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The fiduciary oversight expected from the board of directors has intensified because of corporate scandals of corruption and fraudulent financial reporting within the US. The Federal Government, Securities and Exchange Commission, American stock exchanges, and shareholders are demanding corporate transparency in these matters. This longitudinal study examines CEO duality of the largest firms in the US as a whole and by industry sector. Concentrating on the agency theory, this paper investigates the two-tier compliance status within the largest 500 firms in the US, as reported by Fortune Magazine in 2008 and 2010. This study seeks to reveal the degree to which CEO duality roles exist today in large US publicly traded corporations. The investigation began by reviewing the 2008 CEO duality status. Further analysis incorporated the 2010 top 500 revenue-generating firms in the US. The combination of titles held by CEOs remained consistent from 2008 to 2010. However, in 2008, CEO/Chairman title ranked first and it ranked third in 2010, which is a 68.4 percent decrease from 2008 to 2010. Further review reveals CEO/President title witnessed a 110 percent increase from 2008 to 2010 and ranks first in 2010. The 2010 increase in CEO/President titles and a decrease in CEO/Chairman titles are consistent with the principal-agency theory. There is a gap within the existing literature addressing the current governance trends within large US companies in order to heighten corporate disclosure and transparency. This research study can have global implications because of the internationalization of capital markets and the volume of cross-listings.

INTRODUCTION

The practice of splitting the role of CEO and Chairman within public corporations in the United States (US) has gained tremendous attention by the Federal Government, Securities and Exchange Commission (SEC), American stock exchanges, and shareholders who have requested an improvement in corporate transparency. CEO duality refers to when a CEO also serves as the Chairman of the Board of Directors. Some organizations in the US have policies permitting CEO duality and independent board members. However, some of those organizations have also been associated with going concern and bankrupt firms. Boards of directors have a fiduciary responsibility to protect the interests of shareholders, and should legally work as a fiduciary agent to protect shareholders from conflicts of interest (Martelli & Abels, 2011). The functions expected from the board of directors have intensified because of recent US corporate scandals. Splitting the duality role appears to be gaining acceptance within large US companies. The practice of splitting the role of CEO and Chairman within public corporations has become a reality within the US, whether on a voluntary or mandatory basis, in order to heighten corporate disclosure and transparency.

The implication of this paper contributes to the ongoing debate on the roles CEOs play within large corporations within the US. The separation of vital corporate positions, CEO and Chairman, has surfaced due to the turbulence in the American economy (Elsayed, 2007). Approximately 80 percent of large US corporations have governance policies that permit CEO duality whereas large foreign corporations operating in Europe do not (McGrath, 2009). Furthermore, companies around the world have utilized a two-tier governance structure successfully (McCafferty, 2009). For instance, 100 percent of German and Dutch companies already employ a two-tier split structure and about 79 percent of large companies located in the United Kingdom have an independent Chairman (Lublin, 2009; News Editor, 2009). There is a gap within the existing literature addressing the current governance trends within large US companies. This paper can have implications globally because of the globalization of capital markets and the volume of cross-listings.

Concentrating on the agency theory, this paper investigates the two-tier compliance status within the largest 500 firms in the US, as reported by Fortune Magazine in 2008 and 2010. The discussion begins by examining the legislation fueling the change to implement a two-tier governance system within US public organizations. Following is a discussion of the theory that explains the relationship between management and shareholders. There is a discussion addressing the results of the analysis followed by concluding remarks.

LEGISLATION

The organizational structure of a corporation defines a firm's policies and its relationships between the board of directors, management, stockholders and stakeholders. The foundation of corporate governance relies on the disclosures that enhance trust in corporations by allowing public confidence to increase within those organizations. The control mechanism, which governs the activities of management and overseen by the board of directors, is termed corporate governance (Bozec, 2005).

Sarbanes-Oxley Act

Numerous corporate scandals of corruption and fraudulent financial reporting have surfaced within the US (e.g. Enron, WorldCom and Arthur Anderson). Investors lost millions of dollars, which weakened public confidence in the financial dealings and corporate governance surrounding public corporations. For instance, a public poll by Harris Interactive in 2003 reveals the public's confidence level in US leaders of major companies declined 35 percent since 2001, and accounting and corporate scandals attributed to this decline. The public's confidence level rebounded to 15 percent in 2010, representing a 25 percent overall decline since 2001 (Harris Interactive, 2010). In order to re-establish the public's confidence level, former President George W. Bush signed into law the Sarbanes-Oxley Act (SOX) on July 30, 2002. Senator Paul Sarbanes and Representative Michael Oxley were the major supporters for the passage of SOX. The act regulates the financial activity and corporate governance of public corporations. Sarbanes-Oxley had an overwhelming approval with a 423-3 vote in the US House of Representatives and a 99-0 in the US Senate (SOX, 2002).

The Securities and Exchange Commission regulates corporate compliance with SOX. As a result, all publicly traded companies traded on the US markets that have registered debt securities or equity ownership must comply with the requirements of SOX. The act has increased the accountability of boards and management. The primary concern of the act is to restore public confidence in the reliability of financial reporting. The act requires management to supply additional supplementary disclosures ensuring the accuracy and representation of the financial reports (Abels & Martelli, 2011a).

Exchange Act

The New York Stock Exchange (NYSE) and the National Association of Security Dealers Automated Quotations (NASDAQ) considered the adoption of an amendment (Release No. 34-48745) to the Securities Exchange Act of 1934 that would forbid a dual CEO role. It also required board membership of listed public companies to be predominately composed of independent directors, not management. The SEC approved the amendment on November 4, 2003. The expectation was to make the board of directors more independent while at the same time strengthening a corporation's corporate governance policy. As a condition of compliance, the independent directors must meet periodically without the presence of management. Additionally, the establishment of two committees, corporate governance and compensation, is a requirement and both committees are to be composed entirely by independent directors (SEC, 2003).

After the US experienced a financial meltdown, government bailouts, high unemployment rates, and a mortgage-based housing crisis, shareholders requested additional corporate oversight. Shareholders began to submit proxy proposals that would ban CEO duality roles. Between 2007 and 2009, the number of such proxy proposals increased from 25 percent to 37 percent (Millstein Center for Corporate Goverance and Performance, 2009). Additionally, in April 2009, shareholders of Bank of America won a majority proxy support of 50.34 percent. That resulted in Bank of America becoming the first company in the US where shareholders forced a CEO to step down from the Chairman position (Millstein Center for Corporate Goverance and Performance, 2009).

On December 3, 2009, SEC amended Regulation S-K (Release No. 34-60280), enhancing corporate governance and disclosure policies surrounding the structure of corporate leadership. The logic behind why corporations believe its board membership is best suited for their organization is a disclosure requirement. Among other items (e.g. compensation issues), the amendment restricts CEOs from dually serving as Chairman of the board of directors. If public corporations do select a dual CEO role, they must justify and disclose their reasoning for doing so. Furthermore, companies are required to employ an independent lead director to facilitate board meetings and disclose the exact responsibilities of the independent lead director, such as the director's function in the leadership of the company. The increase in disclosure has given more insight to shareholders on how boards of directors function within companies (SEC, 2009).

THEORY

The agency theory defines the relationship existing between a stockholder (principal) and management (agent). Underlying the agency theory, the owners of the corporation elect agents to perform the daily operating decisions on their behalf (Abdullah & Valentine, 2009). A relationship exists between principal and agent through delegation, which conceivably could create a conflict of interest (Hendry & Kiel, 2004). Agency theory expects an agent's behavior to be opportunistic and self-serving with motivation that satisfies their personal goals (Podrug, Filipovic & Milic, 2010). The stewardship theory disputes the self-serving interest of agents as suggested under the agency theory (Hendry & Kiel, 2004). The theory proposes that stewards (management) are inclined and motivated to conduct themselves in a manner that priorities the interests of shareholders (Davis, Schoorman & Donaldson, 1997). The agency theory has been the prevailing paradigm and the stewardship theory should be a complementary model rather than superior model to the agency theory (Anderson, Melanson & Maly, 2007).

Agency Theory

The principal-agent relationship explains the governance practice between the owners of a corporation to elect a company's board of directors, and the board of directors' responsibility for hiring the professional management team to run the daily operations of the organization (Abdullah & Valentine, 2009). In essence, shareholder's delegate their ownership power to the board of directors and trust them to protect their interests, including shareholder wealth maximization. Responsibilities exist for the board of directors to monitor and correct the actions of the corporate management team, strategically advise CEOs, and acquire external resources in order to build corporate resources (Elsayed, 2007). CEOs are responsible for running the corporation whereas Chairmen are responsible for the board of directors, including senior management recruitment and CEO succession (Lublin, 2009). The delegation of responsibilities has introduced the likelihood of moral hazard to exist, because conflicting interests between principal-agent can eventually hinder the goal of profit maximization for the shareholders. When confronted with varying business alternatives, the agency theory assumes an agent will select the best option that enhances their own personal benefit (Abels & Martelli, 2011a).

Agency Theory Perspectives

There are different perspectives surrounding the split role of CEO and Chairman. Advocates and Agency theorists believe the CEO duality position hinders firm performance because of the lack of independence (Abels & Martelli, 2011a). The presence of CEO duality deteriorates the fiduciary oversight power of the board of directors, leaving the board of directors unable to substantiate that management's behaviors are appropriate and in the best interest of the shareholders (Eisenhardt, 1989; Hendry & Kiel, 2004). Unreliable channels of communication can result, which further hinders and weakens the protection sought by shareholders (Bricker, 1998; Nicholson & Kiel, 2007).

Proponents favoring the duality role believe having one central authority figure reduces confusion about "who is" the firm's leadership authority, therefore eliminating rivalry between CEO and Chairman. The union of CEO and Chairman creates an understanding between the board of directors, management and shareholders, which ultimately increases a firm's performance (Abels & Martelli, 2011b). Agreeing to high CEO authority and discretion permits the dual role of CEO and Chairman to exercise improvements in the decision-making process because a CEO is more knowledgeable about the firm, which permits efficiency in implementing and reaching the desired strategic goals within organizations (Singh, Mathur & Gleason, 2004).

However, splitting the role of CEO and Chairman within organizations is valuable in monitoring the actions of management. It can also help a firm because it brings together the skills of two individuals, rather than one (Neff & Charan, 2010). The separation of the dual position restricts the authority of CEOs to influence the board of directors (Finkelstein & Mooney, 2003). When difficult decisions surface, the board of directors can help monitor the situation without conflict of interest. CEOs tend to prefer the duality roles in order to maintain a high level of control within the firms they manage, while corporate directors and shareholders favor splitting the roles in order to boost the independence of management (Abels & Martelli, 2011b).

METHODOLOGY, ANALYSIS, AND RESULTS

Literature reveals that some US companies have replaced its dual CEO role to a two-tier split and in some firms an independent Chairman role. Business Week (1991) explored 1,000 leaders of the Corporate Elite and found that 999 leaders carried the title of CEO (one company had no CEO). About 50 percent of the Corporate Elite held the title of Chairman within their respective organizations and 55.7 percent also served in the capacity of President (Business Week, 1991). Overall, 28.1 percent of the Corporate Elite held a triple title of CEO, Chairman and President (Business Week, 1991). Martelli and Abels (2009) study of Fortune 500 CEOs revealed 499 leaders carried the title of CEO (one company had no CEO) and 60.7 percent of CEOs held the title of Chairman, with 55.7 percent of CEOs serving in the capacity of President. Overall, 28.1 percent of Fortune 500 CEOs held triple a title of CEO, Chairman and President (Martelli & Abels, 2010).

This study seeks to reveal the degree to which CEO duality roles exist today in large US publicly traded corporations. The investigation began by reviewing the 2008 CEO duality status of the top 500 revenue-generating firms in the US as published by Fortune Magazine. Further analysis incorporated the 2010 top 500 revenue-generating firms in the US as published by Fortune Magazine. In particular, the comparison discovered that 432 companies remained on the Fortune listing for both 2008 and 2010. From the 432 firms, 86 companies appointed a new CEO. Successful implementation of a two-tier split role within organizations tends to increase when the retiring CEO exits completely from a company (McKinsey and Company, 2004). The supplementary analysis focuses on the 86 newly appointed CEOs.

The North American Industry Classification System (NAICS) is the product classification used in order to establish the principal industry sector for the Fortune 500 companies under analysis. NAICS contains a six-digit-coding scheme established by the Federal Government, which permits industry sector comparisons of organizations in North America. The analysis is limited to the first two-digits of the complete six-digit code.

TABLE 1: FORTUNE 500 CEO TITLES IN 2008

Title(s) Held by CEOs	Number of CEOs	Percent of CEOs
CEO/Chairman	156	31.2%
CEO/Chairman/President	128	25.6%
CEO/President	120	24.0%
CEO Only	48	09.6%
CEO/President/Other	18	03.6%
CEO/Chairman/President/Other	12	02.4%
CEO/Other	10	02.0%
CEO/Chairman/Other	7	01.4%
No CEO	1	00.2%
Total	500	100.0%

Table 1 shows the titles held by corporate executives among the 500 companies as reported in 2008. The table includes eight possible combinations of titles that CEOs of large US corporations have. The most frequent title held by CEOs is the combination of CEO/Chairman with 156 executives holding that title. The second most frequent combination is 128 executives holding the title of CEO/Chairman/President. The third most frequent combination is 120 executives holding the combination title of CEO/President. These three CEO combinations of titles account for 80.8 percent of titles held by 404 CEOs out of 500 CEOs in the US.

Further review of Table 1 provides an insight of the duality status surrounding CEO executive positions in the US. CEO/Chairman yields 156 executives holding duality responsibilities. CEO/Chairman/President is the next frequent format for duality with 128 executives holding that title. CEO/Chairman/President/Other accounts for 12 executives and CEO/Chairman/Other accounts for 7 executives holding the duality title. In total, the analysis reveals 60.6 percent (303 CEOs) of CEOs held the title of Chairman within US organizations whereas 39.4 percent (197 CEOs) of CEOs did not hold the title of Chairman.

Consultants at Mercer studies (as cited in Frazee, 1997) conclude nearly 77 percent of large 500 US based companies had CEOs holding the title of Chairman in 1996, which is down from roughly 84 percent in 1993. When analyzing S&P 500 firms, the results are similar, with 63 percent of S&P firms having CEOs holding the title of Chairman in 2008, which is down from roughly 79 percent in 1998 (News Editor, 2009). Table 2 provides an industry breakdown on CEO duality and CEO non-duality for the 500 CEOs in 2008. The industry duality percentage equals or exceeds 50 percent in nearly all industry sectors with the exception of two industries sectors, Information and Construction. CEO/Chairman duality has been the norm for US companies in the past. Duality in 2008 is comprised of 60.6 percent (303 CEOs) of CEOs. The 60.6 percent duality in 2008 for this study equates a continual decrease from the 84 percent in 1993 and 77 percent in 1996. Splitting the dual role appears to be gaining acceptance within large US companies.

TABLE 2: FORTUNE 500 CEO TITLES AND INDUSTRY SECTOR IN 2008

Industry Sector	Total CEOs	Duality		Non-Duality	
		CEOs	Percent	CEOs	Percent
Manufacturing	178	115	64.6%	63	35.4%
Finance and Insurance	80	42	52.5%	38	47.5%
Retail Trade	57	37	64.9%	20	35.1%
Utilities	35	23	65.7%	12	34.3%
Information	30	12	40.0%	18	60.0%
Wholesale Trade	27	14	51.9%	13	48.1%
Transportation and Warehousing	24	17	70.8%	7	29.2%
Professional, Scientific, and Tech Services	13	8	61.5%	5	38.5%
Mining, Quarrying, and Oil and Gas Extract	12	8	66.7%	4	33.3%
Construction	12	4	33.3%	8	66.7%
Real Estate and Rental and Leasing	7	6	85.7%	1	14.3%
Accommodation and Food Services	7	5	71.4%	2	28.6%
Administrative and Support and Waste Management and Remediation Services	6	3	50.0%	3	50.0%
Health Care and Social Assistance	6	4	66.7%	2	33.3%
Agriculture, Forestry, Fishing and Hunting	2	1	50.0%	1	50.0%
Management of Companies and Enterprises	2	2	100.0%	0	00.0%
Arts, Entertainment, and Recreation	1	1	100.0%	0	00.0%
Other Services (except Public Admin.)	1	1	100.0%	0	00.0%
Total	500	303		197	

The supplementary analysis focuses on the newly appointed CEOs by cross-referencing the 2008 and 2010 Fortune listings. Four hundred thirty two companies remained on both listings for this investigation. From the 432 companies, 86 companies reported CEO turnover and are included. Table 3 provides an overview surrounding the composition of titles held by 86 corporate executives where CEO turnover occurred between 2008 and 2010.

The table includes eight possible combinations of titles that CEOs of large US corporations have. The most frequent title for 2008 retiring CEOs is the combination of CEO/Chairman with 38 executives holding that title. The second most frequent combination is 20 CEOs holding the title of CEO/President and the third most frequent combination is 16 CEOs holding the combination title of

CEO/Chairman/President. These three combination titles account for 86 percent of titles held by 74 retiring CEOs out of 86 retiring CEOs in the US.

TABLE 3: FORTUNE 500 NEWLY APPOINTED CEO IN 2010

	2008		2010	
Title(s) Held by CEOs	CEOs	Percent	CEOs	Percent
CEO/Chairman	38	44.2%	12	14.0%
CEO/Chairman/President	16	18.6%	17	19.8%
CEO/President	20	23.2%	42	48.8%
CEO Only	8	09.3%	6	07.0%
CEO/President/Other	0	0.00%	2	02.3%
CEO/Chairman/President/Other	1	01.2%	4	04.7%
CEO/Other	3	03.5%	3	03.4%
CEO/Chairman/Other	0	0.00%	0	0.00%
No CEO	0	0.00%	0	0.00%
Total	86	100.0%	86	100.0%

The most frequent title for 2010 new CEOs is the combination of CEO/President with 42 executives holding that title. The second most frequent combination is 17 CEOs holding the title of CEO/Chairman/President and the third most frequent combination is 12 CEOs holding the combination title of CEO/Chairman. These three combination titles account for 82.6 percent of titles held by 71 new CEOs out of 86 new CEOs in the US.

The three primary title combinations frequently held by CEOs remained consistent from 2008 to 2010. However, in 2008, CEO/Chairman title ranks first and in 2010, the CEO/Chairman title ranks third. The CEO/Chairman title witnessed a 68.42 percent decrease from 2008 to 2010 within Fortune firms. Further review of the three primary title combinations frequently held by CEOs reveals that the CEO/President title witnessed a 110 percent increase from 2008 to 2010 and now ranks first within Fortune firms. The 2010 increase in CEO/President titles and decrease in CEO/Chairman titles demonstrate that large US companies are changing their corporate structures to non-duality roles.

Further review of table 3 shows the duality status surrounding the 2008 retiring CEOs in the US, which resulted in CEO/Chairman yielding 38 executives holding duality responsibilities. CEO/Chairman/President is the next frequent format for duality with 16 executives holding the title. CEO/Chairman/President/Other accounts for 1 executive and CEO/Chairman/Other accounts for 0 executives holding the duality title. In total, the analysis reveals 64 percent (55 CEOs) of retiring CEOs held the title of Chairman within organizations whereas 36 percent (31 CEOs) of retiring CEOs did not hold the title of Chairman.

The duality status surrounding the 2010 new CEOs in the US resulted in CEO/Chairman/President representing 17 executives holding duality responsibilities. CEO/Chairman is the next frequent format for duality with 12 executives holding the title. CEO/Chairman/President/Other accounts for 4 executives and CEO/Chairman/Other accounts for 0 executives holding the duality title. In total, the analysis reveals 38.4

percent (33 CEOs) of new CEOs held the title of Chairman within organizations whereas 61.6 percent (53 CEOs) of new CEOs did not hold the title of Chairman. The 2008 duality (64%) versus non-duality (36%) are mirror opposites of the duality (38.4%) versus non-duality (61.6%) experienced in 2010, which further demonstrates that large US companies are changing its governance structures.

TABLE 4: FORTUNE 500 NEW APPOINTED CEO TITLES AND INDUSTRY SECTOR IN 2008

Industry Sector	Total CEOs	Duality		Non-Duality	
		CEOs	Percent	CEOs	Percent
Manufacturing	31	20	64.5%	11	35.5%
Finance and Insurance	19	13	68.4%	6	31.6%
Retail Trade	12	8	66.7%	4	33.3%
Wholesale Trade	5	4	80.0%	1	20.0%
Information	5	2	40.0%	3	60.0%
Utilities	4	2	50.0%	2	50.0%
Professional, Scientific, and Tech Services	4	1	25.0%	3	75.0%
Transportation and Warehousing	3	2	66.7%	1	33.3%
Management of Companies and Enterprises	1	1	100.0%	0	0.0%
Health Care and Social Assistance	1	1	100.0%	0	0.0%
Accommodation and Food Services	1	1	100.0%	0	0.0%
Total	86	55		31	

The supplementary analysis focuses on the newly appointed CEOs by cross-referencing the 2008 and 2010 Fortune listings. Four hundred thirty two companies remained on both listings for this investigation. From the 432 companies, 86 companies reported CEO turnover and are included. Tables 4 and 5 provide an overview surrounding the industry sectors employing the 86 corporate executives where CEO turnover occurred between 2008 and 2010. The results indicate that eleven US industry sectors have new CEOs from 2008 to 2010, and Manufacturing accounts for 36 percent (31 CEOs) of the CEO replacements, followed by Finance and Insurance (22.1%, 19 CEOs) and Retail Trade (14%, 12 CEOs). Overall, these three sectors comprise 72.1 percent (62 CEOs) of the 86 CEO replacements between 2008 and 2010.

Isolating the three primary turnover industry sectors reporting 72.1 percent (62 CEOs) of the CEO turnover in 2010 experienced a decline in CEO duality. The Manufacturing sector has a 40 percent decline in duality, Finance and Insurance has a 38.5 percent decline, and Retail Trade has a 75 percent decline. In 2008, the industry duality percentage is 66.1 percent (41 firms) for these three industry sectors (62 firms), which is comparable with the overall 64 percent (55 firms) duality for the 86 firms and 60.6 percent (303 firms) duality for the 500 firms. In 2010, the industry duality percentage is 35.5 percent (22 firms) for these three industries (62 firms), which is comparable to the overall 38.4 percent (33 firms) for the 86 firms. As a whole, the three primary industry sectors (62 firms) reported a 46.3 percent decline in CEO duality in 2010 (22 firms vs. 41 firms) and the 86 firms reported a 40 percent decline in CEO duality in 2010 (33 firms vs. 55 firms). It appears that in 2010, new CEOs relinquished their duality titles, which demonstrates that large US companies are changing its governance structures. It appears that in 2010, new

CEOs relinquished their duality titles in order to increase management's perceived independence from its shareholders, which further demonstrates the downward duality movement within US organizations.

TABLE 5: FORTUNE 500 NEW APPOINTED CEO TITLES AND INDUSTRY SECTOR IN 2010

Industry Sector	Total CEOs	Duality		Non-Duality	
		CEOs	Percent	CEOs	Percent
Manufacturing	31	12	38.7%	19	61.3%
Finance and Insurance	19	8	42.1%	11	57.9%
Retail Trade	12	2	16.7%	10	83.3%
Wholesale Trade	5	2	40.0%	3	60.0%
Information	5	1	20.0%	4	80.0%
Utilities	4	3	75.0%	1	25.0%
Professional, Scientific, and Tech Services	4	1	25.0%	3	75.0%
Transportation and Warehousing	3	2	66.7%	1	33.3%
Management of Companies and Enterprises	1	0	0.0%	1	100.0%
Health Care and Social Assistance	1	1	100.0%	0	0.0%
Accommodation and Food Services	1	1	100.0%	0	0.0%
Total	86	33		53	

In the past, retiring CEOs holding duality roles within the US tended to hold onto one previous title rather than relinquishing both titles when leaving an organization (McKinsey and Company, 2004). Experience of companies in the United Kingdom found when CEOs held onto one title, the two-tier structure did not work (McKinsey and Company, 2004). When the retired CEO retains one of their titles, a power struggle between the new and retiring CEO can emerge, resulting in a barrier for successful implementation (Abels & Martelli, 2011b). In deciding when to implement the separation of duality roles, success is generally greater when a new CEO is hired and the retiring CEO departs the organization completely (Neff & Charan, 2010). For this study, we further investigated the status of the 86 retiring CEOs. We found 17.4 percent (15 CEOs) of retiring CEOs retained their Chairmen titles whereas 82.6 percent (71 CEOs) of retiring CEOs relinquished both titles.

CONCLUSION

A fiduciary duty exists with boards of directors to protect the interests of shareholders. Conflicts can arise since a separation of owners (shareholders) and control mechanisms (board of directors) exists. Theoretically, the principal-agency model explains the operation of boards of directors and the potential conflicts that can arise. Dual CEOs have additional company insight at their disposal, which can enhance the performance of companies. Insiders of organizations have greater firm knowledge that can permit efficiency in the implementation of its strategic decisions, whereas outsiders of the organization are in a better position to defend the interest of shareholders through its independent monitoring system.

On the other hand, weak board independence can promote moral hazard, which can lead to a negative impact on firm performance. CEO duality can intensify management's dominance, which ultimately undermines the oversight duty of boards of directors. The principal-agency theory supports splitting the CEO and Chairman roles, which in turn strengthens an organization's governance policy. Separating the dual position as suggested by the principal-agency theory can restrict the authority of CEOs and their ability to influence boards of directors. Therefore, the fiduciary goal to protect the interest of shareholders from conflicting self-serving benefits can transpire.

The combination of titles held by CEOs remained consistent from 2008 to 2010. However, in 2008, CEO/Chairman title ranked first and it ranked third in 2010, which is a 68.4 percent decrease from 2008 to 2010. Further review reveals CEO/President title witnessed a 110 percent increase from 2008 to 2010 and ranks first in 2010. The 2010 increase in CEO/President titles and a decrease in CEO/Chairman titles are consistent with the principal-agency theory. The results demonstrate that large US companies are changing governance structures.

The 2008 duality versus non-duality percentages (64% vs. 36%) are mirror opposites of the percentages (38.4% vs. 61.6%) experienced in 2010, which is consistent with the principal-agency theory. The 2008 industry duality percentage is 64 percent (55 firms) for the 86 firms is comparable to 60.6 percent (303 firms) for the 500 firms in 2008. The 2010 industry duality percentage is 38.4 percent (33 firms) for the 86 firms, representing a 40 percent decline since 2008. The 2010 results demonstrate that large US companies are changing governance structures.

Duality in 2008 is comprised of 60.6 percent (303 CEOs) of CEOs, which is down from 84 percent in 1993 and 77 percent in 1996. The three primary turnover industry sectors (62 firms) experienced a decline in CEO duality between 2008 and 2010. In 2008, the industry duality is 66.1 percent (41 firms) for these 62 firms, and in 2010, the industry duality is 35.5 percent (22 firms), representing a 46.3 percent decline in CEO duality in 2010. It appears that in 2010, new CEOs relinquished their duality titles in the US.

Research by Sampson-Akpuru (2009) indicates that scholars (e.g. Baliga, Moyer, and Rao; Brickley, Coles, and Jarrell; Chaganti, Mahajan, and Sharma; Dalton and Kesner; Goyal and Park; Jensen; Rechner and Dalton; Pi and Timme) unanimously concur that when CEOs retain dual titles they exercise greater dominance within corporations. Corporate directors and shareholders lean towards splitting duality roles to enhance the independence of management; however, CEOs prefer duality roles to maximize their power and dominance within organizations (McKinsey and Company, 2004). McKinsey and Company (2004) survey indicated that 69 percent of 200 corporate directors from almost 500 companies support splitting the CEO and Chairman roles into two positions. Splitting the duality role appears to be gaining acceptance within large US companies. The practice of splitting the duality role of CEO and Chairman within public corporations is becoming a reality within the US, whether on a voluntary or mandatory basis, in order to heighten corporate disclosure and transparency.

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