CEO Transitions in India: A Five-Year Look

Transitions at the top of India's largest companies continue to happen at a fast pace, with ~50% of the BSE 200 companies witnessing a CEO transition in the last five years. Between 2020 and the first half of 2025, India has seen over 128 CEO transitions across companies in the BSE 200, with 2025 marking a peak (33 transitions), followed by the 2020 spike (27 transitions), which was driven by pandemic-induced disruption.

While the volume of transitions is significant, what's equally important is the context behind them. As business environments become more complex owing to a dynamic global political landscape, technology shifts, regulatory change, global supply chain realignments and stakeholder activism, the expectations on CEOs have intensified. Boards today are asking leaders to deliver impact faster, while managing increasingly diverse stakeholders and evolving business models.

Our analysis of CEO transitions within the BSE 200 companies between 2020 and 2025 reveals several broad themes:

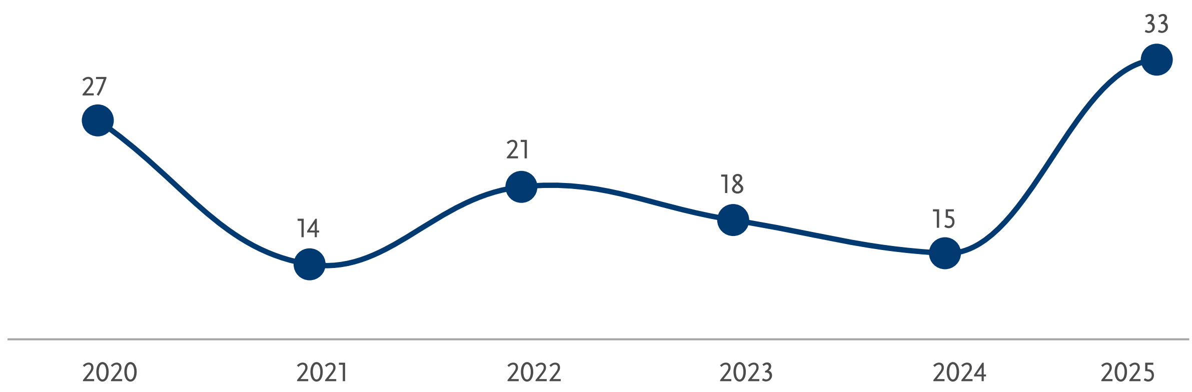
- 2025 witnessed 33 CEO successions, the most since 2020.
- ~50% of the transitions in 2025 occurred with the predecessor stepping down within three years.
- Two-thirds of CEO appointments in 2025 were internal to the organization. While deep knowledge of the company and industry can be advantageous to a new leader, internal succession does not guarantee superior performance.
- CEOs with prior listed CEO experience do not significantly outperform first-time listed entity CEOs, signifying that performance outcomes depend more on contextual fit and potential.
- Among family-owned businesses, separating ownership from management appears to correlate with stronger shareholder outcomes.
- While some CEOs considerably outperform the market in their first year, most see a significant decline in their second year, similar to a trend seen among U.S. companies.

The pace and complexity of CEO transitions in India underscore the growing need for structured succession readiness and post-appointment support. With evolving expectations of leadership performance, a structured CEO succession process combined with post-appointment CEO performance acceleration support helps de-risk the transition by building contextual readiness, strengthening internal pipelines and ensuring seamless continuity of performance and culture.

Transitions are happening faster

The pace of CEO transitions in India has accelerated sharply. Between 2020 and 2025, 128 CEO transitions took place across companies in the BSE 200, with 24 organizations witnessing multiple successions within this five-year period. The churn was pronounced in 2020, when 27 CEOs stepped down during the peak of the "Great Resignation" in the the immediate aftermath of COVID. In 2025 alone, we recorded 33 CEO transitions (16% of BSE 200 companies). In India, the growing pressure to perform quickly is reflected in tenure trends. Roughly 50% of the transitions in 2025 occurred with the predecessor stepping down within three years. Most of these CEOs did not outperform the market in the three-year span, potentially suggesting that the window for delivering results continues to narrow.

CEO TRANSITIONS IN THE BSE 200 (2020–2025)



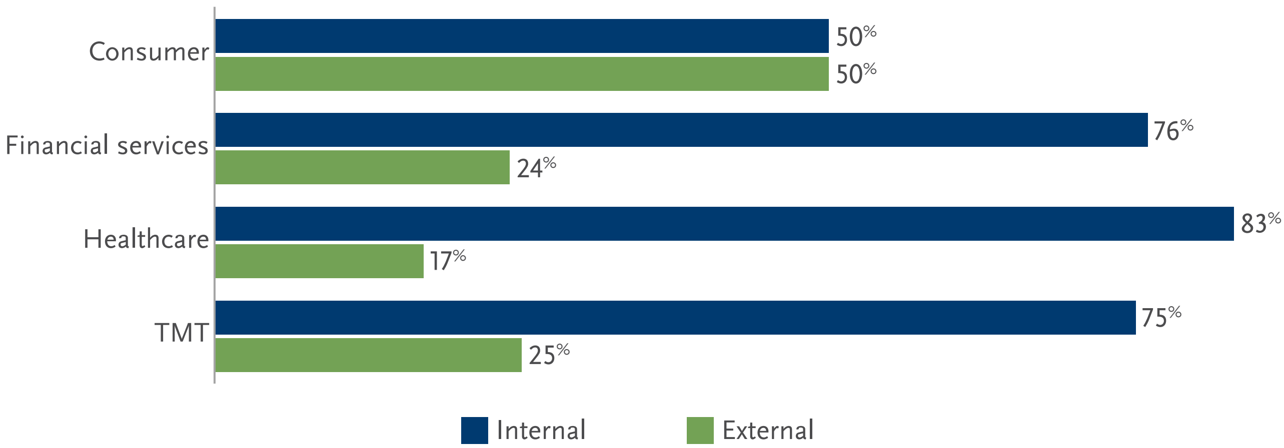
While the rise in transitions in 2025 might reflect natural leadership renewal, deeper factors also are driving this trend. The challenges facing organizations have become more complex and, at the same time, workforce and societal shifts are redefining what effective leadership looks like, with greater emphasis on transparency, empathy and agility. Boards and shareholders are also becoming less patient, expecting new CEOs to deliver tangible outcomes sooner. In many promoter-led organizations (family-owned and family-run), families are consciously moving toward professional management and governance.

What does higher CEO turnover mean for boards? Boards can no longer afford to treat succession as a reactive exercise triggered by crisis or performance decline. Instead, they must treat it as an "always-on" process, anticipating change, and evaluating and developing internal and external options well in advance.

Internal vs. external appointments

Two-thirds of CEO appointments in India since 2020 have been internally promoted executives, a trend consistent across industries, except in the consumer sector, where internal and external hires are evenly split.

MOST SECTORS HIRE INTERNALLY, WHILE CONSUMER STANDS OUT WITH AN EVEN INTERNAL-EXTERNAL SPLIT



Boards often prefer internal leaders for their context familiarity, shorter ramp-up time and proven cultural alignment. Many organizations have become more deliberate about developing and promoting internal talent as a retention lever for high performers. In contrast, external CEOs are often brought in for specific transformation mandates, with the expectation that they can act decisively without legacy baggage. In fact, when organizations seek a sharp change in direction (digital transformation, portfolio restructuring or turnaround) and fresh energy at the top, a CEO hired from the outside may accelerate impact. However, we see that internal CEOs tend to serve for an average of eight years, nearly twice that of external counterparts, thereby creating stability and continuity.

We find that in family-owned, professionally run businesses, external CEOs often outperform internal successors. The continued ownership and oversight by the family preserves strategic context and long-term orientation, limiting disruption during leadership transitions. Conversely, in fully professionally run organizations, internal CEOs tend to outperform externals, as familiarity with the business and culture becomes critical. Overall, the performance outcomes highlight that continued familiarity with organizational context and vision play a role in CEO effectiveness.

How can boards ensure a robust CEO pipeline? Balance internal pipeline development with external market benchmarking, avoiding insular succession planning by periodically comparing “what good looks like” externally. Strengthening leadership depth at N–1 and N–2 levels helps ensure future readiness.

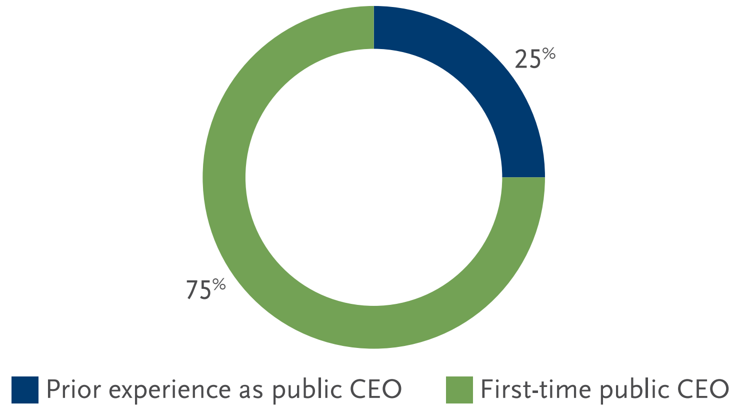
Experience and performance

While boards often value "prior CEO experience," it does not necessarily predict success. Our analysis shows that while nearly three-quarters of CEOs hired post-2020 had no prior listed-company CEO experience, there was no significant difference in performance compared with experienced CEOs. Interestingly, when we look at the current set of sitting CEOs for all BSE 200 companies, we find that CEOs with no prior listed-company CEO experience significantly outperform their counterparts. Our research suggests that matching leader capabilities to context, rather than considering credentials in isolation, drives outcomes. First-time CEOs often bring fresh energy, learning agility and stakeholder alignment, while experienced CEOs may move faster initially but may lean on old playbooks even when conditions change.

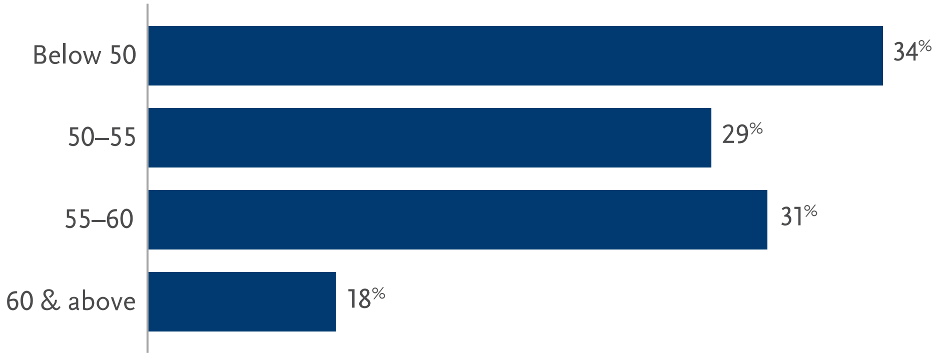
How can boards improve the odds of success when selecting a new CEO? Boards should test for potential and contextual fit, not just past titles. Assessments should focus on adaptability, curiosity and stakeholder influence — qualities that differentiate long-term performers.

CEO experience and age

CEOS WITH PRIOR LISTED PUBLIC CEO EXPERIENCE



CEO AGE AT APPOINTMENT



P&L leadership

Across India, P&L experience remains the most common route to the top. Over half of newly appointed CEOs bring more than 15 years of P&L ownership, underlining the continued premium placed on enterprise accountability and financial acumen.

Gender diversity

Gender diversity among CEOs remains low — only about 6% of CEO appointments since 2020 have been women. Spencer Stuart's global research with 2,000 women leaders highlighted a persistent challenge: too few women receive early opportunities to lead P&L portfolios. These roles are the most reliable pathways to CEO readiness.

How can boards increase the pipeline of female CEO candidates? Boards and CHROs must intentionally broaden access to general management roles. Building gender-balanced pipelines requires long-term planning at mid-senior levels.

> **Only 8 out of 128 CEOs appointed between 2020 and 2025 were women.**

Family-owned businesses

India's family-owned enterprises continue to play a defining role in the corporate landscape. Our data suggests that companies combining family ownership with a professional CEO deliver stronger shareholder outcomes, potentially benefiting from the "best of both worlds." This also holds true when we look at how all sitting CEOs within the BSE 200 have performed in the last six years. This includes the long-term orientation and continuity from family ownership paired with an external CEO's broad-based professional experience and process orientation. We noted that 83% of family members who have been CEOs remain on as executive board members post-transition to a professional CEO, reflecting close shareholder and management alignment.

How can boards of family companies ensure a smooth leadership transition? Families should intentionally define governance boundaries and clarity of roles early in the transition. In particular, effective navigation of family-management dynamics is critical to sustaining performance. Ensuring leadership continuity after major transitions — through succession planning and proactive search — is essential to maintaining organizational stability. Boards must look beyond conventional talent pools and consider adjacent industry leaders who bring fresh but transferable experience. They should prioritize candidates who can balance founder values with professional management practices to enable sustainable growth.

AVERAGE TENURE

13 yrs
Family-member CEOs

7 yrs
Non-family-member CEOs

% OF CEOS THAT REMAINED ON THE BOARD POST-TRANSITION

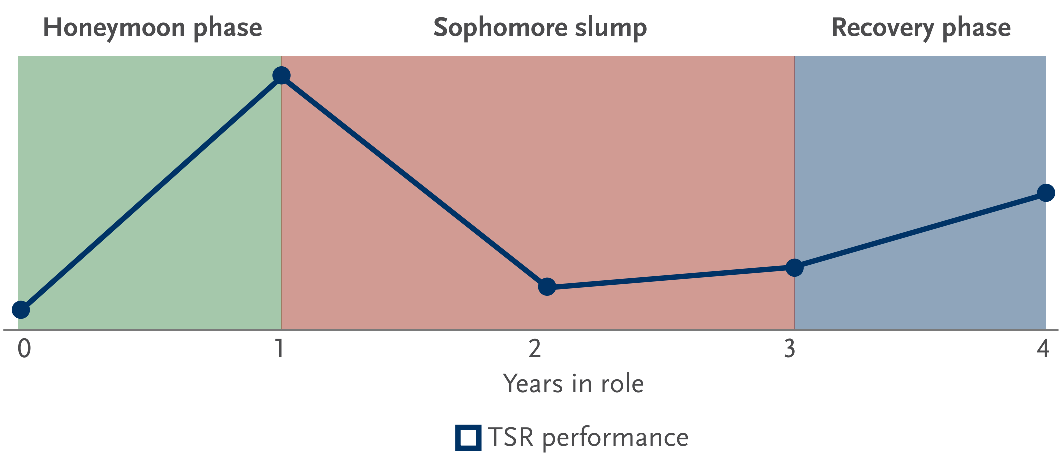
73%
Family-member CEOs

15%
Non-family-member CEOs

Beyond appointment: supporting CEO transitions

Too often, boards' focus on the CEO transition ends with the appointment. Yet, our research shows that the first 12–18 months are pivotal to long-term success. Our analysis of CEO performance suggests that some CEOs considerably outperform the market in their first year, however, most see a significant decline in their second year, similar to a trend seen among U.S. companies.

CEO PERFORMANCE IN THE FIRST 4 YEARS



> **In the U.S., CEOs typically experience a sophomore slump limited to Year 2, whereas in India, this slump extends into Year 3.**

Every CEO transition is unique. The most successful transitions are those supported by structured onboarding, early stakeholder alignment and continuous feedback loops. Based on our experience placing and advising thousands of CEOs globally, five actions distinguish leaders who build early momentum:

1. **Activating the top team quickly**, assessing capabilities and shaping the leadership bench for the future.
2. **Defining early strategic moves** that signal direction and confidence to the market.
3. **Engaging the broader leadership layer**, ensuring translation of strategy into day-to-day execution.
4. **Building proactive board relationships**, anchored in trust and transparency.
5. **Investing in self-awareness and development**, adapting leadership style to the organization's context.

In closing: it takes a village to make a CEO successful

CEO success is rarely an individual achievement. Effective transitions require active partnership among boards, CHROs and even outgoing CEOs. Boards that view CEO succession as a long-term, collaborative process — not a single event — are better placed to sustain performance through leadership change.

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Methodology

Our data set consists of all CEOs of companies within the BSE 200 that have been appointed between 2020 and 2025. This also includes all CEOs that may have resigned after being appointed in this period. All data in the document is an aggregate of this set of CEOs. We have calculated the total shareholder return (TSR) generated by a CEO from the year they were appointed to the year they resigned (end year taken as 2025 if the CEO is still in their current position). This TSR value is then benchmarked against the BSE 200 index's performance in the time period corresponding to the CEO's tenure to factor in market movements. This methodology is a replication of the US CEO transitions study.

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