
Briefing

The Role of the Managing Director/Chief Executive



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The managing director/chief executive is the most senior full-time executive of the company (except when there is an executive chairperson). The role of managing director and chief executive are virtually the same, although the chief executive may not be a member of the board of directors. The managing director/chief executive is responsible for the performance of the company, as dictated by the board's overall strategy. He or she reports to the chairperson or board of directors.

Responsibilities include:

- formulating and successfully implementing company policy;
- directing strategy towards the profitable growth and operation of the company;
- developing strategic operating plans that reflect the longer-term objectives and priorities established by the board;
- maintaining an ongoing dialogue with the chairperson of the board;
- putting in place adequate operational planning and financial control systems;
- ensuring that the operating objectives and standards of performance are not only understood but owned by the management and other employees;
- closely monitoring the operating and financial results against plans and budgets;

- taking remedial action where necessary and informing the board of significant changes;
- maintaining the operational performance of the company;
- representing the company to major customers and professional associations; and
- building and maintaining an effective executive team.

The UK Corporate Governance Code

The UK Corporate Governance Code does not specify a corporate governance role for the managing director/chief executive, but notes that the board should have a clear division of responsibilities and the posts of chairperson and managing director/chief executive should not be combined in one individual.

To facilitate the division of the responsibility of running the board and running the company, the UK Code recommends that a clear division of responsibilities is set out in writing and agreed by the board. It is, however, recognised that there should be a strong executive representation on the board, so that power and information are not concentrated in one or two individuals.

Further information is available from



Garreth O'Brien
Partner
+353 1 607 1489
garreth.obrien
@mccannfitzgerald.com



Peter Osborne
Consultant
+353 1 611 9159
peter.osborne
@mccannfitzgerald.com



Frances Bleahene
Senior Associate
+353 1 607 1466
frances.bleahene
@mccannfitzgerald.com

Alternatively, your usual contact in McCann FitzGerald will be happy to help you further.



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Institute of Directors in Ireland, Europa House, Harcourt Street, Dublin 2
01 411 0010 | info@iodireland.ie | www.iodireland.ie

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