



Three Minutes for Governance Script Difference between a Chief Executive Officer (CEO) and an Executive Director

Governance Review – Three Minutes for Governance

The purpose of Three Minutes for Governance is to produce educational commentary videos to assist the membership in their understanding of BC Hockey Governance topics in simple, layman's terms. Many of the subjects have been raised by members in the governance review process.

This "Three Minutes for Governance" video pertains to **the difference between a Chief Executive Officer (CEO) and an Executive Director.**

Generally, sport is transitioning to Organizations that require increased responsibility, accountability and expertise. Staff experience and training is much greater to the point where Sport Management is now considered a profession with academic programs and an established career pathway.

In regards to whether an Executive Director or Chief Executive Officer is more suitable is for the Organization to decide.

There is no "one size fits all". Some BC Provincial Sport Organizations' have decided by name only, keeping the Executive Directors position but having exactly the same responsibilities that a CEO might have for another sport organization.

As a sport contemplates this decision following is some guidance;

There are three main differences that are pertinent. All relate to the degree of authority and the degree of accountability. To be avoided is the case where senior staff is expected to be fully accountable for all organizational performance when, in fact, they are not given the authority to make decisions in all areas for which they are held accountable.

Three areas to be considered when an Executive Director or a Chief Executive Officer is being contemplated are:

- 1) The expectations of the Executive Director or a Chief Executive Officer in relationship to all other staff.
- 2) The relationship and accountability the position has to the Board.
- 3) How the Board functions based on #1 and #2 above.

1) Relationship to other Staff

The trend is for sport organization staff to take more responsibility and be more accountable. As the sport system gets more complex, the business side expands as does the potential for more staff to be involved.

A CEO is ultimately responsible for staff, their evaluations, salary decisions and performance. The day to day management and actual hands on leadership is delegated to other staff



through Directors or Managers. In addition a CEO's responsibility normally includes the technical side of the work like coach development, officials' development, high performance as well as the operational / business side of the organization.

Conversely with an Executive Director, this is probably not the case. With an Executive Director, there are other senior staff, like technical staff, who work closely with Board Directors in regard to specific programming aspects.

2) Board Strategic Direction

Staff's role is to take the Strategic Plan and decide what activities should be undertaken to achieve the goals and objectives of the Plan. With A CEO, these decisions are made internally and the Board is informed.

An Executive Director may not have that level of authority and the Board is actively involved in the planning or approval of the activities. Again the difference is in the degree of authority.

The CEO is the one who works with and reports to the Board. The Board Directors don't work with different staff members on different aspects of the organization.

3) Board Function

A Board that works with a CEO is a Policy Board. They are responsible for strategic direction, financial oversight and ultimate accountability to major funders and to the membership. It is not a Working Board or a Management Board - that work is left to the staff either paid or volunteer.

In conclusion, the hope is that this has given some clarity as to the decision at hand.

Sport organization volunteers initially get involved because of their passion for the sport or their child's involvement. We could not run our sport system without the tremendous involvement of volunteers in the system.

As the organization, delivery and the business of sport become more complex, the traditional role of the volunteer in developing, driving and making programming decisions is changing. The more activities large organizations are involved in, the more stewardship and accountability to membership is required. The day to day delivery and accountability is done with well trained, experienced and knowledgeable staff – both volunteer and paid based on the Board's strategic direction.

A decision on the change in roles is a natural evolution in the business of sport management.