

Hey! What's New? 2024-93

A Study of The CFO Role Expectations, Conflicts and Ambiguity

An article on the AICPA & CIMA webpage notes that research conducted by Professor Paul Thambar of Monash University in Australia, explored the evolving role of CFO through in-depth interviews with 12 CFOs from Australia and Sri Lanka across a range of industry settings. The study reveals a range of conflicting and ambiguous expectations and explains how these expectations shape the CFO role and how role holders navigate the challenges related to these expectations. The findings undoubtedly would apply to CFOs almost everywhere.

According to the research, conflicting expectations on the CFO role relate to the balancing of the controller vs. business partner role, reporting information and analysis, managing budget and cost expectations and building trust between their role and the wider organization. CFOs use a range of organizational mechanisms to manage these conflicting expectations. These include building trust, developing good customer-facing relationships and leadership and coaching capabilities.

Ambiguous expectations relate to digital transformation, leadership and coaching and mentoring. "These ambiguous expectations appear to be broadly welcomed by CFOs who have used them to build relationships and trust and to embed their role as a trusted adviser and partner to senior and operational managers."

The study's specific key takeaways include:

- The CFO role has many conflicting and ambiguous expectations placed on it by senior leaders and operational managers.
- While a considerable amount of knowledge has been developed about the role of management accountants, our understanding of the CFO role which is arguably also the 'chief business partner role' in the organization is limited.
- Conflicting expectations relate to a range of issues including the balancing of the controller v business partner role, reporting information and analysis, managing budget and cost expectations and building trust between their role and the wider organization.
- As a member of the C-Suite, the CFO also takes a leadership role and expected to lead the accounting and finance team and other functional units.
- These conflicting expectations have been observed in prior studies of operational-level management accountant roles but CFOs are more skillful in managing these conflicts due to their developed skills as senior leaders.
- CFOs use a range of organizational mechanisms to manage these conflicting expectations. These include building trust, developing good customer-facing relationships and leadership and coaching capabilities.
- CFOs face ambiguous expectations in relation to digital transformation, leadership, coaching and mentoring capabilities. Digital transformation and sustainability measurement and reporting are two major strategic challenges faced by organizations in many sectors and the

CFO role is seen as an 'internal strategic adviser' with capabilities to help organizations navigate these challenges.

"Through the development of the business partnering role, CFOs have come to be viewed as dynamic and adaptable leaders who can also help organizations understand and navigate major strategic challenges such as digital transformation," concludes Professor Thambar.

Get the study at [The Chief Financial Officer \(CFO\): A study of role expectations, conflicts and ambiguity | Professional Insights | AICPA & CIMA \(aicpa-cima.com\)](#).