



Korn Ferry Study: Poor Working Relationship with CEO Top Reason CFOs Would Voluntarily or Involuntarily Leave Company

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-- Only 8 Percent Believe Not Meeting Financial Goals Top Reason a CFO Would Be Asked to Leave --

-- Becoming a CFO at a Larger Company Top Choice for Next Career Move --

-- Only 44 Percent Believe There's a Solid CFO Succession Plan --

LOS ANGELES--(BUSINESS WIRE)--Mar. 23, 2017-- A new [Korn Ferry](#) (NYSE:KFY) survey of 321 Chief Financial Officers (CFOs)/heads of finance shows that a strong working relationship with their company's CEO and board of directors is critical to achievement and career longevity. When asked why a CFO would voluntarily leave his or her position, more than half (52 percent) of respondents said the top reason is a poor working relationship with the CEO, and 41 percent said not working well with the board and CEO is the top reason a company would ask a CFO to leave. Previous Korn Ferry research has shown that a strong CEO/CFO relationship leads to better overall company performance.

"Surprisingly, only 8 percent of respondents said 'not meeting the company's financial goals' is the top reason a CFO would be removed from his or her post," said Bryan Proctor, Korn Ferry Senior Client Partner and Global Financial Officer Practice Leader. "This proves that the CFO role is about much more than profit or loss – it's about helping lead the strategic trajectory of an organization for overall success and developing the relationships that are required."

Having a strong acumen for broader business issues is a high priority, as the largest percentage of respondents (27 percent) say general management is the most critical experience for CFOs, followed closely by strategy/M&A experience at 26 percent.

Only 2 percent of respondents said risk/compliance experience is the most critical experience, yet the survey shows that area is where they are spending a large portion of their time. Of the CFO respondents in publicly traded companies, nearly one-third (31 percent) say they spend between 15 percent and 25 percent of their efforts on public company activities such as SEC reporting, IR and compliance. Nearly one-fifth (17 percent) say they spend between 26 percent and half of their time on such activities.

"Many CFOs are spending a disproportionate amount of time on compliance at the expense of broader strategic business issues," said Proctor. "That's why it's critical for the CFO to build a strong, trusted finance team whose members can competently complete tactical work."

The survey also shows that the needed skill sets of CFOs is expanding, with 89 percent of respondents stating IT literacy is either important or very important to becoming a CFO. However, when asked whom they work most closely with in the C-suite apart from the CEO, only 14 percent say it's the CIO/CTO.

When it comes to planning for the future, 57 percent of CFOs say it is likely that their successor will come from within the company. This is consistent with the rate of internally promoted CFOs previous Korn Ferry research has found in the market. Yet, only 44 percent of respondents agree that there is a solid succession plan in place for the CFO.

"While some companies have a succession plan in place, it's important for organizations to continually revisit this topic," said Proctor. "With automation and outsourcing of the function shrinking the overall size of the core finance team, companies need to be vigilant in identifying, developing and supporting the leaders that will drive their future finance strategy."

When considering what's next for their careers, a third of the CFOs say their next desired move is to become a CFO of a larger company. Nearly one quarter (23 percent) say they would like to be a CEO in their next role, but only one third either agree or strongly agree that they are a successor to the CEO position in their current company.

When it comes to the skills CFOs admit they are missing to become CEO, commercial experience (24 percent), industry depth (21 percent) and operational experience (20 percent) top the list.

"It's not surprising we see these skills at the top of the list, since the typical career path for CFOs who become CEOs often takes them into operational experiences," said Proctor. "Companies would be well suited to ensure CFOs and the finance function as a whole take on general management experiences in order to broaden their operational skills as well as develop their leadership and influencing abilities," said Proctor.

About the Study

The Korn Ferry survey of 321 CFOs/heads of finance from major corporations across the globe took place in December 2016.

About Korn Ferry

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