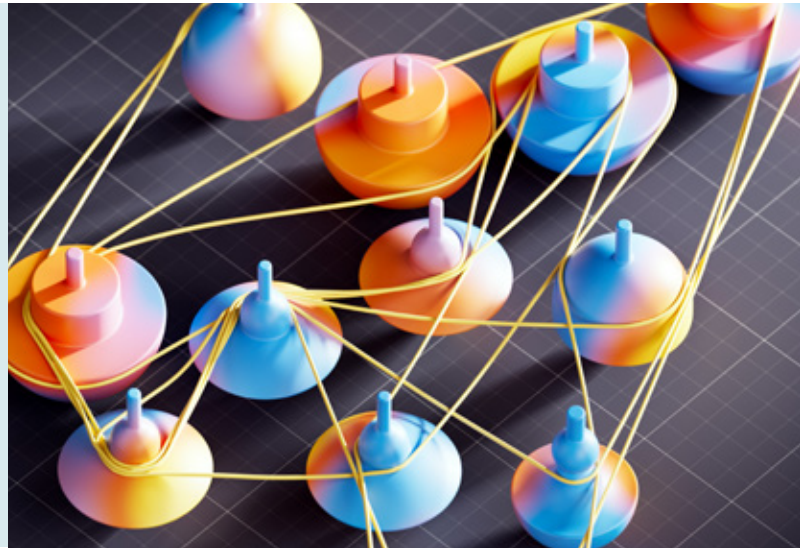


Private Equity Is Still a Magnet for Top Leaders — but Trust, Not Pay, Is the Deciding Factor



86%

PE leaders interested in taking another PE executive role

42%

PE leaders interested in taking a public company executive role

Based on a global survey of more than 1,000 CEOs and senior leaders

Does private equity have the allure it used to for top leaders? The answer is an overwhelming “yes,” according to our recent survey of 1,015 top leaders globally.

To leaders taking our survey — mostly current and former CEOs, with experience across public and private companies — the industry remains a driver of outsized returns compared to other ownership models and an attractive option for operating, adviser and executive roles.

- » Executives currently in PE-company roles are the most enthusiastic about the PE model, with 86% interested in taking another PE executive role. Fewer than half (42%) say a public company executive opportunity would interest them.
- » 74% of executives currently leading public companies say they are interested in taking an executive role at a PE-backed company.
- » Bullishness about PE crosses geographic borders: 84% of executives outside the U.S. would consider an operational executive role in a portfolio company.

Although private equity continues to draw strong interest from senior leaders, winning top talent increasingly depends on how well firms define their value proposition, anticipate executive expectations and address points of friction in an increasingly competitive leadership market.

Here is what we found.



1. Private capital is viewed as the superior growth engine.

Most executives in our survey (61%) say PE will outperform expectations for financial returns, twice the percentage expecting public companies to outperform (32%). Even more (79%) are optimistic about capital moving toward PE, compared with 49% expressing optimism for capital flows into public markets. This optimism comes on the heels of a strong rebound in deal and exit value during 2025, though activity was often concentrated in megadeals.

Leaders say they like the sense of urgency in PE. “PE organizations bring to bear a wealth of background, know-how and resources to companies along with their capital power. They also bring amazing attention to detail and work diligently to understand the business and support executive staff well,” writes one leader.

The tension between optimism and caution sets the stage for how executives evaluate the firms they choose to work with. Many executives also express concern that some PE models are overly reliant on leverage, EBITDA optimization and financial structuring rather than durable operational growth, concerns that are amplified by the loss of cheap capital and pose increased risk under the pressure of AI.

Implication: Executives are clear-eyed about the fact that private equity returns have moderated since the 2018–2022 cycle, yet they continue to favor the model over public markets. Today’s engagement is driven less by excitement than by informed tradeoffs amid longer holding periods and constrained exits. In this environment, firms must move beyond market-level optimism and offer a compelling leadership proposition grounded in operational value creation, governance clarity and well-defined roles.

ENGINE FOR GROWTH: LEADERS HAVE HIGHER EXPECTATIONS FOR PE FINANCIAL RETURNS

What are your expectations for financial returns from these ownership structures over the next 12 months?

	Outperform	Perform in line with expectations	Underperform
Private equity	61%	24%	15%
Public	32%	48%	20%

2. The appetite for advising PE firms now exceeds interest in running PE-backed companies.

We see almost universal desire to work in an advisory role within private equity, with 90% of respondents across age cohorts expressing interest in serving as an adviser or board member. This compares to 77% showing interest in an executive portfolio company role, suggesting a preference for more flexibility, less intensity and diversified risk exposure than a CEO or operating mandate.

Interest in advisory roles has accelerated in recent years: 64% of respondents say they are more interested in PE advisory roles now than they were three years ago, compared to only 43% saying the same for executive roles. The preference for a board or advisory role over an operating position is even more pronounced for public companies: 51% of all respondents say they would be interested in taking a public company executive role compared with 74% interested in a board role. For many firms, this will translate into a net loss of interest in full-time roles as the best talent gravitate to board or advisory roles.

Implication: Firms must strengthen the CEO/operating leader value proposition, while tapping the deep adviser bench thoughtfully.

3. Soft factors outweigh hard economics when evaluating PE firms.

Executives we surveyed weight “culture alignment” and “partnership approach” more heavily than factors such as deal structure and the firm’s track record and stability when considering PE opportunities. Especially for operating roles, leaders are examining a firm’s openness to collaboration, as well as how transparent, flexible and respectful of CEO autonomy it is, reflecting deeper day-to-day interactions with sponsors. While deal economics can all look great on paper, it is the culture and partnership that reduces the perceived risk of achieving the projected outcomes.



I am an experienced executive and operator, and I am looking for more of a partnership rather than a babysitter.”

These themes came through strongly in written comments, where culture fit was framed not as a “soft” issue but as a predictor of leadership retention, execution risk and long-term underperformance. In practice, when executives flag a firm for cultural concerns, they are often describing the downstream consequences of aggressive financial engineering, rigid playbooks or micromanagement — culture becomes the lens through which they assess the probability of a successful exit and the realization of financial returns. What actually differentiates one firm from another, in a CEO’s lived experience, is behavioral — how the sponsor treats management, whether autonomy is real or performative and whether the working relationship feels like a partnership or a surveillance exercise. As one executive put it: “I am an experienced executive and operator, and I am looking for more of a partnership rather than a babysitter.” Not focusing on the culture and lived experience of your CEO increases the risk of underperformance of the asset itself, and it adds significant downstream reputational risk with the very talent you need to operate the asset and future businesses.

INCREASING DISTINCTIVENESS IN A COMPETITIVE TALENT MARKET

Attractiveness factor	The questions executives consider	What “getting it wrong” looks like	What PE firms should think about
Culture fit	Does the firm value management input?	“Focus on the bottom line at all costs. Don’t respect their employees and their PortCo executives.”	Can we articulate the value of our culture and how it helps or hurts our ability to attract and keep top executives?
	How rigid are they in considering EBITDA performance at the expense of people and culture implications?	“Reputation as being mercurial, deal focused and not value-creation focused, and not engaging with operators.”	How effective are we at determining if new executives in our portfolio align to our values and thrive in our culture?
	Do they foster a collaborative or adversarial culture?		
Partnership approach	Do they invest in two-way partnerships?	“Authority sits with the sponsor; risk sits with management.”	What are the expected behaviors of building a true partnership and how do we demonstrate them?
	How flexible or rigid are the playbooks?	“The relationship is transactional, not durational, and continuity is optional.”	What is our process for reinforcing partnership behaviors throughout the asset life cycle?
	How forthcoming will they be about how much authority the CEO will have?	“They insist on being the smartest people in the room, most insistently when they are not.”	
Deal structure	How reasonable is the leverage model and financial flexibility?	“(Redacted company name) has a reputation for highly leveraged and aggressive structures.”	Are we providing enough upside for the risk associated with this asset to attract and retain the right level of talent?
	How aligned are the risks versus reward?		
	Are the terms clear and stable?		

Consistent with influence and persuasion research, people do not usually make purely rational, attribute-by-attribute judgments. They tend to form holistic impressions first and then use individual attributes to support that overall reaction. Survey participants are not in a live transaction — they have no immediate stakes tied to the choice — so they are likely responding in a more top-of-mind and holistic way than they would when an actual offer is on the table. The most common three-item bundle selected was “partnership approach,” “cultural fit” and “deal structure,” suggesting executives are reacting first to the overall anticipated experience of working with a sponsor, and then to the practical terms that would shape that experience. It is worth noting that in active searches, financial considerations become critical as executives weigh options, but without the right partnership approach or culture, the executive is unlikely to engage long enough to reach the negotiation stage. Executives are also looking for firms that present a win-win approach to outcomes, with more executives walking away from lopsided deal structures.

Implication: Winning talent requires firms to demonstrate alignment, trust and transparent decision-making, not just a compelling financial upside.

WHAT DO CEOs PRIORITIZE WHEN EVALUATING A PE FIRM?

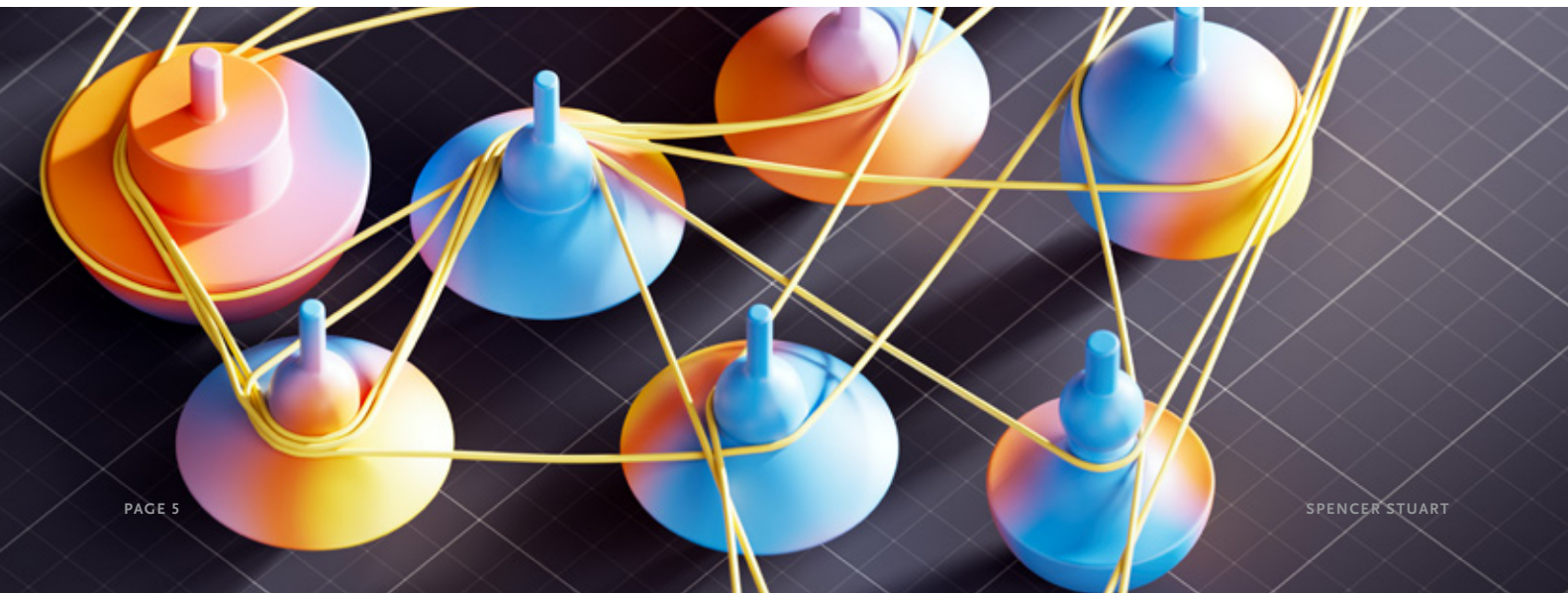
Firm culture and approach to partnering with portfolio company management matter most.

Top 3 drivers of firm attractiveness	Executive roles	Board/adviser roles
Culture fit	73%	74%
Partnership approach	64%	49%
Deal structure	46%	34%
Firm reputation	34%	36%
Operating team quality	34%	35%
Track record	21%	29%
PortCo board and governance	14%	26%
Firm stability	15%	16%

4. Reputation travels: Why executives say they would avoid certain firms.

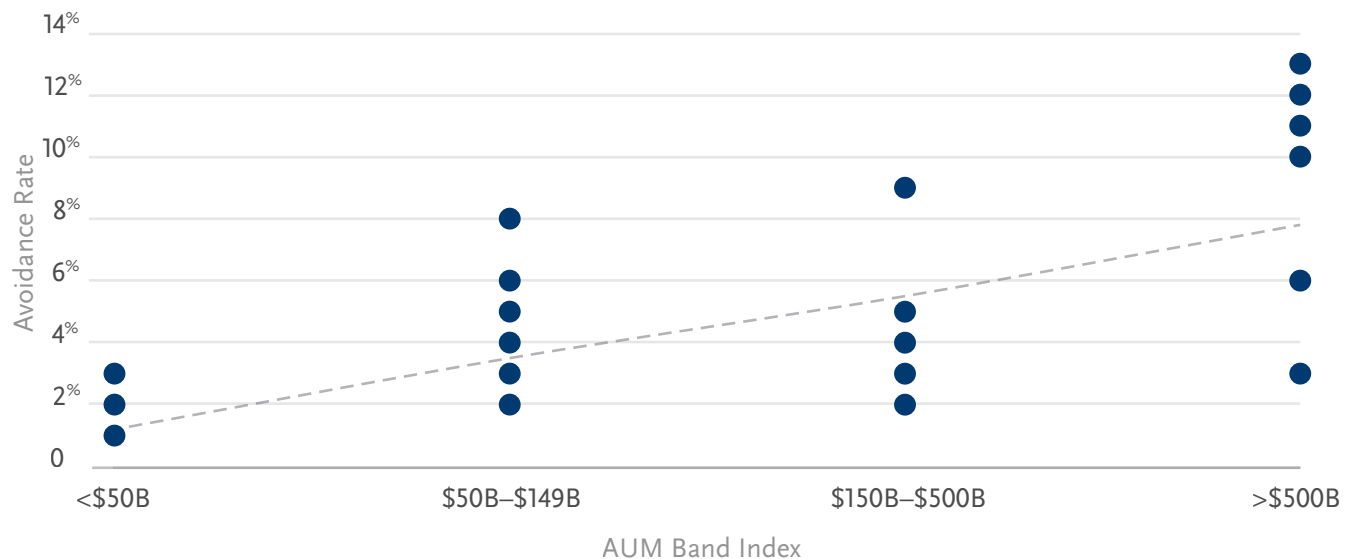
Of the firms included in the survey, fewer than half of respondents selected any sponsor they would not want to work with, suggesting that, for most executives, the firm name alone is not a primary screen. However, “avoidance” was more frequently associated with larger, more visible firms, a pattern that likely points less to broad rejection and more to reputational salience: individuals are more likely to form and hold views — positive or negative — about firms they recognize, have encountered directly or have heard discussed within their professional networks. Mega-funds, especially public ones, tend to be under more media scrutiny and may be even more impacted by this phenomenon.

This dynamic is amplified by who these executives are. The most attractive candidates are already deeply embedded in the market and professional networks, with more secondhand knowledge and stronger pattern recognition about how firms actually behave. For them, reputational signals matter more, not less — and scale can amplify perception in either direction. For firms seen as transactional or low-partnership, size may work against them rather than in their favor.



MARKET PERCEPTION PATTERNS: AWARENESS MAY BE INFLUENCING AVOIDANCE RATES IN PE

Directional insight based on cross-firm comparison of 30+ PE sponsors



However, this does suggest that, as firms get larger or more visible, behavior has greater reputational ramifications and “waterfall” effects — how a large firm engages executives can have outsized reputational impact, both positive and negative. This shows up in how executives describe their decision-making. Leaders emphasize that private equity firms are not interchangeable and that meaningful differences emerge through lived experience and close observation. As one executive noted, “There is a large disparity in the quality of PE companies. Candidates need to do some rigorous homework on their processes.” Another cautioned against generalization: “PE, generically, is too broad a term,” observing that sponsor behavior and operating approach can vary significantly across firms and deal teams — particularly in how closely investors engage with management and operations.

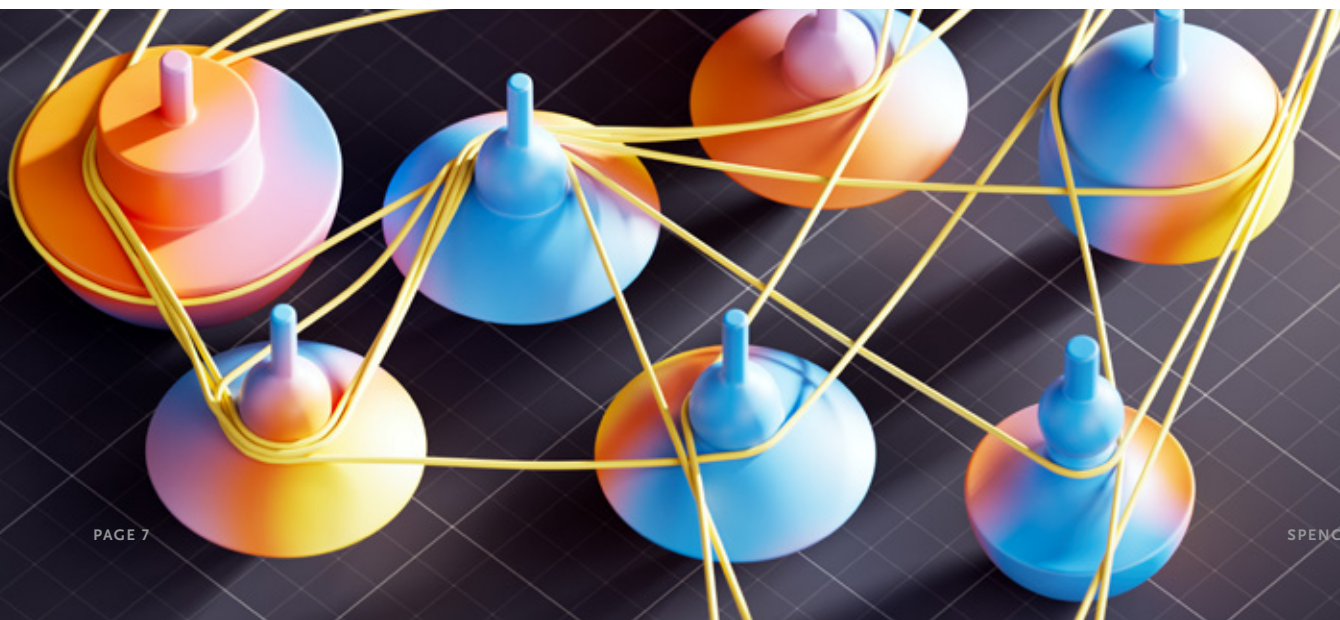
This reputational sensitivity is not happening in isolation. The emphasis on day-to-day engagement points to a fundamental evolution in the private equity model. Longer holding periods, fewer exit tailwinds, and more demanding and complex value creation agendas have shifted the basis of performance toward execution and even innovation rather than financial engineering alone. In that setting, the way sponsors govern, resource and support portfolio company leaders is no longer in the peripheral. It is a defining factor for outcomes and a powerful signal to the market.

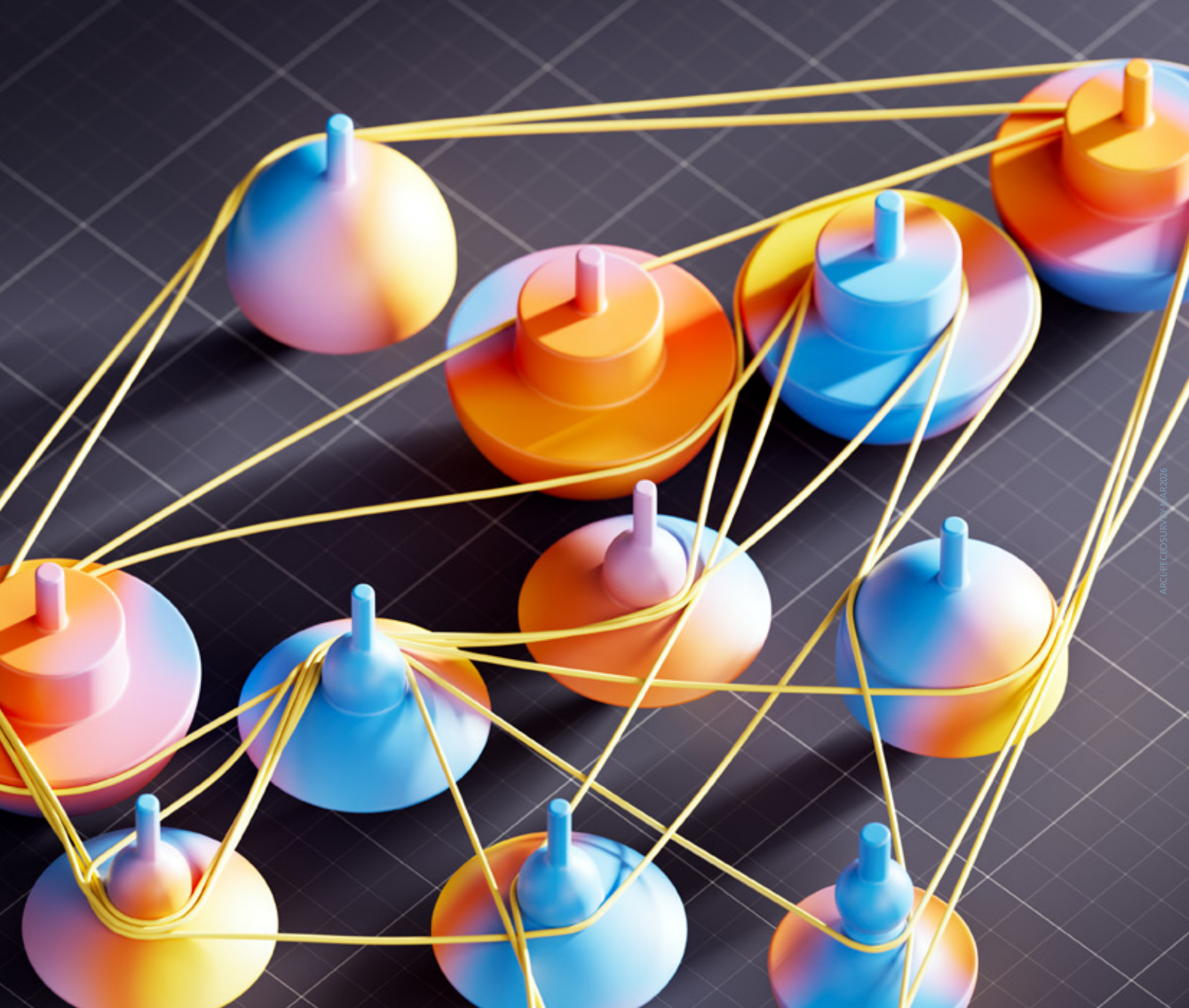
Implication: For large and highly visible platforms, reputation is no longer passive — it is continuously formed through how sponsors engage management in everyday moments. Executives are more likely to hold and share views about firms they encounter frequently, around governance norms, operating posture and partnership behaviors. These become de facto signals to the leadership market. For mega-funds, consistency in how deal teams work with CEOs is no longer just a portfolio-level issue; it directly shapes who is willing to take the role in the first place.

What can PE firms do to attract the most effective operating leaders and advisers?

- » **To attract CEOs/operators:** Despite broad optimism about the private equity model, potential candidates for these roles will avoid firms with “sharp-elbows” cultures, “organizational narcissism” and poor working relationships with CEOs and their teams:
 - One of the most important things firms can do is to develop a reputation for having a [partnership mindset and approach](#) to working with management.
 - Experienced leaders are prioritizing governance and real autonomy, and are looking for collaborators, not just financiers.
 - Firms can build trust with CEOs by aligning on the thesis, exit plan and “rules of engagement” early on and, over time, providing real operating support.

- » **To attract advisers and board directors:** PE firms face a bifurcated talent market. There is a massive and growing reservoir of seasoned wisdom available for governance and advisory roles:
 - Firms must recognize that advisers and operators value different things and build distinct recruiting strategies for these two pools — operators who want to run companies and advisers who want to shape them.
 - Board and advisory candidates place a premium on the PE sponsor’s operating team quality and governance. When recruiting for these roles, firms should communicate deal mechanics and structure early and transparently and reinforce governance maturity, with clarity on board roles and support structure.





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