



CONFIDENTIAL

Prime Minister ²

Mr Sparrow ^{??} wants this

elusive note to go to you
just as it is.

Qa 06301

To: PRIME MINISTER

From: JOHN SPARROW

24 March 1983 MGS 25/3

1. The jobs of Chairman and Chief Executive are quite different and essentially separate. The qualities required for each job are also very different and it is unusual for them to co-exist in any one man.
2. A few men are capable of being either Chairman or Chief Executive but the differences between the two jobs and the need for the Chief Executive to be accountable to the Chairman mean that even in those cases the jobs should never be held simultaneously.
3. This is particularly so in the case of the nationalised industries, where the Chairman is necessarily a public figure, spending much of his time away from the business. This is in sharp distinction from the need of the Chief Executive to live with the business.
4. Ideally, major nationalised industries need a full-time Chairman and a full-time Chief Executive. Where this is not possible, it is better to have a part-time non-executive Chairman than for the Chief Executive to do both jobs.

JS.

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24 MAR 1989



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MR. SPARROW

The Prime Minister was grateful for your minute about the roles of Chairman and Chief Executive.

She has noted it without comment.

MS

31 March 1983