

The Legal Status of CEOs in the Corporate Governance of Czech and Foreign Joint Stock Companies

Abstract

CEOs play a crucial role in corporate governance, and understanding their legal status is fundamental to board organisation practices. This thesis aims to map the question of the legal status of CEOs, with a focus on regulatory approaches to CEOs and chairpersons of the board in different regions. The research established two main approaches to regulating CEO's legal status. On the one hand, the approach of Anglo-American countries is presented in this thesis by two main representatives – the UK and the USA. The common board organisational model is a unitary board model for which it is typical to combine management and supervisory powers in the board of directors. This is also reflected in the legal status of the CEO, as one of the main issues addressed is the CEO and chairperson duality and its consequences on corporate governance. On the other hand, the different approach taken by the countries in Continental Europe is analysed. Germany and Austria are introduced as countries known for a compulsory two-tier board model. In contrast to the Anglo-American world, the position of the CEO is not embedded in the countries of Continental Europe. The problem of CEO and chairperson duality is not present because the role of the CEO as a member of a management board is by law incompatible with the membership in a non-executive supervisory board. The final part of this thesis is devoted to the author's domestic law in the Czech Republic. Although the Czech legal environment is historically shaped by the law of other countries in Continental Europe, as a consequence of adopting new private law legislation, the mandatory two-tier board structure was abandoned, and Czech companies can choose the organisational board structure. This situation has brought new challenges to the legal status of Czech CEOs, such as the CEO and chairperson duality in unitary board companies, that have yet to be overcome. This thesis aspires to provide valuable insight into board organisation practices and to contribute to the ongoing debate on effective regulatory board models of corporate governance.

Keywords: CEO, chairperson of the board, corporate governance