board members, staff and external stakeholders. Background information was also collected on the organisation detailing its history and development. All the interviews were transcribed and entered into NVivo for initial coding. A form of template analysis was used to analyse the data (King, 2012). This allows for both apriori and inductively derived themes to be used for coding.

As Roberts and Stiles (1999: 38) note the roles and relationship between chairs and CEs cannot be understood simply in terms of formal job and role descriptions. The boundaries between the roles are often unclear and may need to change as roles develop and in response to changing circumstances. A conceptual framework derived broadly from negotiated order theory (Strauss, 1978) was use to analyse data from the case. This suggests that relationships are ‘negotiated’ as actors both consciously and unconsciously construct and reconstruct their relationship through repeated interactions (Baïada-Hirèche et al, 2011), and that these negotiations are in turn shaped by the negotiation context and the wider structural context.

The research contributes to development of the field of third sector governance research in a number of ways. First, it provides a conceptual framework for helping to understand the dynamics of Chair-CEO relationship in third sector organizations, which can guide further research. Second, the empirical data provides evidence of some of the distinctive governance challenges in small third sector organizations, which have been largely neglected in the literature (Rochester, 2003). In particular it highlights the very blurred boundaries between governance and management, with the Chair often engaging in management activities in response to both perceived crises and the lack of experience of the CE. Third, it suggests that the relationship between a Chair and new CE is likely to go through a number of distinctive phases as the relationship matures and the CE gains experience. And fourthly, that crises or critical incidents can trigger changes in the relationship, in some instances undermining trust and leading to a deteriorating relationship.

References


