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BUSINESS: CEO and Chairman of the Board

A lot of discussion this year and last year about the mix of both functions: CEO and Chairman of the Board. [Knowledge@Wharton](#) published an [interesting article](#) in its last release (19 Mai - 1 June).

Interesting in the way that some people by Wharton think that **there is no evidence the separation between the CEO's and the Chairman of the Board's position improves corporate performance**. Actually, 377 companies of the Standard & Poor's 500 index are still managed by only one person as CEO and chairperson.

Michael Useem

Many people would believe that, if nothing else, you diffuse power to some extent and decrease the probability of a scandal by separating the chairperson and CEO positions. But that doesn't mean you will have great business results.

On average, it's neither here nor there in terms of financial performance if a company separates those roles. But when companies are distressed, the market looks for a separation of those two roles as a sign of good governance or certainly a commitment to restore lost luster and the earnings that go with that.

Whenever you have a company where the founder is still in the company, like Siebel, he may have given up the CEO title, but don't kid yourself, he's still running the place. That's a split in name only because his personality is such that he is unlikely to stay out of it. It's similar to Microsoft. Gates and Ballmer split roles, but they had been a team for a long time and they're still a team. The split changed responsibilities, but Gates still plays a day-to-day role, especially in product development.