Industrial CFO Turnover 2025: Developing Financial Leadership

Russell Reynolds Associates

This article is available on russellreynolds.com

Industrial CFO turnover reached a 7-year high of 19% in 2025, signaling a fundamental shift in the CFO talent market.

As turnover increased across 13 global public indices, the nature of these CFO appointments also materially changed. Internal and first-time CFO appointments rose, while more experienced CFOs moved into retirement or board roles, leaving the executive talent market entirely. When taken together, these dynamics suggest that the external market for experienced industrial CFO talent is tightening.

In response, industrial organizations are broadening their definition of what it means to be CFO-ready, putting greater emphasis on developing internal financial leadership capability. Elevated CFO turnover is no longer cyclical or driven by one-off events; instead, it reflects a structural shift in how industrial organizations identify, develop, and retain financial leadership in a competitive market.

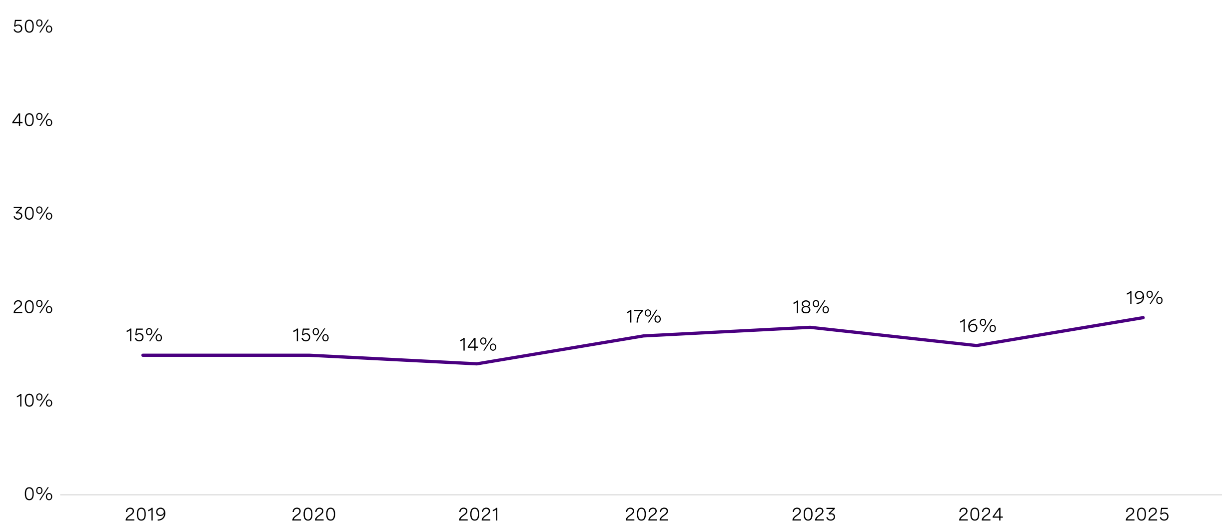
Despite this increased focus on internal development, RRA's Global Leadership Monitor suggests that current efforts may not yet be visible for next-generation industrial finance leaders. While almost two-thirds of these leaders express interest in joining the C-suite, only one-third see a clear path to achieving this at their current organization.

To help industrial and natural resources organizations understand this complex finance talent market, and how to meaningfully develop its next generation of leaders, Russell Reynolds Associates examined the industry's latest CFO turnover trends. Here's what we learned.

Industrial CFO turnover reached a 7-year high of 19% in 2025, surpassing most sectors

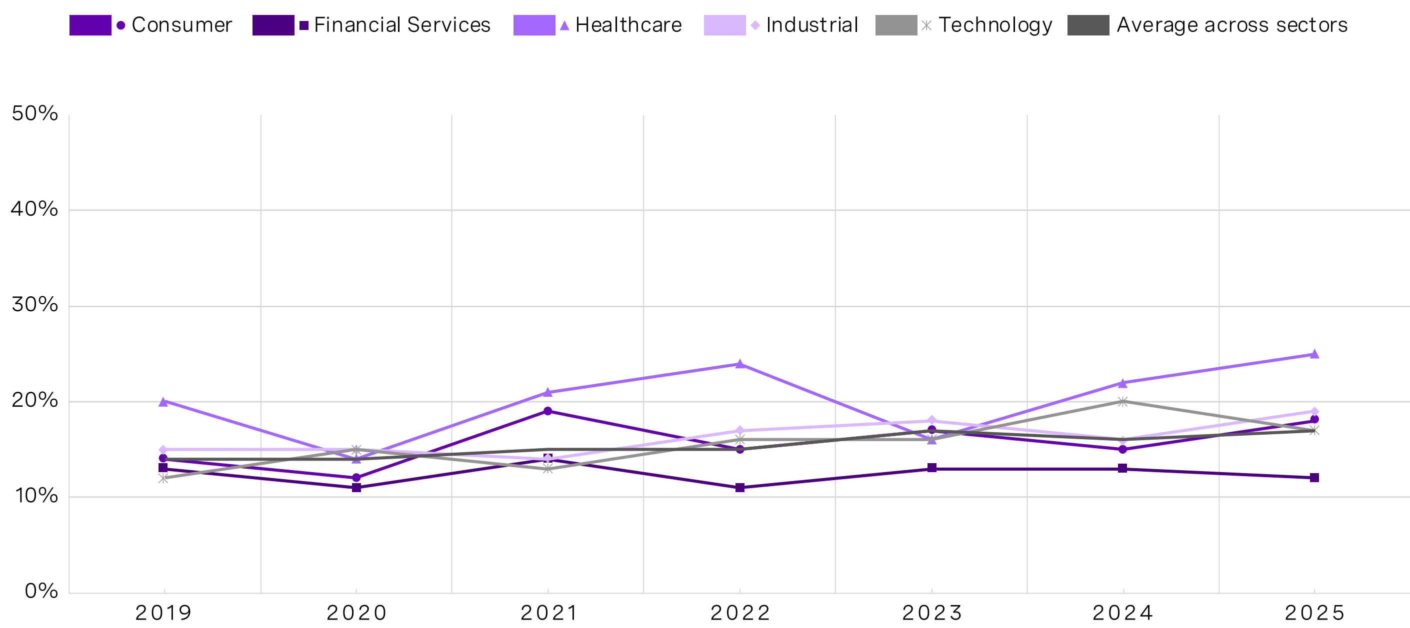
This 7-year turnover high reverses a 2-percentage point decline from the previous year (Figure 1) and exceeds the cross-sector average of 17% (Figure 2). Among sectors, industrial turnover was second only to healthcare at 25%, reflecting the demanding scope and growing complexity of the CFO role. Combined with heightened board and investor scrutiny amid a more challenging macroeconomic environment, these developments have intensified performance pressures.

Figure 1: Industrial CFO turnover trends: 2019 - 2025



Source: RRA analysis of industrial organizations in the S&P500, FTSE 100, FTSE 250, ASX 200, CAC 40, DAX 40, EuroNext 100, Hang Seng, Nikkei 225, NSE Nifty 50, S&P/TSX Composite, SMI and STI from 2019 to 2025 (n=731).

Figure 2: CFO turnover trends across sectors: 2019 - 2025



Source: RRA analysis of industrial organizations in the S&P500, FTSE 100, FTSE 250, ASX 200, CAC 40, DAX 40, EuroNext 100, Hang Seng, Nikkei 225, NSE Nifty 50, S&P/TSX Composite, SMI and STI from 2019 to 2025 (n=731).

It's clear that the CFO remit has steadily extended beyond financial stewardship and reporting alone. Many finance leaders are now accountable for executing corporate strategy, enterprise transformation, restructuring programs, and (in some organizational structures) overseeing other corporate functions, such as sustainability. These factors have collectively raised the expectations associated with the CFO position and, consequently, the pace at which industrial organizations have had to reassess their financial leadership turnover.

Industrial organizations have traditionally been regarded as strong training environments for senior financial talent, with rotational experiences across manufacturing, operations, or capital-intensive businesses. Although this gives boards the confidence to promote more industrial CFOs internally, it has also made them more attractive to other industries, intensifying the competition for an already constrained external talent pool.

Industrial CEO turnover is also elevated. Given the close relationship between CEO and CFO roles-in which CFO transitions are often linked to new CEO appointments - this has further intensified INR CFO turnover.

Industrial boards are more open to first-time CFO talent than their cross-industry counterparts

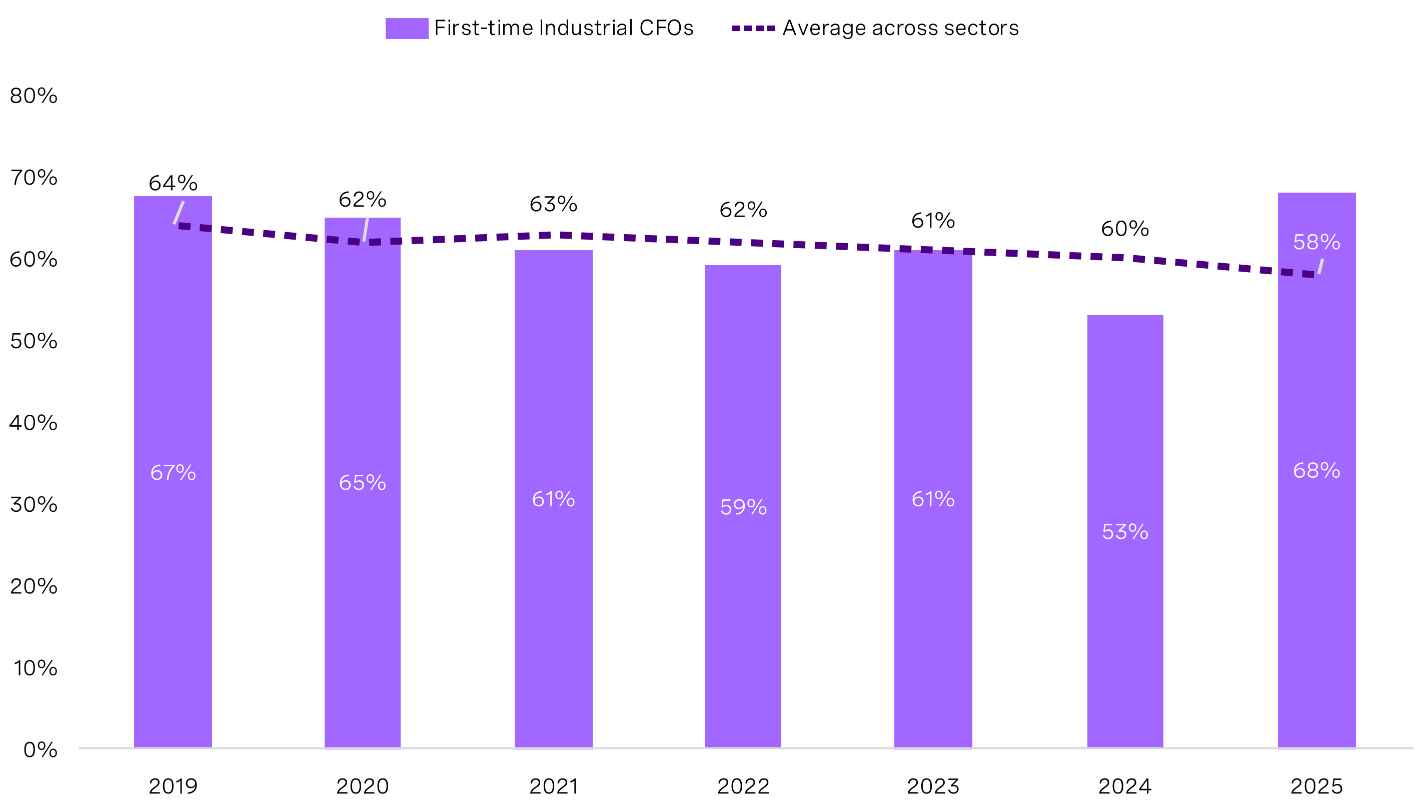
In 2025, 68% of industrial CFO appointments went to first-time CFOs, exceeding the cross-sector average by 10-percentage points (Figure 3). This marks a significant reversal of a long-term decline and returns to levels not seen since 2019.

While experienced CFO talent remains highly valued by industrial organizations, the rise in first-time appointments—coupled with 7-year highs in both retirement and CFO turnover rates—suggests the pool of experienced external CFO talent is increasingly constrained. With a limited external pool, boards are reassessing and redefining what constitutes a CFO-ready success profile.

Although experienced CFO hires are on the rise in other sectors, industrial boards appear to be more willing to back high-potential finance leaders who have already demonstrated enterprise leadership potential before formally assuming the CFO role. This may reflect the high value placed on familiarity with the complex industrial operating environment, experience in capital-intensive business models, and a deep understanding of sector-specific dynamics, even in the absence of prior CFO experience.

Nevertheless, the increasing reliance on first-time CFO appointments creates both opportunities and risks. While it's clear that internal talent can be accelerated into finance leadership roles, this trend also underscores the need to build robust succession pipelines earlier. At the same time, first-time CFOs often require more development, mentorship, and transition support to successfully navigate the demands of the role.

Figure 3: First-time CFO appointments: industrials vs average across sectors: 2019 - 2025



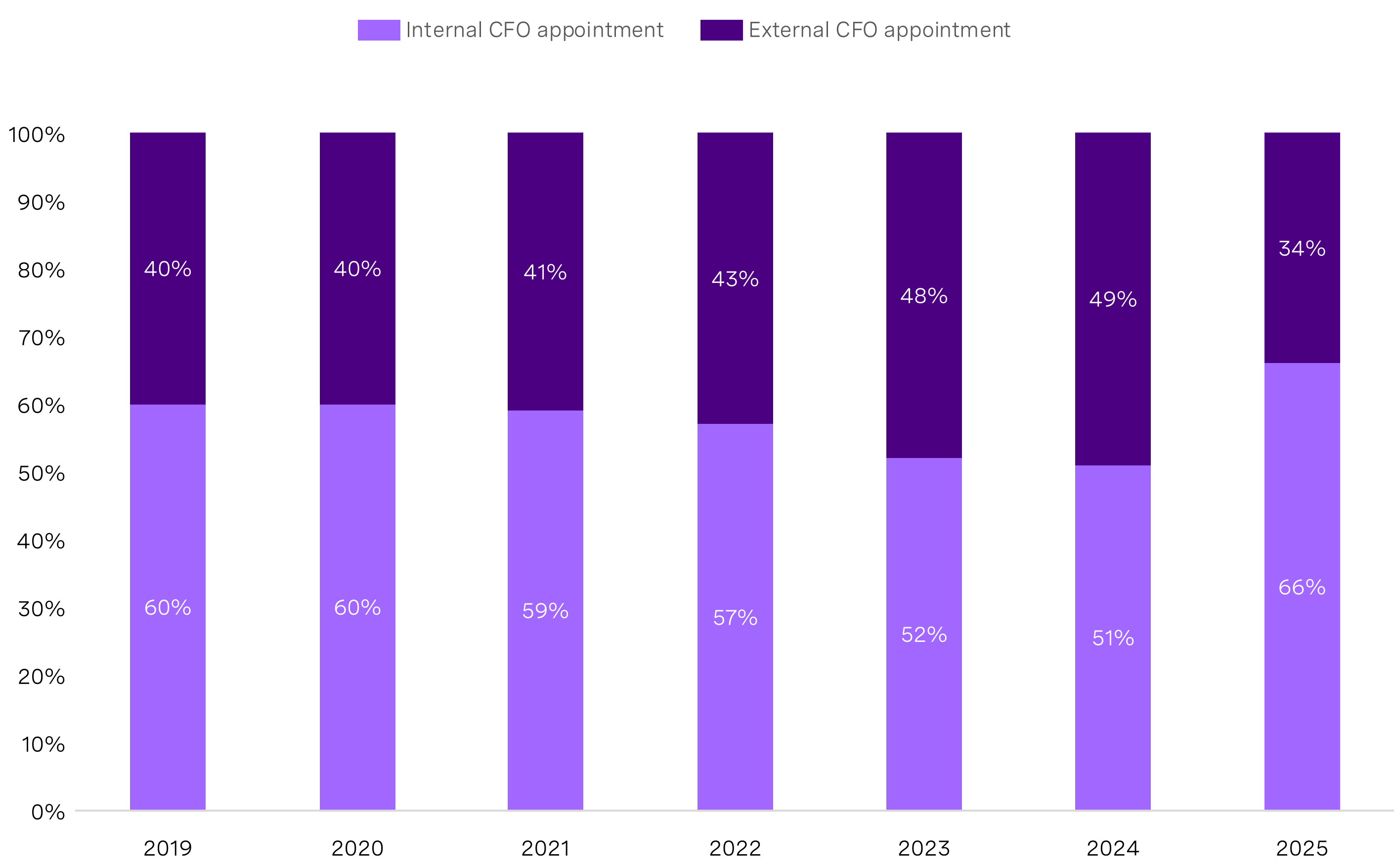
Source: RRA analysis of industrial organizations in the S&P500, FTSE 100, FTSE 250, ASX 200, CAC 40, DAX 40, EuroNext 100, Hang Seng, Nikkei 225, NSE Nifty 50, S&P/TSX Composite, SMI and STI from 2019 to 2025 (n=731).

Industrial organizations are increasingly appointing CFOs from within their organization

Amid macroeconomic uncertainty, industrial organizations are adopting a "flight to familiarity," with 66% of CFO appointments coming from internal candidates (Figure 4). This represents a 7-year high, eclipsing the 60% observed in 2020 at the height of the global pandemic. In contrast, the cross-sector average for internal appointments declined to 53% - the lowest since 2019 - suggesting that demand for external CFO talent remains stronger in other industries.

Given current talent constraints, high-potential internal appointments have proven to be a viable pipeline for CFO leadership transitions. Many of these first-time appointees were from senior finance leadership roles such as deputy CFOs, divisional or regional CFOs, and group finance leadership positions, highlighting the increasing importance of internal development pipelines. As these leaders are already known to the board and broader C-suite, organizations can transition them into the CFO position with greater confidence while reducing onboarding and performance risk.

Figure 4: Internal vs external industrial CFO appointments: 2019 - 2025



Source: RRA analysis of industrial organizations in the S&P500, FTSE 100, FTSE 250, ASX 200, CAC 40, DAX 40, EuroNext 100, Hang Seng, Nikkei 225, NSE Nifty 50, S&P/TSX Composite, SMI and STI from 2019 to 2025 (n=731).

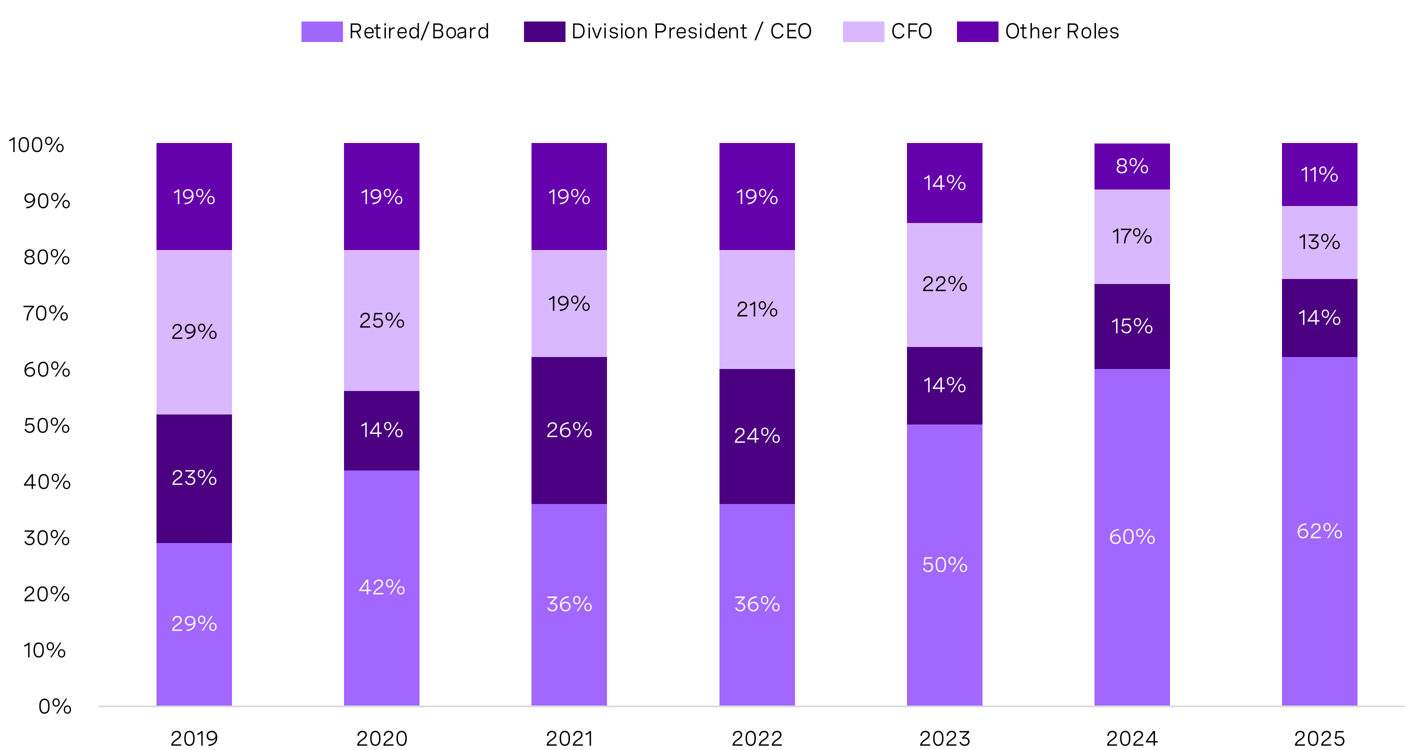
More industrial CFOs are exiting the market into board roles or retirement

In 2025, 62% of outgoing industrial CFOs transitioned into retirement or board roles, compared with only 38% who pursued other executive positions (Figure 5). This trend was also observed across sectors, though at a higher rate within industrials. Although the proportion of outgoing CFOs increased to 16%, new appointments still outpaced exits. This shift likely reflects a combination of factors—including the growing demands and complexity of the CFO role, as well as efforts at the board level to instill broader leadership succession and renewal—further tightening the pool of available, experienced CFO talent.

Among the outgoing industrial CFOs who moved into other executive positions, 13% decided to take another CFO role at a different organization; 14% stepped up into divisional president, president, or CEO roles; another 11% transitioned into other C-suite positions.

CFOs are also leaving their role at a younger age - 57.5 on average - reinforcing that board opportunities are increasingly attractive for experienced finance leaders.

Figure 5: Industrial CFOs exiting into retirement/boards or new roles: 2019 - 2025



Source: RRA analysis of industrial organizations in the S&P500, FTSE 100, FTSE 250, ASX 200, CAC 40, DAX 40, EuroNext 100, Hang Seng, Nikkei 225, NSE Nifty 50, S&P/TSX Composite, SMI and STI from 2019 to 2025 (n=731).

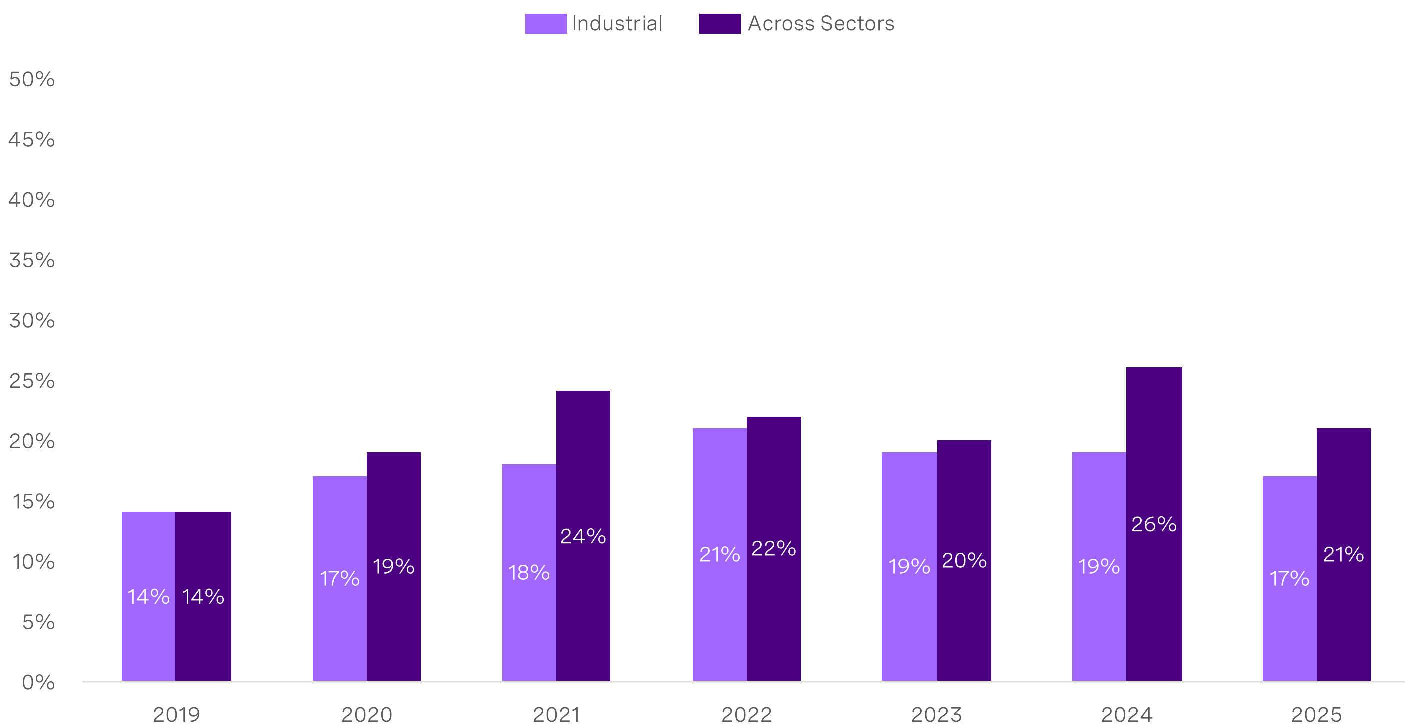
The share of women CFOs in industrial falls to a 5-year low

Women held just 17% of industrial CFO roles in 2025, marking a 5-year low after years of steady progress and a peak of 21% in 2022 (Figure 6). Compared to other sectors, the industrial space has the fewest proportion of women in finance leadership.

While this downward trend within industrials mirrors a broader cross-sector trend (with the share of women CFOs globally falling from 26% in 2024 to 21% in 2025), women's appointments continue to outpace their departures—indicating gradual, albeit uneven, progress across regions and sectors.

Although this trend reinforces the importance of broadening development opportunities earlier in the leadership pipeline, it may also become an important lever for improving representation in the long run.

Figure 6: Proportion of women industrial CFO appointments vs women CFO appointments across sectors: 2019 - 2025



Source: RRA analysis of industrial organizations in the S&P500, FTSE 100, FTSE 250, ASX 200, CAC 40, DAX 40, EuroNext 100, Hang Seng, Nikkei 225, NSE Nifty 50, S&P/TSX Composite, SMI and STI from 2019 to 2025 (n=731).

More development, better succession planning: The combination needed to address elevated CFO turnover

While CFO succession planning remains essential, it's no longer sufficient on its own. Rising turnover, constrained external talent pools, and increasing complexity of the CFO role are prompting industrial organizations to rethink how they build leadership pipelines. Against this backdrop, it's clear that organizations must adopt a development-led approach to CFO pipeline building.

According to RRA's H1 2026 Global Leadership Monitor, 84% of industrial next-generation leaders* indicated they want more responsibilities within the next 2-3 years, and 64% aspire to step up into C-suite roles. However, only 33% believed their current role provides a clear path to get there.

This gap between individual ambition and perceived opportunity within the organization creates a retention risk. 71% of the same leaders surveyed also indicated they were willing to explore opportunities beyond their current organization.

As the competition for industrial CFOs remains intense, thoughtfully adopting and integrating development strategies can provide industrial organizations with more optionality in their leadership pipelines and confidence as they navigate elevated CFO turnover. The challenge is no longer about identifying suitable CFO successors but also proactively developing them before succession events arise, whether planned or unplanned.

*Industrial next generation leaders (n=105) are defined as the N-2 layer; their immediate manager likely reports directly to the CEO.

How can industrial organizations develop and retain financial leadership?

01 Identify and assess CFO-ready leaders earlier in the pipeline and at all leadership levels, not just the N-1 layers

With a growing share of first-time appointments and more coming from the internal bench, executive readiness must be developed well before a succession event occurs. Aside from structured pathways and developmental opportunities, effective succession is also predicated on identifying leaders with potential, not experience alone.

Leveraging assessment frameworks can help organizations evaluate not only successor readiness but also uncover executive and development gaps. At the same time, organizations should consider structured transition support. These interventions can include executive mentoring and coaching to better support CFO-ready leaders and enhance the likelihood of success for first-time CFO appointments, while reducing transition risk during periods of elevated turnover and constrained external talent availability.

02 Develop CFOs beyond the traditional finance pathways

As the nature of the CFO role continues to evolve in response to macroeconomic uncertainty, transformation agendas, and strategic execution, the remit now extends beyond financial stewardship and corporate reporting alone. The CFO remit and role have broadened, demanding business acumen, operational orientation, strategic judgement and enterprise leadership competencies to operate effectively as strategic partners to the CEO, board, and broader leadership team.

To prepare future CFOs for these expanded remits, organizations should provide the identified successors with deliberate exposure beyond traditional finance tracks, which could take the form of development programs encompassing rotations into strategy, operations, transformation or commercial leadership functions. Preserving and strengthening development is especially pertinent in creating a breadth of exposure to develop functionally strong finance leaders into enterprise-ready leaders as such expertise is proving challenging to replace externally.

More importantly, extending these stretch opportunities across the broader finance pipeline can also reduce the risk of losing the “silver medalist” successors. With a broader pool of leadership-ready talent available, organizations can have the flexibility to consider these future successors for other leadership pipelines should the opportunity arise, as the bench depth has been adequately strengthened with executive talent who are equipped with enterprise-wide experience and capability.

03 Redefine the CFO role as part of a broader leadership transition, not a terminal position

While the CFO role is widely viewed as the pinnacle of financial leadership, the data suggests that this is increasingly serving as a pathway into CEO, president or board director roles, reflecting the value of financial leadership experience. As industrial CFO exits reached a record high in 2025, there is an opportunity for organizations to rethink how they retain experienced financial leaders beyond the CFO seat.

Creating pathways for CFOs to assume other senior leadership positions or board roles within the same organization not only strengthens retention but also supports long-term leadership continuity and preserves institutional knowledge. In addition, it further demonstrates the broader shift towards developing future-ready leadership with enterprise-wide capability, experience, and operational breadth. At the same time, experienced CFOs can also serve an important role in mentoring high potential finance leaders who are preparing for their next leadership move or being considered for succession, thus helping to accelerate leadership readiness and resilience of the broader enterprise leadership pipeline.

To complete this analysis, RRA analyzed BoardEx data from the S&P500, FTSE 100, FTSE 250, ASX 200, CAC 40, DAX 40, EuroNext 100, Hang Seng, Nikkei 225, NSE Nifty 50, S&P/TSX Composite, SMI and STI from 2019 to 2025 (n=731 for industrial and n=1822 across all sectors).

Authors

Jim Lawson co-leads Russell Reynolds Associates' Global Financial Officers practice. He is based in New York.

Marla Oates is a member of Russell Reynolds Associates' Financial Officers practice. She is based in Houston.

Romain Clio is a member of Russell Reynolds Associates' Financial Officers practice. He is based in Brussels.

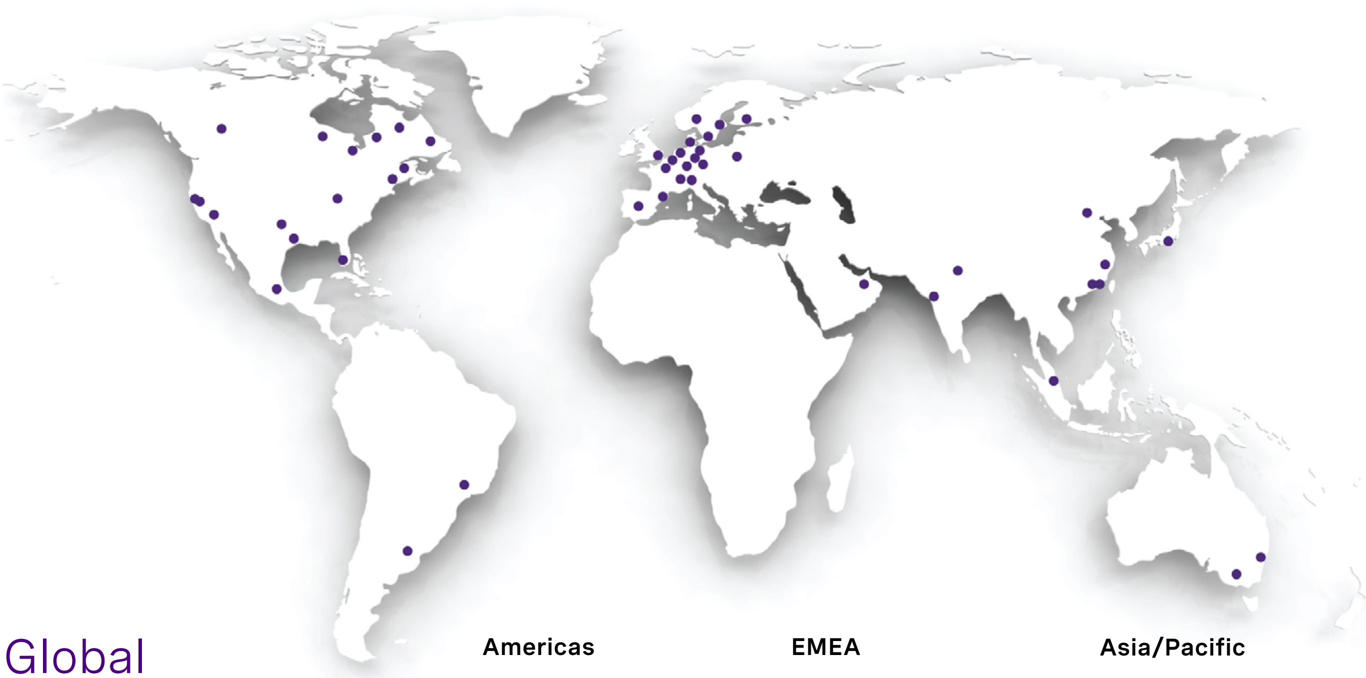
Shola Brown is a member of Russell Reynolds Associates' Industrial & Natural Resources Commercial Strategy and Insights team. She is based in London.

Jonathan Heng is a member of Russell Reynolds Associates' Industrial & Natural Resources Commercial Strategy and Insights team. He is based in Singapore.

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

www.russellreynolds.com



Global offices

Americas

- Atlanta
- Boston
- Buenos Aires
- Calgary
- Chicago
- Dallas
- Houston
- Los Angeles
- Mexico City
- Miami
- Minneapolis/St.Paul
- Montreal
- New York
- Palo Alto
- San Francisco
- São Paulo
- Stamford
- Toronto
- Washington, D.C.

EMEA

- Amsterdam
- Barcelona
- Berlin
- Brussels
- Copenhagen
- Dubai
- Frankfurt
- Hamburg
- Helsinki
- London
- Madrid
- Milan
- Munich
- Oslo
- Paris
- Stockholm
- Warsaw
- Zürich

Asia/Pacific

- Beijing
- Hong Kong
- Melbourne
- Mumbai
- New Delhi
- Shanghai
- Shenzhen
- Singapore
- Sydney
- Tokyo