Shorter Runways, Higher Stakes: What Today's CEO Turnover Means For Boards and Succession

Global CEO Turnover Index Annual Report 2025

Foreword

It’s becoming increasingly clear that uncertainty is here to stay. This creates both a tougher operating environment for CEOs and a fundamental shift in how boards define effective leadership.

Amid relentless disruption, long-held assumptions about CEO performance are being openly challenged. Boards are recalibrating what “good” looks like and are becoming far more explicit about what results must be delivered—and when.

That’s why we’ve developed the Global CEO Turnover Index. By tracking CEO departures and appointments across the world’s leading stock indices, we’re able to build a picture about how boards are responding to today’s leadership challenges.

This year’s data points to three defining themes. First, 2025 was another record year for CEO departures, reinforcing that elevated turnover is becoming a fixed feature of modern corporate governance. Second, CEO tenures continue to shorten as boards raise expectations around performance and pace. Third, boards continue to overwhelmingly appoint first-time CEOs, reflecting both confidence in internal pipelines, and the increasing difficulty of attracting experienced CEOs into the role.

Together, these trends underscore that getting CEO succession right has never been more important—or more complex. We hope the insights in this report equip boards and CEOs to make more deliberate, better-informed leadership decisions in the year ahead.

Throughout 2026, we will continue to publish quarterly Global CEO Turnover Index updates to help boards stay ahead of emerging risks as the rules of the game are rewritten in real time.

Constantine Alexandrakis
CEO, Russell Reynolds Associates

Chapter One: Why Are So Many CEOs Still Leaving?

CEO turnover reached a new record in 2025 across the global indices we track. A total of 234 CEOs departed their roles globally—a 16% increase year-over-year, and 21% above the eight-year average.

234

CEOs departed the role in 2025—21% above the eight-year average.

This marks the second consecutive year in which CEO turnover has reached record levels, signaling that elevated CEO turnover is now a sustained feature of today's corporate governance landscape.

While global turnover reached new highs, it was not evenly distributed. The sharpest increases were seen in the DAX, where eight CEOs departed the role in 2025, up from three in 2024, and in NIFTY 50, where there were seven departures in 2025, up from three in the previous year. The STI saw five CEO departures in 2025, compared with three in 2024.

By contrast, the S&P 500 recorded a marginal increase in departures, with 59 CEOs leaving the role in 2025, compared with 58 in 2024. While this was a modest rise compared to other indices, the fact that turnover remained at an elevated level—following an already high 2024—signals that CEO churn is now the norm across the largest companies in the US.

At a global level, the drivers of high turnover in 2025 are clear. Continued economic and political volatility, particularly in the first half of the year, created challenging operating conditions for CEOs, with shifting tariff regimes, regulatory uncertainty, and geopolitical tensions significantly testing leadership resilience. Against this backdrop, activist investors were watching carefully.

> "Sustained high levels of CEO turnover should be expected given the environment leaders are operating in today. The CEO role has become materially more complex and harder than it has ever been, shaped by ongoing economic and political uncertainty, and relentless scrutiny from investors. As investor expectations recalibrate—often driven by activism—the margin for error has narrowed significantly."
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> **Rusty O'Kelley**, RRA Co-Lead Board and CEO Advisory Partners in the Americas

The Industry View: Turnover in the Technology Sector

CEO turnover in the technology sector stood in sharp contrast to broader global trends in 2025. Following a record 40 departures in 2024, turnover halved last year, with just 20 technology CEOs exiting the role.

Nick Fletcher, Leader of RRA's Technology Practice in Australia, said many boards were reluctant to make CEO changes amid intense strategic and operational demands fueled by strong capital inflow: "When the pace of change is already high, the idea of running a CEO succession can feel deeply unsettling," he explained.

However, dynamics varied across subsectors. Sean Roberts, RRA Leadership Advisor, notes that while AI attracted outsized investment, other areas were more focused on efficiency. "In sectors such as telecommunications and IT services, the focus has been on cost optimization rather than investing in new offerings or markets," he said. "As a result, there were fewer managed CEO transitions triggered by growth agendas."

Investor activism accelerates CEO exits

Investor activism was one of the most powerful forces shaping CEO exits. According to research from Barclays, activist campaigns reached record levels in 2025, emboldened by market volatility, favorable financing conditions, and a rebound in deal activity.

The impact of these campaigns on CEO decisions is measurable. Barclays reported that in 2025, a record 32 CEOs resigned within one year of an activist campaign, up from 27 in 2024, and 24 in 2023. The patience of corporate agitators is clearly wearing thin, and boards are increasingly responsive to that pressure.

> "When there is a record amount of activist activity, disruption is not a byproduct—it is the objective. Activists are looking to force a change in company direction, and the most direct lever available to them is the CEO role. That dynamic is driving a meaningful proportion of the CEO departures we are seeing in the S&P 500."
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> **Rusty O'Kelley, RRA Co-Lead Board and CEO Advisory Partners in the Americas**

Investor activity was heavily concentrated in the S&P 500, with investors launching 141 campaigns in 2025, up 23% on 2024 levels. Investor campaigns also increased across parts of Asia, including Japan, which recorded 56 campaigns in 2025, accounting for roughly half of activist activity outside the US.

For boards, the message is clear: elevated CEO turnover is not simply about performance failure. It reflects a governance environment where disruption, activism, and volatility have fundamentally reshaped the tolerance for risk—and the expectations placed on the CEO role.

> "Investor activism has been a significant contributing factor to higher CEO turnover in Japan, alongside regulatory and market pressures. Both domestic and international shareholders have become more vocal about capital efficiency, governance quality, and long-term value creation. As a result, boards are under greater pressure to demonstrate accountability, which means CEO performance is being assessed more rigorously—and more continuously—than in the past."
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> **Ryoko Komatsuzaki,** Country Lead for RRA Japan

Chapter Two: Are CEOs Reaching Peak Effectiveness?

CEO tenures continue to decline globally. In 2025, the average global CEO tenure fell to 7.1 years, down from 7.4 years in 2024, and 8.3 years in 2021. Declines in CEO tenure were driven by the FTSE 100, Hang Seng, Nikkei 225, and STI.

7.1 years

the average tenure of departing CEOs in 2025—down from 8.3 years in 2021.

This gradual but consistent reduction in how long CEOs last at the top signals a clear shift in board expectations around CEO performance, and how long boards are willing to wait for results.

The reasons are multifaceted. First, the role of the CEO has become materially harder. Increased media scrutiny, a more demanding investor base, faster technology adoption, and regulatory challenges mean CEOs are juggling broader, more visible responsibilities than ever before. As pressures increase, the margin for error narrows, increasing the likelihood of board intervention.

Many CEOs are struggling to keep pace with this complexity. For example, in H2 2025, CEOs' preparedness to address tech change fell to 40%—down from 57% in H2 2023—and its lowest level to date.

At the same time, the shortening of global CEO tenures reflects a structural shift in how boards define effective leadership. We are witnessing fundamental changes to the role of the CEO—from a long-term steward of the organization to a catalyst for transformation. Leadership success is increasingly being defined by a CEO's ability to drive rapid, visible results, with far greater pressure to deliver immediate impact.

"CEO mandates in Japan are becoming more time-bound and outcome-driven. Rather than open-ended tenures, many CEOs are appointed with an implicit or explicit transformation agenda—such as portfolio restructuring, ROE improvement, globalization, or governance reform. Once that agenda is completed, boards are more open to transitioning to a different leadership profile suited for the next phase of growth."

Ryoko Komatsuzaki, Country Lead for RRA Japan

Boards are making the call earlier

One of the most striking findings in 2025 is the rise in short-term CEO appointments. Our data shows that the proportion of CEOs departing within 30 to 36 months has increased 79% year-over-year. This could signal that boards are making definitive judgments far earlier in the CEO lifecycle than in the past.

79%

The YoY increase in the number of CEOs globally who departed the role in the 30-36-month window.

This trend raises a fundamental question: when can a CEO's effectiveness be reasonably judged?

In many cases, today's CEOs are not inheriting stable businesses. They are stepping into organizations already underperforming or under pressure from activist investors. These appointments often come with an explicit turnaround mandate—and a ticking clock. If progress isn't evident within two to three years, many boards are moving quickly to intervene.

That pressure is amplified in situations where activist investors hold board seats or exert significant influence. In these environments, boards can become highly sensitive to perceived underperformance, moving quickly to demonstrate accountability to shareholders. Shortened tenures in these cases are less about denying CEOs a fair chance and more about boards concluding that the pace of change is not fast enough to justify continued support.

At the same time, the context in which CEOs are expected to deliver has become far more demanding. Rapid technological change, AI-driven acceleration, and intensified scrutiny from investors, regulators, and other stakeholders have compressed the timelines within which leaders are expected to prove impact. As a result, boards are recalibrating not just what success looks like, but how quickly it must be achieved.

> "Historically, the first couple of years of a CEO's tenure were about clarifying the mandate, setting direction, and building alignment. That grace period has been severely compressed. Today, CEOs are expected to demonstrate momentum almost immediately, even while they are still building their teams and navigating increasingly complex external demands."
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> **Laura Sanderson,** RRA EMEAI Co-Lead

The Regional View: Tenure Divergence in Europe

CEO tenure in 2025 diverged sharply between the UK and continental Europe. In the FTSE 100, outgoing CEOs served an average of 6.4 years, broadly in line with the index's historical norm. Across Euronext, however, average tenure was significantly longer at 10.3 years, well above its seven-year average.

This gap reflects structural differences in governance. In a number of European countries, including Germany, CEOs serve for fixed terms of appointment, meaning that the relatively high turnover this year in DAX CEOs is partly coincidental, and the departing CEOs have tended to serve two (or more) five-year terms. By contrast, in the UK, CEOs may be given notice at any time. Moreover, widely dispersed ownership and the relatively high proportion of shares in FTSE 350 companies in free-float expose boards to greater external pressures, often driving earlier intervention when performance falters. Many Euronext companies benefit from ownership models—such as substantial family or state shareholdings—that are more supportive of longer leadership horizons and multi-year transformation agendas.

As Emma Combe, RRA UK Board Practice Leader, observed, "Ownership structure matters. In markets where shareholding is widely dispersed and free float dominates, boards are more exposed to faster-moving market sentiment and activist attention. That means directors face quicker calls to demonstrate accountability and results, unless boards actively protect the strategic runway required for long-term change."

Chapter Three: Where Are Boards Now Finding CEOs?

In 2025, first-time CEOs accounted for 86% of all incoming global CEO appointments. While this represents only a modest increase compared to 85% of CEO appointments in 2024, the more important signal is consistency: first-time CEO appointments have remained the preferred choice of boards globally since we began tracking in 2018.

In Asia and Europe, the share of first-time appointments was highest: across the ASX, first-time CEOs represented 87% of appointments, while in the FTSE 100, Hang Seng, NIFTY 50 and STI, all incoming CEOs were first-timers. This trend reflects both continued confidence in internal pipelines and the challenges of finding and attracting experienced CEOs.

With the rise in "one and done" CEOs, boards are now more dependent than ever on the strength of their internal pipelines—and on how deliberately they prepare leaders for the realities of the top job. As the CEO role becomes more exposed amid regulatory pressures and constant stakeholder scrutiny, many first-time CEOs are learning the role in public. Boards have a critical role to play in providing the support CEOs need to navigate this complexity.

> "Boards are now increasingly selecting internal candidates over proven CEOs because they know they are being well-prepared, developed, and set up for success. Boards must work to increase the odds of the new CEO's success by ensuring they receive targeted developmental support both before and after their appointment as CEO and are well-positioned to develop a strong leadership team around them."
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> **Emma Combe,** RRA Board and CEO Practice Leader, UK

While first-time CEOs can bring fresh perspectives, learning agility, and internal credibility if appointed from within, they can also carry elevated execution risk—particularly in moments of heightened investor scrutiny or activist pressure. In troubled circumstances, boards often turn back to experienced CEOs, and in some cases a former CEO of the company, who can step in quickly, stabilize performance, and command immediate confidence from investors and stakeholders.

The Regional View: In the S&P 500, Experience Still Matters

The S&P 500 bucked the global trend, recording a decline in first-time CEO appointments in 2025: 79% of CEOs appointed were first-time CEOs, down from 83% in 2024, and significantly lower than the eight-year average of 85%.

Against a backdrop of record investor activism in the US, with investors placing CEOs under increasingly intense scrutiny, more boards are opting for experienced CEOs to steer their companies forward.

Another notable outcome of activist pressure has been the rise of so-called 'boomerang CEOs.' In several cases, activists have successfully pushed for former CEOs—often seen as proven operators and often working in close alignment with the activist agenda—to return.

Broadening the CEO talent pipeline

In 2025, women accounted for 9% of incoming CEO appointments globally, down from 11% in 2024. At the same time, the proportion of outgoing women CEOs increased slightly, from 6% to 7% year-over-year.

This global pattern was heavily influenced by the S&P 500, where women accounted for just 8% of incoming CEO appointments in 2025. The FTSE 100, however, bucked the trend on appointments, with women representing 30% of new CEOs last year. However, this was offset by a sharp rise in exits, with women accounting for 25% of outgoing FTSE 100 CEOs in 2025, up from 17% the year before.

This global trend of decreasing women CEO appointments is likely a reflection of the composition of leadership pipelines. Across both the S&P 500 and FTSE 100, women appointments remain low in the most common feeder roles to the CEO position, such as the COO or CFO role or divisional leadership roles with P&L responsibility. For example, our research shows that since 2019, women have accounted for an average of 21% of CFO appointments across the world's largest indices, and 15% of COO appointments.

For boards, the implication is clear. Accessing the full spectrum of leadership talent requires challenging traditional leadership profiles and accelerating development well before succession decisions are imminent. That means identifying high-potential leaders earlier, broadening the definition of readiness, and deliberately building enterprise leadership and P&L experience over time.

"This is not a CEO selection problem—it is a pipeline problem. Until more women are given meaningful P&L roles earlier in their careers, the outcomes we see at CEO level are unlikely to change, regardless of how rigorous the final selection process is. Boards and leadership teams need to be far more deliberate about creating stretch P&L opportunities, and redesigning leadership pathways so that operational ownership is a realistic and intentional part of succession planning."

Nick Fletcher, RRA Technology Practice Leader, Australia

What This Means for Succession

Elevated turnover, shorter tenures, and the continued dominance of first-time CEO appointments mean boards can no longer afford to treat succession as episodic or reactive. Instead, it demands sustained attention, and a different level of rigor.

For directors, three actions stand out.

01. Start earlier—and plan for optionality, not just replacement

At its most effective, succession is an ongoing governance discipline—one that is continuously revisited as strategy evolves, leadership talent develops, and external conditions change. Yet many boards still only begin serious CEO succession planning 12 to 18 months before a transition. In today's environment, that is too late. With 86% of incoming CEOs globally being first-time leaders, succession is no longer about identifying a single "ready now" candidate—it is about building a bench with multiple credible options over time.

The boards that start planning three to five years in advance are the ones that give themselves optionality. That runway allows directors to assess leadership potential under real conditions, address any experience gaps, and deliberately rotate high-potential executives into enterprise-wide and P&L roles. It also creates space to scenario-plan: preparing leaders not just for continuity, but for activist pressure, transformation mandates, or sudden external shocks.

In volatile markets, optionality is key to resilience in the short term, and outperformance in the medium term.

02. Redefine readiness for a compressed CEO lifecycle

Our data shows boards are now making definitive judgments and firing CEOs deemed to be ineffectual within the first two to three years. That places responsibility on boards to recalibrate what "ready" truly means. For first-time CEOs especially, readiness is less about having done the job before and more about learning agility, decision-making under pressure, and the ability to build and mobilize a senior team quickly.

Directors should be explicit about the mandate they are giving a new CEO, the outcomes expected in the first 24 to 36 months, and the trade-offs they are willing to tolerate along the way. Without that clarity, shortened tenures risk becoming self-fulfilling—judgments made before performance can reasonably materialize.

03. Treat CEO development as a governance responsibility, not a remedial one

Appointing a first-time CEO is a strategic choice—but it fundamentally changes the board's role. Development can no longer be viewed as something a CEO "opts into" or requires only when performance falters. It must be embedded into the succession plan itself.

Boards need to put in place the right program of support to accelerate new CEO effectiveness in the first two years. It is as important to invest in the continuing development of the new CEO as it was to invest in their development when they were a high-potential candidate for the CEO role. The right investment in the new CEO and their team's development can help them get to "peak effectiveness" in less than the four years that it will otherwise take based on "learning on the job" alone.

> "Boards are increasingly handing the keys of a Ferrari to rookies—high-potential leaders who may not yet have the breadth of experience the modern CEO role demands. That is not inherently wrong, but it does fundamentally change the way boards should be thinking about the level of support and development those CEOs require to be effective in the role in their early years."
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> **Laura Sanderson,** RRA EMEAI Co-Lead

Boards that set up first-time CEOs for success invest early and visibly: structured transition, targeted coaching and mentorship, trusted external sounding boards, and a strong, aligned chair-CEO partnership. They also ensure the leadership team around the CEO is fit for purpose and support the CEO in developing their leaders.

In an era of activism and heightened scrutiny, developing the CEO is as much about protection as it is about acceleration. If boards expect leaders to perform faster, they will need to actively help them get there.

Methodology

- Incoming and outgoing CEO data reflects appointments and departures of permanent enterprise CEOs. Interim, acting, and non-enterprise CEOs are excluded from this analysis.

- CEO turnover data from before 2023 is based on the constituents of each index as of March 2023 and doesn't account for companies that moved on and off the indices before then. After 2023, quarterly index changes are taken into account.

- Classification of reasons for CEO departures is derived from a comprehensive review of publicly available information, including news publications, official announcements, and relevant articles around the time of each CEO's departure announcement. This categorization is intended to provide insight into overarching trends and should be interpreted within the context of the best available information at the time of the analysis.

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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led

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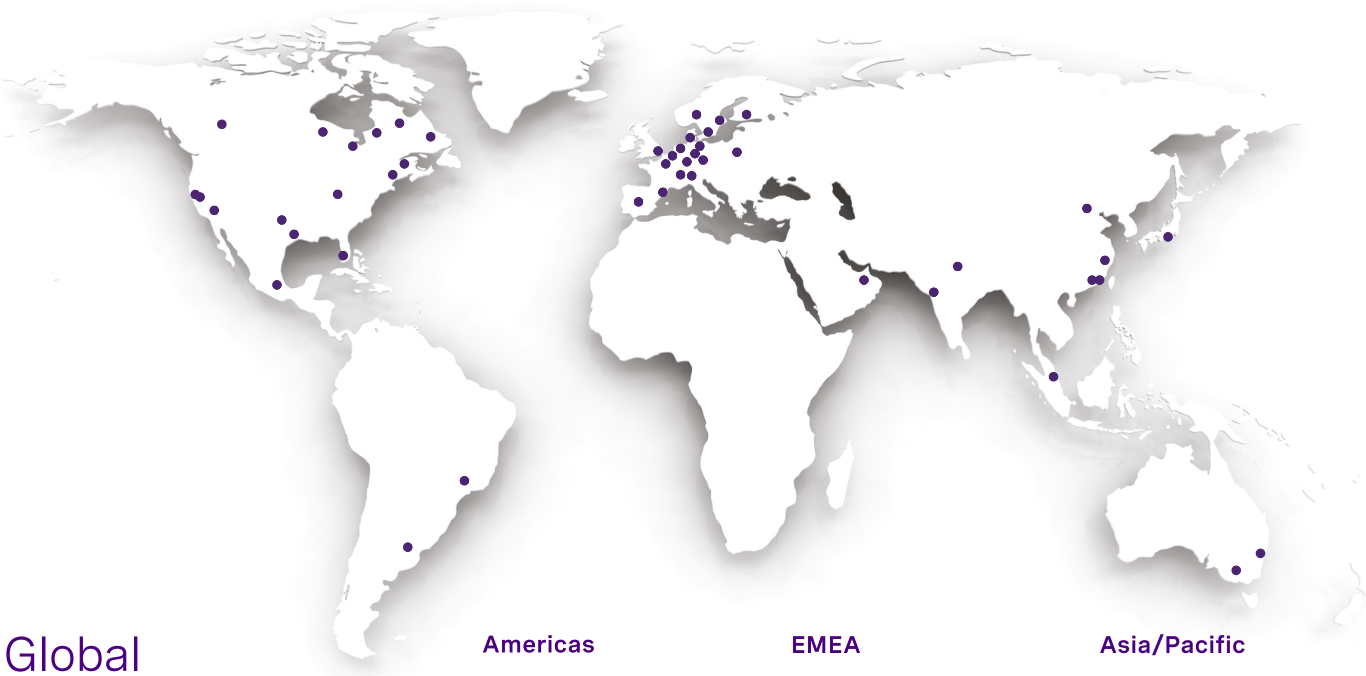

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