

Trends and Moves

HR
Newsletter
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Splitting the CEO and Chairman Roles – Yes Or No?

Should the roles of Chairman and CEO be separate? That is the question that many who serve on boards of directors are debating as they search for the optimal structure for corporate governance. How is this trend presented in the U.S., Europe and Asia Pacific?

According to research conducted by Russell Reynolds Associates, a record 44% of S&P 500 companies now have separate executives holding the Chairman and CEO roles. This is a marked increase from 2006 when 29% of companies had such a corporate governance structure, (the figure was 21% in 2001). Similarly, analysis shows that 62% of companies in the NASDAQ 100 had split CEO and Chairman roles in 2011 compared to 45% with split roles in 2005. This survey also revealed that board members are advocating for the Chairman and CEO roles be separated to promote a balance of power. While this trend is more established in Europe (where more than 90% of FTSE 100 companies have long had distinct roles), it is clear that companies in the United States are increasingly following suit. In contrast, this trend is less obvious in Asia, perhaps since many Asian enterprises are still essentially family owned or operated. We have, however, witnessed increased demands by government authorities in Asia to improve board governance.

We now face a backdrop of a challenging economy, increased regulation as well as rising investor discontent. Shareholders and corporate directors are thus considering whether one executive, no matter how skilled, can effectively and objectively handle the mounting demands of both management and governance. In the aftermath of major corporate scandals, as well as the enactment of regulations such as the Sarbanes-Oxley and Dodd-Frank Act, an increasing number of companies have separate executives holding the chairman and CEO titles. By maintaining separate roles, the two executives can focus on key aspects of running the enterprise, with the CEO focused on the day-to-day operations of the company while the chairman is involved with overseeing regulatory compliance and recruiting board members, as well as the critical issue of succession planning.

Trends and Moves

Obviously, there is no “one-size-fits-all” approach for the CEO-chair issue. No single structure works for every corporation. There are examples of which rejection of the splitting proposal actually benefited the companies, particularly during times of transformation and/or crisis. Each company has to be examined through a different lens as circumstances and the environment change. In addition, the size of the enterprise needs to be considered, and Boards must also weigh the culture of the corporation.

For more insight into the full article on “Splitting of the CEO-Chairman – Yes or No?”, please click [here](#). This piece was written by Charles Tribbett, who co-leads the CEO and Board Services Practice in the Americas at Russell Reynolds Associates.

People Moves – Asia Pacific

DFS | Leila Konyn has been appointed Executive Vice President of Human Resources at DFS Group. Based in Hong Kong, Ms. Konyn will be responsible for the development and execution of DFS’s global strategy and vision for talent, and partnering with the global leadership team. Prior to joining DFS, she was the Group Human Resources Director at Noble Group for 8 years. She also held other senior appointments at Link Recruitment, Pacific NetMarkets and Merrill Lynch previously. (Hong Kong)

Infiniti | Antonio Lasaga has been appointed General Manager, Global Head of Human Resources of Infiniti, the premium automotive brand owned by Nissan. Mr. Lasaga is responsible for all HR matters globally with specific focus on talent acquisition and talent management in order to support the company’s growth plans, and will be based in Infiniti’s global headquarters in Hong Kong. Prior to joining Infiniti, he has held several regional HR functional roles at ABB. (Hong Kong)

Mondelēz International | Atul Khosla has been appointed Vice President of Human Resources Asia Pacific for Mondelēz International. Mr. Khosla will be responsible for developing and implementing human resources strategies across the region. Prior to this, he held regional and global HR appointments within Novartis, Bharti Artel Limited and PepsiCo. (Singapore)

Skylark Company Limited | Isao Sakurai has been appointed Managing Director, Chief Human Resources Officer at Skylark Company Limited. Previously, Mr. Sakurai served as the Japan HR lead at several large corporations including HSBC, Cisco Systems, General Electric and Sanwa Bank. (Japan)

Kimberly-Clark Corporation | Calvin Lyngdoh Director of Human Resources in India. In his new role, Mr. Lyngdoh will oversee Kimberly-Clark Lever’s signature human resource programs and initiatives in India, reporting to Managing Director, Prakash Iyer. Mr. Lyngdoh joined Kimberly-Clark Lever from Nokia where he was Head of Development, Leadership and Talent Acquisition, responsible for streamlining and expanding the Sales and Marketing team. (India)

Trends and Moves

Mercer | **Mike Piker** has been appointed Partner and lead Asia Pacific international consultant for the Talent business at Mercer Shanghai. Mr. Piker joined the firm in 2010 and was previously based in their New York headquarters. He will be working closely with the consulting group across the firm's retirement, risk and finance, health and benefits and mergers and acquisitions business worldwide. Prior to joining Mercer, Mr. Piker held other senior appointments at Syngenta, Alcoa, Cisco Systems, as well as Buck Consultants and ORC Worldwide. (China)

CITIC Pacific Mining | **Philip Beaven-Davis** has been appointed Director of Human Resources for CITIC Pacific Mining. Mr. Beaven-Davis will be based in Perth, Australia. He has held other senior human resource executive and board positions over the past 22 years within TCCC, BHP, Barrick Gold, Griffin Group, Cape plc, and most recently Gindalbie Metals. His international experience spans across Europe, Asia, Australia, USA, and Africa. (Australia)

Air New Zealand Limited | Air New Zealand has appointed **Lorraine Murphy** Chief People Officer. Ms. Murphy, previously based in the U.S., will be responsible for building world class performance cultures and programmes for the company. She will help the company grow their operations in the Asia and Pacific markets, which is of critical importance to Air New Zealand's future. Prior to this, Ms. Murphy was most recently Vice President of Human Resources International for Campbell Soup Company, where she provided leadership across key geographic regions, such as Asia Pacific, Europe and Latin America. She had previously held senior human resource leadership roles with Lion Nathan Australia, the Australian Gas Light Company and global chemical company ICI. (USA)

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