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# **CHAIRPERSON – ROLES & RESPONSIBILITIES**

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## Governance Section

# CHAIRPERSON- ROLES AND RESPONSIBILITIES

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### 1. WHO IS A CHAIRPERSON?

The board is a collective decision making body. In other words, even though individual preferences are expressed, eventually the collective wisdom of a body of individuals prevails. The principle behind forming and making decisions through board is to ensure that the experience and expertise of individual members can be collated and assimilated. At the same time, due to collective decision making process self interest and conflict of interest issues are also adequately addressed.

In order to structure the decision making process through the board, a method of facilitation is required. Normally, the facilitator is designated as the Chairperson of the board. The Chairperson is required to call the meeting to order, lead in various discussions, move the meeting as per the agenda items proposed and ensure that there is discipline in the meeting. When the board is not in session, the Chairperson also acts as a key representative of the organization to the outside world.

### 2. WHAT ARE THE KEY CHARACTERISTICS OF A CHAIRPERSON?

- Acceptable among the board members
- To be above reproach
- Demonstrate fairness and uphold organizational values
- Ability to direct and manage the Chief Functionary on behalf of the board
- Should not have Conflict of Interest
- Good leadership skills, communication and interpersonal skills.
- Impartiality, fairness and the ability to respect confidentiality.
- Understanding of the roles/ responsibilities of board.

### 3. IS THE CHAIRPERSON THE LEADER OR LEADER AMONG THE EQUALS?

In order to manage his/her role smoothly, there are certain powers vested with the Chairperson. The Chairperson has the power to allow/disallow a member to speak in order to maintain discipline. At the same time, it is expected that the Chairperson acts in an

independent and neutral manner in order to provide opportunity to all Board Members to voice their opinions. Sometimes if there is a division in opinions, the Chairperson may ask for voting in order to determine the majority opinion. In the eventuality of a tie, the Chairperson has a second vote which is called the “Casting Vote”. The power to execute “casting vote” is reserved only in case of a tie. Therefore, the Chairperson is seen as a leader among the equals with certain special powers embedded in the role.

#### **4. HOW THE CHAIRPERSON IS SELECTED/ ELECTED?**

Generally, the Chairperson is selected/ elected in two ways:

- The board is selected/elected in the General Body meeting (in case of society). Sometime the bylaws provide that the society also elects the Chairperson while electing the board members. In that case, the Chairperson is elected as a Board Member first and then elected as a Chairperson.
- The second method of selecting/ electing a Chairperson is that the board is elected in the General Body meeting. After this, in the first meeting of the board the Chairperson is elected again as stated above. These processes are prescribed in the bylaws of the organization.

#### **5. ELECTION/ ROLE OF CHAIRPERSON VIS-A - VIS INCORPORATION LAWS?**

As we know there are three ways of incorporating an organization i.e. Trust, Society and Company u/s 25 of Companies Act. The election and role of Chairperson also

varies according to the nature of incorporation and the process of election/ selection is defined in the governing documents of the organization. The following are the different modes of election/role of Chairperson:

##### **5.1 Election / role of Chairperson in a Trust:**

- Unlike a company or a society, the trust does not have a General Body, from which the Governing Body is elected. Therefore, all the Trustees form the General Body as well as the Governing Body of the Trust.
- The Chairperson is elected as laid down in the Trust Deed. Generally, the Trustees elect a Chairperson from among themselves by voting. The term of the Chairperson shall be applicable as defined in the Trust Deed.
- The Chairperson is entrusted to cause to maintain accurate accounts of trust property, invest money held on trust, act only for the benefit of the trust consistently with the trust rules and powers, etc.

##### **5.2 Election / role of Chairperson in a Society:**

- The board is selected/elected in the General Body meeting. Sometimes the bylaws provide that the society also elects the Chairperson while electing the board members. In that case the Chairperson is elected as a Board Member first and then as a Chairperson.
- The second method of selecting/ electing a Chairperson is that the board is elected in the General Body meeting. After this, in the first



meeting of the board the Chairperson is elected again as stated above. These processes are prescribed in the bylaws of the organization.

- The role of the chairperson is to keep order and maintain progress in line with the agenda, all relevant matters are discussed and that effective decisions are made and carried out.

### **5.3 Election / role of Chairperson in Section 25 Company:**

- The Articles of a company generally allow for the directors to elect a Chairperson to chair the meetings of the Board. Unless specified in the Articles about the term, the Chairperson remains in that position for as long as he or she is a director, or until the Board elects otherwise.
- Even if there is no provision in the articles of association of the company, election and appointment of Chairperson for Board Meetings is a must, in order to conduct the proceedings of a meeting. In such case, the Board may elect a Chairperson and determine the period for which he/she is to hold office.
- The Chairperson will be elected by show of hands in the first instance by the members personally present at the meeting and if poll is demanded by them on the election of the Chairperson, it should be done by poll.
- The role of Chairperson is to ensure that the board meetings

are conducted in a manner which secures the effective participation of all directors, and encourages all to make an effective contribution, maintain a balance of power in the board, make certain that all directors receive adequate information, well in time and that the executive directors remain accountable to the board. The Chairperson's role should in principle be different from that of the chief executive, though the same individual may perform both roles.

### **6. WHAT ARE THE ROLES AND RESPONSIBILITIES OF A CHAIRPERSON?**

The roles and responsibilities of chairperson are generally outlined in the organization's governing documents, below there are some specific duties entrusted upon the chairperson:

- To ensure the board functions properly:
  - To plan and run meetings in accordance with the organization's governing document.
  - To ensure matters are dealt with in an orderly, efficient manner.
  - To bring impartiality and objectivity to meetings and decision-making.
  - To facilitate change and address conflict within the board.
  - To review governance performance and skills.
  - To ensure effective balance of members with regard to the board members' age, work experience and skill sets.
  - To involve members already on