DUAL LEADERSHIP: CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

https://doi.org/10.35945/gb.2018.05.014

DR. FARUK DAYI
Kastamonu University, Turkey
fdayi@kastamonu.edu.tr

DR. YUSUF ESMER[1]
Sinop University, Turkey
yesmer@sinop.edu.tr

KEYWORDS: CEO, CFO, DUAL LEADERSHIP, STRATEGIC MANAGEMENT, FINANCIAL MANAGEMENT

INTRODUCTION

Businesses play an important role in meeting the needs of society. Although businesses focus on making a profit and maintaining their assets, their primary objective is to increase the value of the business by maximizing the welfare of their shareholders. Businesses need to have a good management team and management skills in order to successfully carry on their activities. Businesses lacking financial management skills are more likely to be faced with financial failure. The deterioration of the financial structure poses various challenges for the management of the assets of a business. The inefficient and unnecessary use of resources disrupts the financial balance. Businesses may have to deal with financial difficulties due to lack of funds. For example, lack of adequate cash reserves prevents the timely payment of debts, and mismanagement of cash flow causes disruptions in operations because failure to fulfill financial obligations can lead to legal and financial consequences. Not only general but also financial management skills are necessary to avoid such problems. Financial management skills are of significant importance for business growth as they play a key role in the preparation of new investment projects, combating economic or financial crises, predicting possible losses in adverse situations and making long-term financial plans. The successful operation of businesses, therefore, depends highly on executives' financial skills and qualities.

Businesses have various objectives such as meeting the needs of society, fulfilling social responsibilities, making a profit, increasing their sales, improving production capacity and contributing to the country's economy. Businesses are established to pursue a common goal or interest. It is crucial for stakeholders that the business is performing to its full potential and making a profit. The aim of businesses in terms of financial management is the maximization of the welfare level of their stakeholders, in other words, maximization of the enterprise value. Investors expect the business management to share the revenue while executives generally prefer to reinvest the profit in the business. In this case, the financial executive resolves the conflict of interest between the partners and the business by making the optimum decision. Business management is tasked with responding positively to the demands of the partners on the one hand and ensuring internal financing for new investments on the other hand. The financial executive, therefore, has a great responsibility to manage the business successfully.

Such factors as organizational structure and hierarchy, executives' personality traits and attitudes, and developments in economy and technology affect executives' decision-making processes (Cavus & Bicer, 2016: 51). For example, individuals with a high level of strategic management competence have difficulty managing daily tasks (Cavus & Bicer, 2016: 52). Because while they are able to see what lies in the future they are blind to what lies immediately before them. Executives' personalities are often reflected in business management. Some of the duties of an executive include monitoring economic and political developments, identifying possible risks in advance and taking necessary precautions. Having an understanding of financial management requires analytical thinking skills and knowledge of finance and economics. It is necessary for executives to have financial thinking skills in order to perceive, analyze and interpret the results of developments in economy. Two of the most important criteria for the assessment of the success of a business are sales figures and average total assets. Given the fact that the operation of a business depends largely on financial transactions, business executives are selected from those with financial knowledge and experience. However, those business executives end up focusing solely on financial transactions and do not pay enough attention to other important factors such as human resources, production and marketing. There is therefore a general presumption that the top executive in the business management hierarchy should be not only the CEO but also the CFO.

The aim of this study is to demonstrate the role of top-level finance executives (CFO-Chief Financial Officer) in business management. To this end, the concepts of Chief Executive Officer, Chief Financial Officer and Finance Organization were defined and discussed, and "Dual Leadership: CEO

[1] Corresponding Author

and CFO" model was applied. The final section of the study presents the conclusions and evaluations.

1. Chief Executive Officer (CEO)

Individuals working together to achieve a common goal need to be organized and managed in order for a business to achieve its own goals (Oztekin, 2005: 78). Depicted as a pyramid, management consists of three levels; "first-level management," "middle-level management" and "top-level management" (Mucuk, 2014: 133). The top-level management includes top executives such as Chief Executive Officer (CEO), chairman and members of the board of directors, general executive and assistant general executives. The CEO, therefore, has an important role to play in the making and implementation of business decisions. The CEO can also be thought of as the executive in charge of positions where strategic business decisions are made (Boal & Hooijberg, 2001: 517). Long-term strategic plans are made by the CEO. The mission (raison d'être) and vision (objectives) of a business are determined by the CEO.

The term CEO is defined in different ways in the literature. Some definitions of CEO assign it a managerial position below the Board of Directors while some others above the general manager (Sutcu, 2008: 20). The CEO is the top-level executive of a business. A general executive or a chairman can be a CEO as well. It is sometimes an expert executive who is in charge of both positions. A CEO is a person, who represents the business, makes and implements decisions to enable the business to achieve its objectives, follows the latest developments closely and takes responsibility for the success or failure of the business (Sutcu, 2008: 20). A CEO is also a professional executive in charge of execution. The chief responsibility of a CEO is to develop effective strategies that will enable the business to achieve the goals and objectives set by its vision and mission, and to implement those strategies to protect the interests of the shareholders (Dogan & Karayel, 2016: 367).

The CEO position in an organization is not defined by law but by the power vested in him/her and other executives' positions. In developed economies, the concept of CEO refers to the head of "executive." The CEO is the head of all managers who have executive powers and the highest level of authority, after the board of directors. The CEO manages, leads and coordinates the executive management. The CEO represents the executive under the supervision of the board of directors and accounts to the board of directors on behalf of managers (Altay, 2016: 2).

A good executive should have technical knowledge and experience, a sense of responsibility, high self-confidence and critical thinking skills, and be tolerant, fair, objective, sociable, persuasive, strong-willed, respected and a person of action and a risk-taker, and capable of making his/her subordinates feel what he/she intends to do before he/she does it (Mucuk, 2014: 135). Especially senior executives and CEOs take initiatives to make various decisions that have vital priorities for the business, and should, therefore, anticipate the risks and rewards before making those decisions.

The widely accepted view is that the duty of a CEO is to increase profits and provide economic contributions to the company by making use of positive externalities and eliminating negative externalities (Ulusoy, 2018). It is short- sighted for businesses to base their mission only on profit. Businesses should, of course, make a profit, however, profit should be "evidence of a job done right" rather than a common goal. Therefore, things should be going well in a profitable business and the CEO`s main task is to make sure that things go well. Businesses have many stakeholders other than their shareholders: customers, employees, suppliers, trade unions, the state, non-governmental organizations, public opinion, financial institutions etc. Expectations from CEOs have increased with the changing understanding of business management in recent years. CEOs are accountable not only to shareholders but also to other stakeholders. CEOs are expected not only to realize financial goals such as profitability and growth but also to achieve such social goals as leadership, inspiration and motivation for employees (Aksoy, 2013). CEOs have, therefore, left financial goals aside and focused on other purposes in recent years. Under these circumstances, such executives as CFOs (Chief Financial Officers) who focus on financial objectives are very much needed.

2. Chief Financial Officer (CFO) and Financial Organization

Financial plans and budgets are taken into account when preparing strategic plans. Future investments and financial needs, and resources to be allocated for that purpose should be determined in advance in strategic plans, for which the financial position of the business should also be analyzed. It is impossible to manage a business without financial means because strategic plans and programs can be put into practice by using financial benefits and opportunities (Taskiran, 2007: 129). Therefore, businesses should establish a financial/organizational structure based on financial goals in order to achieve their objectives.

A financial organization is composed not only of finance-related departments but also a financial management-oriented organization including a wide spectrum of stakeholders ranging from the top management to employees in production. Job specifications should provide a clear description of how to perform the jobs at the most cost-effective and beneficial way. Job specifications should also recognize the human value of employees and plan how they affect the profit and profitability of the business. It is necessary to determine in advance the financial goals of the business and the role of employees in achieving those goals. Financial executives adopt a finance-oriented approach when preparing the strategic plans of a business. Since the financial executive has full knowledge of the financial position of the business, he/she can supply in advance the assets and resources required to achieve the future goals. The finance-oriented management approach should be adopted for all business staff. The financial executive works to maximize the wealth level of partners resulting in the improvement of the market value of the business. Therefore, the financial executive uses the financial organization of the business and performs all necessary tasks to maximize the values of the business (Ulusoy, 2017). A financial organization should be established within the organization of the business in order to reach the financial objectives. In financial organizations, an organizational chart should be drawn to show the authorities and responsibilities of all staff (Tortop et al, 2005: 72-73). For example, the organizational chart should specify who, when, and where to obtain the funds needed by the business. The management of cash, receivables, inventories, debts and securities within a financial organization is crucial.

A dynamic organizational structure should be established together with financial organizations and those employed should be suited to the organizational structure. There should also be executives who can adapt to changing economic conditions and have analytical thinking skills because the economy is constantly changing and the large swirl of events taking place in the world adversely affects the financial and capital markets. This reality requires corrective and regulatory measures such as revising the sales, overcoming financial crises with the least damage, controlling costs as much as possible and, most importantly, getting cost-effective loans on the right conditions to avoid financial instability because one of the major reasons for financial failure is that executives do not know how to deal with financial difficulties.

The CEO is a senior decision-making body and chief executive, while the CFO is the senior executive responsible for the financial transactions of the business (Okka, 2015: 4). The CFO is the executive who represents the financial function at the highest level and is responsible for all financial organizations and processes. “In short, he/she is the Vice President of Finance” also known as “the Head of Financial Affairs” (Deloitte, 2010: 1). The CFO has a more defining role in the maintenance and growth of the business and evaluation of investment opportunities than does the CEO (Jiang et al., 2010: 513). Businesses benefit from a variety of funding sources to finance their investments. Businesses should make sure that investments are financed by funds raised from long-term sources which are often low-cost and risk-tolerant while the management of working capital should be financed by short-term funds because working capital is an important element in operating activities. Resource incompatibility in cash and similar assets and in the financing of receivables and stocks may cause the activities to interfere or even stop and, therefore, financial executives are needed in business management. Financial executives raise funds at the most reasonable cost and time, and manage the business in accordance with the asset and resource structure. Strategic plans should be prepared in line with reports and statements from financial executives (Franco et al., 2017: 56). If the main purpose of a business is to make a profit and grow, then executives should prepare strategic plans by taking into account the mission and vision of the business and making use of financial data. Finance executives, who have an important position in the business organization, are generally expected to be at the top-level management. A good executive is expected to have financial management skills, implement suitable measures to mitigate future risks and anticipate potential developments in the economy and financial markets. Baxter and Chua (2008) found that the CFO’s financial skills had an effect on the financial position of the business. Armstrong et al. (2010) reported that accounting irregularities are more widespread in business managements with CFOs rather than those with CEOs. Hoitash et al. (2016) tested whether accountants were successful CFOs, and found that they implemented effective cost management.

As business partners, executives become more rational when it comes to making decisions and embrace the business and make further contribution to increase the business value. There are various studies on the effect of managerial ownership on business value (Unlu et al., 2011: 203). Some studies indicate that executives’ partnership in business has a positive effect on business value while other studies claim that it does not. Chen and Kao (2005: 57) argue that executives’ partnership in business can have an impact on business value. Executives’ partnership in business improves their motivation and, therefore, increases the market value of the business by increasing profit and profitability (Jensen & Meckling, 1976). A study on the structure of partnership, investments and business value shows that executives’ partnership in business does not have an effect on business value, and that business value has an effect on partnership structure (Cho, 1998: 103). The CFO’s salary is also believed to increase his/her sense of belonging. Duong and Evans (2015) found a positive relationship between the CFO’s wage, complexity of the business structure and the value of the company in the stock market, but found no direct relationship with the CFO’s performance level.

CFOs have an important role and many duties in the financial management of the business. However, their main duties are as follows (Okka, 2015: 9-10):

- Maximizing the market value of the business, making future projections and preparing financial plans and budgets
- Determining financing needs and getting financing
- Evaluating investment projects and choosing the

most cost-effective and profitable investment projects
- Coordinating financial decisions with financial units
- Providing financial instruments to increase business value by following financial markets and providing necessary infrastructure
- Developing appropriate financial policies to minimize future risks

Financial executives have many tasks other than the ones mentioned above and play an important role in many decisions made by the business management. The coordination of financial executives with business executives makes a contribution to achieving the objectives of the business. Financial decisions are made at every level of the pyramidal structure of management and delivered to business management. Therefore, financial executives make decisions that will increase business value at every stage of the operation from establishment to liquidation.

3. Dual Leadership: CEO and CFO Model Suggestion

Playing an important role in the success of businesses, organizational structure affects and limits the activities of executives and determines the consequences of those activities. On the other hand, executives have the power to change and determine the organizational structure and processes for their own purposes. Therefore, executives both affect and are affected by the organization. In this context, it is necessary to determine the most appropriate organizational structure for effective management (Kocel, 1999: 113). An effective organizational structure facilitates communication between subordinates and superiors, and contributes to the success of a business by accelerating activities and tasks. In general, the main objective of a business is to maximize output with minimum input. In order to achieve these goals, the organizational structure needs to be established and processed in accordance with business objectives and tools, and have the quality to serve the aims and objectives of the business (Kucuk, 2014: 177; Efil, 2005: 15). The organization of executives and employees is based on various criteria such as function, product, geography and customer, process, number etc. (Mucuk, 2014: 154). One of the most widely used organizational structures today is the functional organizational structure (Figure 1). In the functional organization structure, a business is divided into production, marketing, finance, accounting, human resources and departments. This type of organizational structure increases efficiency and productivity depending on the performance of the top management. The functional organization structure prevents the waste of resources and time by providing specialization of organizational elements. Each department built on a function carries out similar tasks to which department executives dedicate all

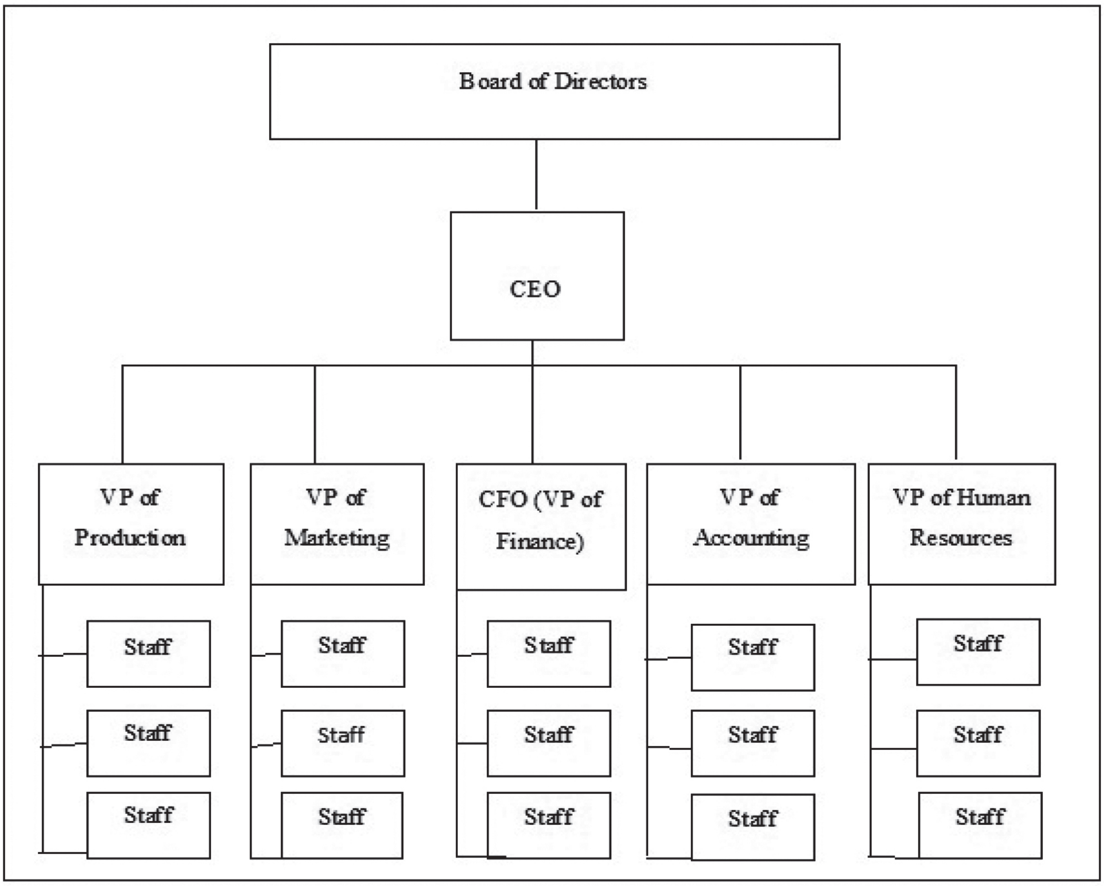

Figure 1: Functional Organizational Structure and CEO

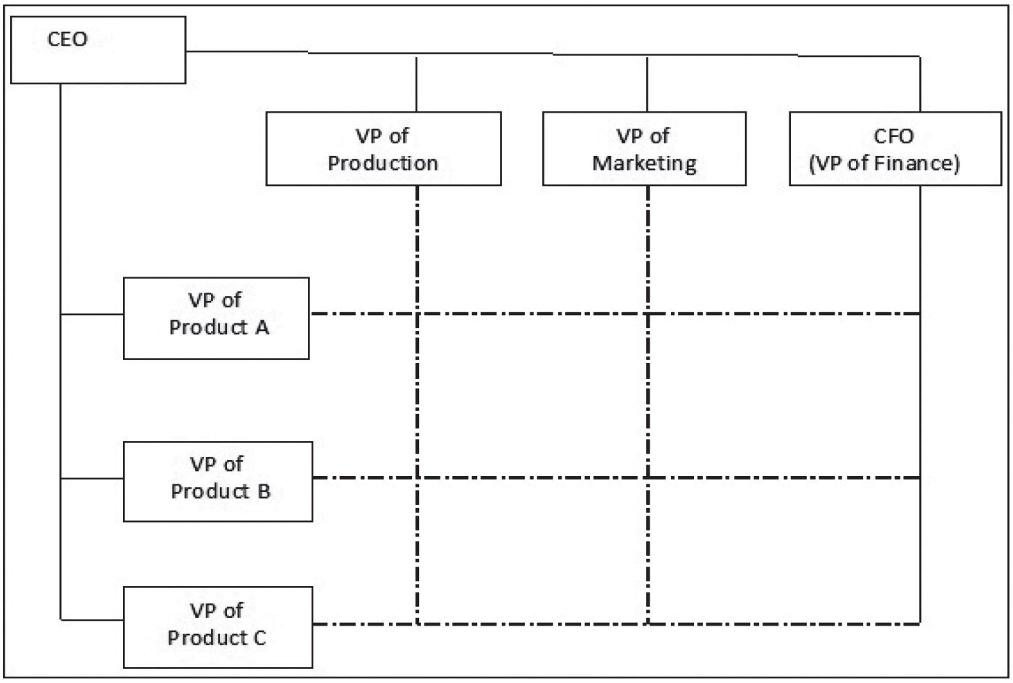

Figure 2: Matrix Organizational Structure and CEO

their efforts. The fact that one executive is responsible for all of the similar activities ensures the unity of command (Genc, 2013: 79-80). On the other hand, some businesses implement a matrix (mixed) organizational structure (Figure 2). In contrast to a classical organizational structure, one subordinate may be accountable to more than one superior in the matrix organizational structure. The fact that there are two leaders in the matrix organizational structure jeopardizes the unity of command and results in many problems. The matrix organizational structure is mostly seen in project organizations and based on two different relationships; vertical and horizontal. The matrix organizational structure has both vertical and horizontal relationships while other organizational structures have only vertical relationships (Tengilimoglu et

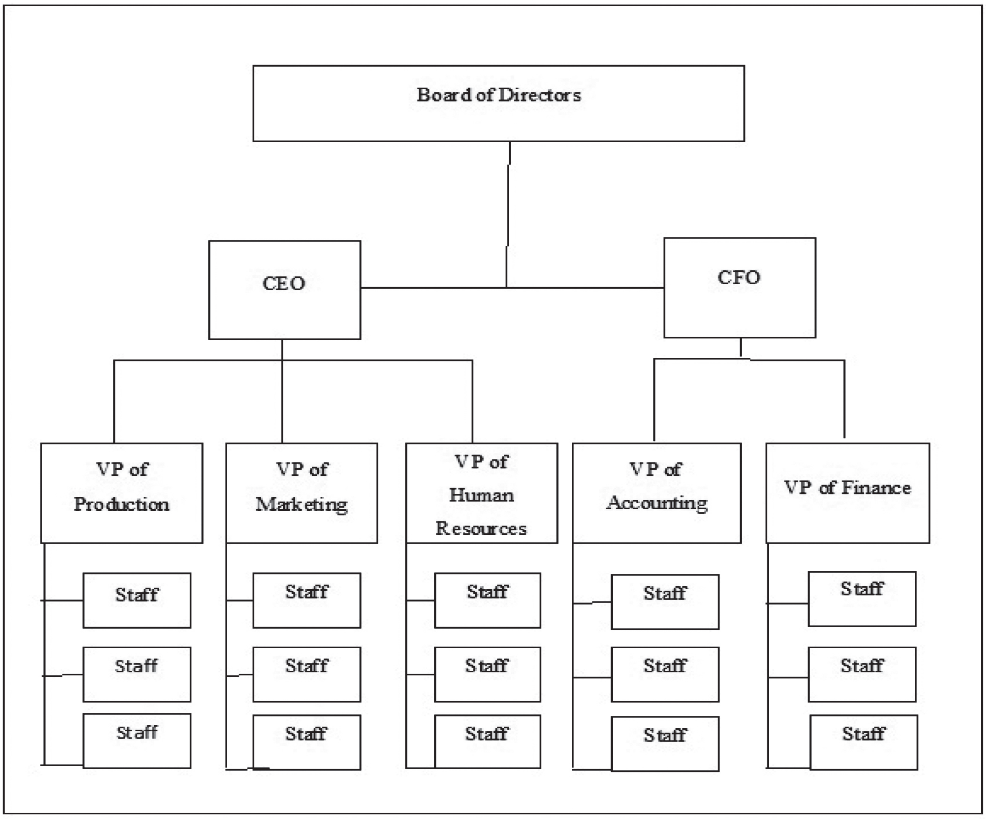

Figure 3: CEO and CFO Shared Organizational Structure

al., 2014: 139; Mucuk, 2014: 158). The CEO is the top-level executive in an organization. Unit production, marketing, finance, accounting, human resources, research and development, and public relations executives are subordinate to the CEO. Being subordinate to the CEO, the CFO provides the information that the CEO needs and affects his/her decisions. When the CFO and CEO are jointly responsible for the business, the former mitigates the burden of the latter.

All lower and middle level executives and the CEO contribute to business decisions. The CEO is the ultimate decision maker and implementer of the decision(s) made. It is also necessary to have basic financial knowledge in order to make financial decisions. It is therefore not rational for the top management to make financial decisions without the guidance and advice of financial executives. The functional model of CEO and CFO, which is the main objective of this study, is given in Figure 3. In this study, a hybrid organizational structure was formed using the functional and matrix organizational structures.

The model places the CEO and CFO in an equal position, which means that there are two executives at the top of the business. The two executives are jointly accountable to the board of directors. The CFO is responsible for the finance and accounting departments and collects all data needed for strategic plans and budgets, and shares them with the CEO. The CEO should also share with the CFO any information that he/she would need. There is a horizontal communication between the CEO and CFO. Thus, the two executives make and apply decisions together. The two executives need to work together in coordination and the board of directors meets to resolve any disputes arising between them. The two executives are accountable to the board of directors for the implementation of decisions in their respective fields. The board of directors has the authority to change, cancel or postpone decisions made by the two executives. Some might think that the CEO and CFO collaborating in management may lead to power struggles resulting in various problems. However, since problems are resolved by the board of directors, the dual leadership structure might make a contribution to achieving the objectives of the business. The CEO will need to consult with the CFO before a financial decision is made and responsibilities will be shared by them, which will terminate the autocratic style of leadership in business management. Providing CEOs with the opportunity to focus on other objectives, this model can alleviate the financial responsibility and burden that has been placed on their shoulders and enable them to be more effective and productive

CONCLUSION

Businesses seek to raise their market value, improve the welfare of their partners, increase the sales, profit and profitability, and ensure the continuity of the business. In order to achieve these objectives, financial decisions must also be included in management decisions. For this, financial management specialists are needed in the senior management of businesses, which should include finance-oriented executives in their organizational structures to be able to carry out their activities in accordance with their objectives. Executives who lack financial management skills and business knowledge may cause the financial structure of the business to deteriorate gradually. If the financial structure is not rehabilitated, the business may soon after go bankrupt. To avoid this fate, a dual leadership model is proposed for the management structure because not all business executives may have financial skills. If the CFO shares an equal position with the CEO, the business management can benefit from financial thinking skills. The CFO is solely accountable to the board of directors and makes and implements decisions together with the CEO in order to achieve the objectives of the business. There are departments for which each is responsible, which means that the dual leadership model is hierarchical (superior-subordinate relationship) like the functional organizational structure. The CEO and CFO are the most competent executives in their respective fields. The board of directors ensures harmony and coordination between them. The dual leadership model also allows the CEO and CFO to detect and correct each other's mistakes. The CFO establishes and implements policies necessary for finance-oriented management. The CEO and CFO collaborate to achieve the objectives of the business by complementing each other's shortcomings. Facing increasing expectations, CEOs have set financial goals aside and concentrated on other objectives in recent years. There is therefore a need for CEOs who focus on financial goals and CFOs with the same authority as CEOs. With the CFO having the same responsibilities as the CEO regarding financial transactions, the latter will have fewer responsibilities and be able to focus on the other objectives of the business. It is recommended that further studies implement and measure the success of the dual leadership model in a business. We believe that assessing the effect of management skills of CEOs and CFOs on the financial performance of businesses will contribute to the literature.

REFERENCES:

Aksoy, T. (2013). *CEO`nun Gorevi Nedir?* Retrieved on 12.04. 2018 from http://www.temelaksoy.com/ceonun-gorevi-nedir.
Aksoy, A., & Yalçıner, K., (2008). *Isletme Sermayesi Yonetimi.* Ankara: Gazi Kitabevi.
Altay, S. A. (2016). *Sirketin Merkezine Dogru Yolculuk: CEO.* Deloitte. Retrieved on 12.04. 2018 from https://www2.deloitte.com/content/dam/Deloitte/tr/Documents/risk/sirketin-merkezine-dogru-yolculuk-CEO.pdf.
Armstrong, C.S., Jagolinzer, A.D. & Larcker, D. F. (2010). Chief Executive Officer Equity Incentives and Accounting Irregularities. *Journal of Accounting Research, 48*(2), 225-271.
Baxter, J. & Chua, W.F. (2008). Be(com)ing the Chief financial officer of an organisation: Experimenting with Bourdieu's practices Theory. *Management Accounting Research,* (19), 212-230.
Boal, K. B. and Hooijberg, R. (2001). Strategic Leadership Research: Moving on. *Leadership Quarterly, 11*(4), 515-549.
Cavus, M.F. & Bicer, M. (2016). Finans Yoneticilerinin Karar Verme Davranislari Uzerine Karsilastirmali Bir Arastirma, *Toros Universitesi IISBF Sosyal Bilimler Dergisi, 3*(5), 45-66.
Chen, A. & Kao, L. (2005). The Conflict Between Agency Theory and Corporate Control on Managerial Ownership: The Evidence from Taiwan IPO Performance. *International Journal of Business*, *10*(1), 39-61.
Cho, M.Y. (1998). Ownership Structure, Investment and The Corporate Value: An Empirical Analysis. *Journal of Financial Economics*, *47*(1), 103–121.
Deloitte. (2010). *CFO Nedir? Ezberi Bozuyoruz.* Deloitte CFO Serisi 1. Retrieved on 12.04.2018 from https://www2.deloitte.com/content/dam/Deloitte/tr/Documents/finance-transformation/turkey-tr-ceo-cfoserisi1-250510.pdf.
Dogan, M., & Karayel, M. (2016). Yonetim Kurulu ve Sahiplik Yapisinin CEO Degisimi Uzerindeki Etkisi: BIST Imalat Endeksi`nde Faaliyet Gosteren Firmalar Uzerine Bir Arastirma. *Mehmet Akif Ersoy Universitesi Sosyal Bilimler Enstitusu Dergisi, 8*(14), 366-383. doi:10.20875/sb.70539.
Duong, L. & Evans, J. (2015). CFO Compensation: Evidence from Australia, *Pasific-Basin Finance Journal*, *35,* 425-443.
Efil, I. (2005). *Isletme Organizasyonu ve Ekip Calismasi.* Istanbul: Aktuel Yayinlari Alfa Akademi.
Ercan, M.K. & Ban, U. (2012). *Degere Dayali Isletme Finansi Finansal Yonetim* (7.ed.), Ankara: Gazi Kitabevi.
Franco, C.M., Feeney, O., Quinn, M. & Hiebl, M.R.W. (2017). Position Practices of the Present-day CFO: A Reflection on Historic Roles at Guinness, 1920-1945. R*evista de Contabilidad-Spanish Accounting Review*, *20*(1), 55-62.
Genc, N. (2013). *Meslek Yuksekokullari Icin Yonetim ve Organizasyon* (Guncellenmis 3. ed.). Ankara: Seckin Yayincilik.
Jensen, M.C. & Meckling W.H. (1976). Theory of the firm: Managerial Behavior, Agency Costs and Ownership Structure, *Journal of Financial Economics, 3*(4), 305-360.
Jiang, J., Petroni, K.R. & Wang, I.Y. (2010). CFOs and CEOs: Who Have the Most Influence on Earnings Management?, *Journal of Financial Economics ,96*, 513-526.
Hoitash, R., Hoitash, U. & Kurt, A.C. (2016). Do Accountants Make Better Chief Financial Officers*?. Journal of Accounting and Economics*, *61,* 414-432.
Kocel, T. (1999). *Isletme Yoneticiligi, Yonetim ve Organizasyon, Organizasyonlarda Davranis, Klasik-Modern-Cagdas Yaklasimlar* (Gozden Gecirilmis 7. ed.). Istanbul: Beta Yayincilik.
Kucuk, O. (2014). *Girisimcilik ve Kucuk Isletme Yonetimi* (Gozden Gecirilmis 7.ed.). Ankara: Seskin Yayincilik.
Mucuk, I. (2014). *Modern Isletmecilik* (19. ed.). Istanbul: Turkmen Kitabevi.
Okka, O. (2015). *Finansal Yonetim* (Gelistirilmis 6.ed.), Ankara: Nobel Yayincilik.
Oztekin, A. (2005). *Yonetim Bilimi* (3. Ed.). Ankara: Siyasal Kitabevi.
Taskiran, N. (2007). *Isletme Stratejileri ve Politikalari* (4.ed.), Izmir: Birlesik Matbaa.
Tengilimoglu, D., Atilla, E. A., & Bektas, M. (2014). *Isletme Yonetimi, Temel Kavramlar, Isletme ve Yonetim Fonksiyonlari, Cagdas Yaklasimlar* (Gozden Gecirilmis ve Guncellenmis 5. ed.). Ankara: Seckin Yayincilik.
Tortop, N., Isbir, E.G. & Aykac, B. (2005). *Yonetim Bilimi* (4.ed.), Ankara: Yargi Yayınevi.
Ulusoy, T. (2017) Finansal Yonetim ve Islevleri. In A. Gundogdu (Eds) (pp.28-43). *Finansal Yonetim Temel Teoriler ve Aciklamali Ornekler*. Ankara: Seckin Yayınevi.
Ulusoy, T. (2018) Yatırım Projelerinin Ulusal Ekonomi Acisindan Degerlendirilmesi: Ekonomik Analiz (Toplumsal Karlilik Analizi) In A. Bayrakdaroglu and A. Gundogdu (Eds) (pp.235-247). *Yatirim Projelerinin Degerlendirilmesinde Ekonomik Analizler*. Ankara: Seckin Yayınevi.
Unlu, U., Bayrakdaroglu, A. & Samiloglu, F. (2011). Yonetici Sahipligi ve Firma Degeri: IMKB icin Ampirik Bir Uygulama. *Ankara Universitesi SBF Dergisi, 66(*2), 201-214.

DUAL LEADERSHIP: CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

DR. FARUK DAYI
Kastamonu University, Turkey
fdayi@kastamonu.edu.tr

https://doi.org/10.35945/gb.2018.05.014

DR. YUSUF ESMER[1]
Sinop University, Turkey
yesmer@sinop.edu.tr

KEYWORDS: CEO, CFO, DUAL LEADERSHIP, STRATEGIC MANAGEMENT, FINANCIAL MANAGEMENT

SUMMARY

The role of administrators on successful operations of businesses management is very high. Ability of management's, attitudes and behaviors, and perspective on financial events are closely related to the success of the business. The highest-level decision body in the management of the company is the CEO. He is responsible for the success and failure of enterprise. A failed CEO can cause the business to fall into financial difficulty. In that case the manager's financial ability, risk and return balance and management of assets and resources are become importance. In order to perform these tasks, it is necessary to have CFO as senior manager. For this reason, it is developing a dual leadership model to strengthen the financial organization structure of the enterprises. CEO and CFO in the model are at the top of the organizational chart. CFO is responsible for accounting and finance units; CEO is for other units. Because the CEO and CFO in the model are at the same level, they need to make decisions together. If the decisions of the CEO and CFO conflict Executive board resolves the problem. In the model, a functional organization chart is prepared, and the authority and duties of CEO and CFO are defined. In this study, the finance-oriented management of enterprises is strengthened, literature is gained a new model which name "dual leadership: CEO and CFO".