



## Getting Ahead of The Looming C-Suite Succession Crisis

In today's exceedingly volatile business landscape, one thing remains true: [no company can outperform its leadership](#). However, according to Russell Reynolds Associates' [Global Leadership Monitor](#), organizations are facing a looming crisis amongst their next generation C-suite leaders.<sup>1</sup> An alarming 71% of next generation C-suite leaders are considering a career move outside their current employer,<sup>2</sup> with turnover intentions increasing by 14 percentage points over the past two years.<sup>3</sup>

What's driving this desire to leave? Career advancement (47%), seeking different type of leadership (36%), seeking new responsibilities (35%) and seeking a different company culture (30%) are top reasons for next generation C-suite leaders' high turnover intent.<sup>4</sup> This reasoning aligns with RRA's [Leadership Confidence Index](#), which found that next generation C-suite leaders' confidence in their C-suite has been consistently declining over the last four years.<sup>5</sup>

To better understand this important cohort's concerns, we interviewed 22 next generation C-suite leaders. These interviews surfaced these leaders' strategic goals and tactical wants. **One thing is clear: without addressing next generation C-suite leaders' concerns, organizations may soon face a talent deficit at the top.**

## Next generation C-suite leaders are seeking three key priorities

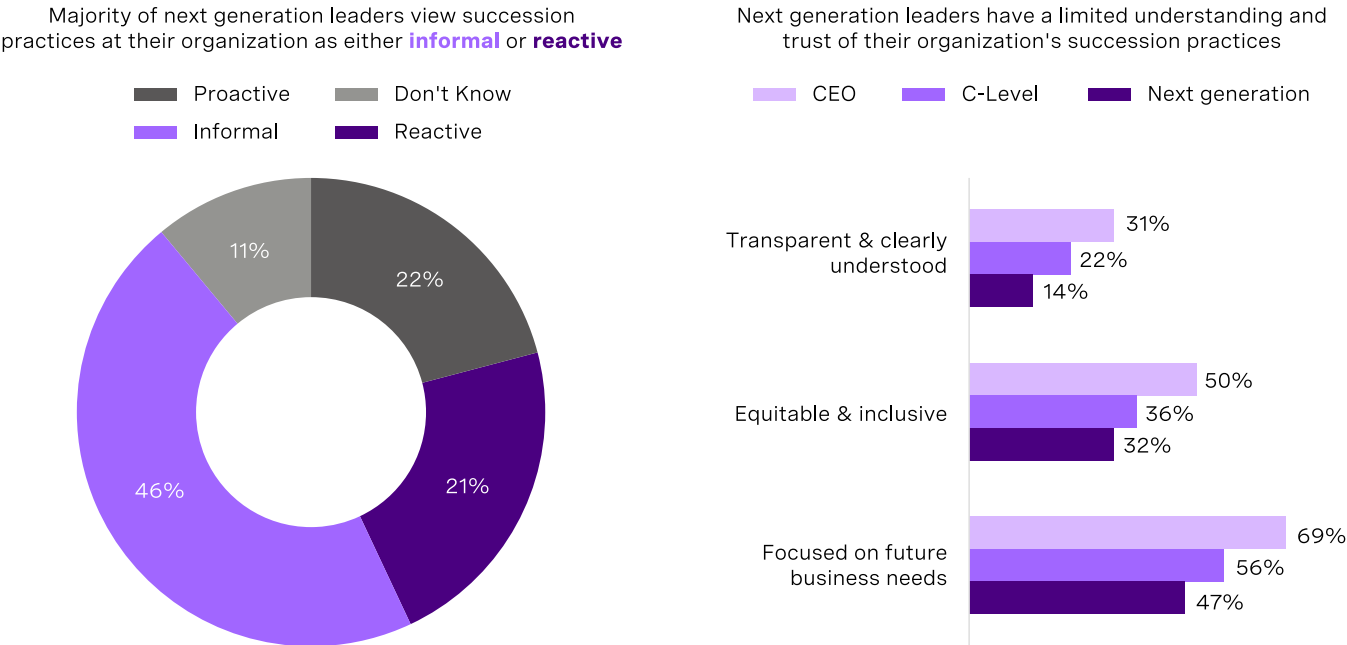
Through our research, we identified three priorities that next generation C-suite leaders are looking for to elevate their career journey.

### Transparent succession planning processes

Only 25% of next generation C-suite leaders feel their executive leadership team has a successful C-suite succession strategy.<sup>6</sup> These next generation C-suite leaders noted that their organizations often lacked clear pathways for emerging leaders and that more could be done to identify and nurture high-potential talent. And these shortcomings aren't just being flagged by those not included in a succession process—among next generation C-suite leaders who have been part of a recent succession process, only 36% feel that the process was transparent (Figure 1).<sup>7</sup>

These figures suggest that many next generation C-suite leaders are dissatisfied with their organizations' current succession practices, which could translate to lower commitment to the organizations and a higher likelihood to seek out alternative employment opportunities.

Figure 1: Next generation leaders lack confidence in succession practices



Source: Russell Reynolds Associates' H1 2023 Global Leadership Monitor, n = 559 Next generation leaders | Source: Russell Reynolds Associates' H1 2023 Global Leadership Monitor, n = 1,406 CEOs, C-level leaders, and next generation leaders (294 CEOs, 553 C-level leaders and 559 next generation leaders)

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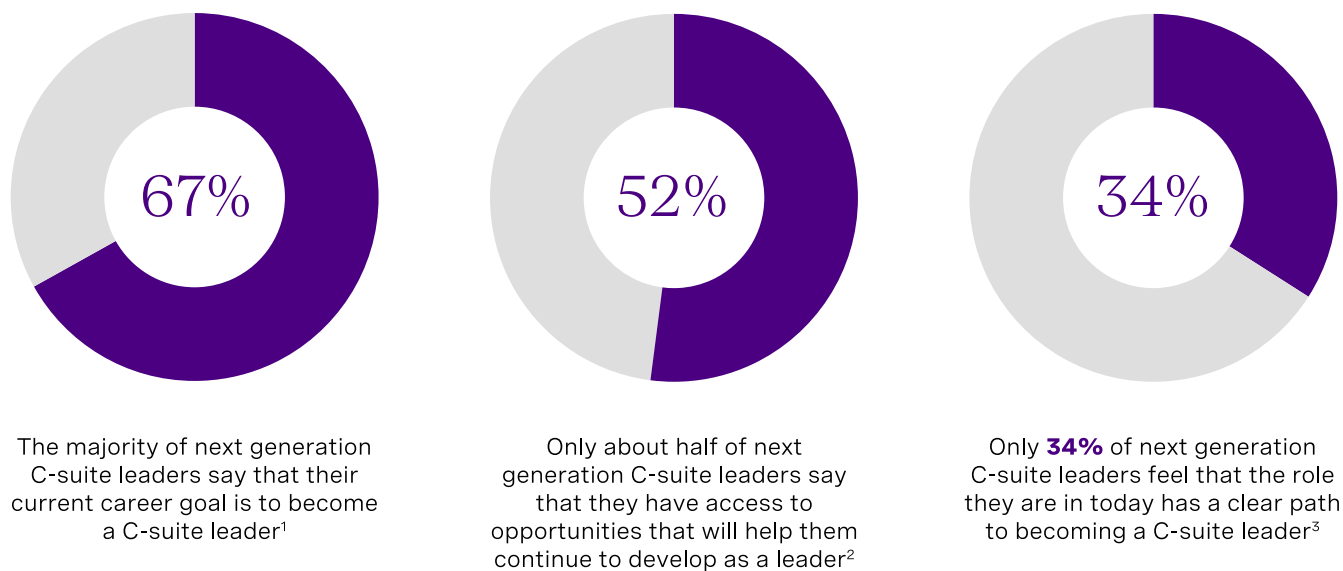
The biggest pitfall that I have observed in succession planning is a lack of transparency. Having honest conversations on where people are going, what progression looks like, and whether people can truly get there is more engaging for the individual, as they can see words and actions are aligned. When a person isn't going to get there, organizations can still make them feel valued in different ways. This speaks volumes in a culture that consistently demonstrates its words and actions.”

**Next-in-line CEO, global consumer company**

## Differentiated leadership development and training

Next generation C-suite leaders expressed aspirations for C-suite roles but acknowledged a “hazy vision” for how to get there. While the majority (67%) of next generation C-suite leaders say that their current career goal is to become a C-suite leader, most do not see a pathway, with only 52% reporting access to developmental opportunities (Figure 2). This leaves leaders unclear on how to broaden their experiences, sharpen their skills, and differentiate themselves for the C-suite.

**Figure 2: Next generation C-suite leaders’ aspirations and developmental opportunities**



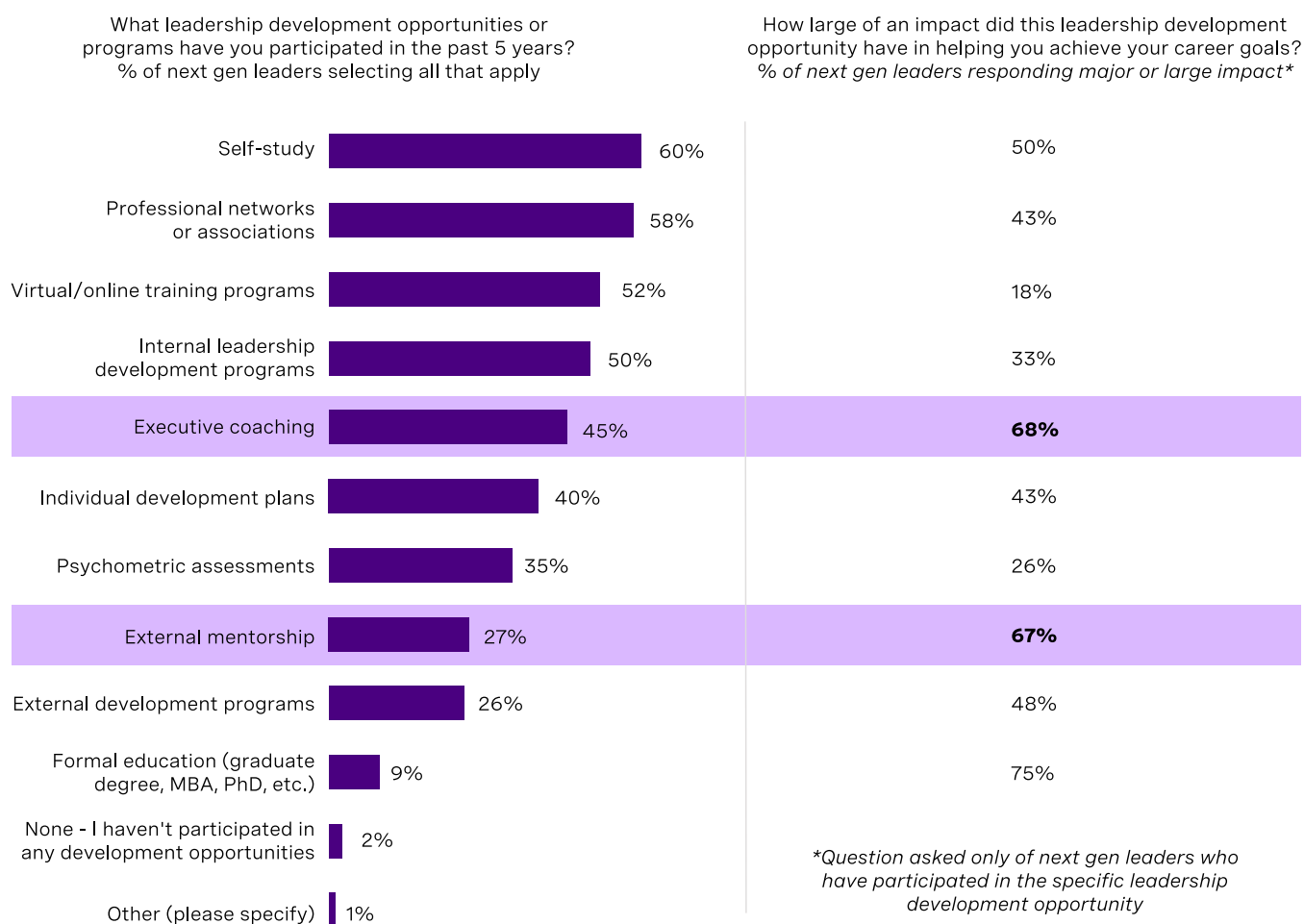
1. Source: RRA H2 2024 Global Leadership Monitor, n = 1,247 next generation C-suite leaders 2. Source: RRA H2 2024 Global Leadership Monitor, n = 1,193 next generation C-suite leaders 3. Source: RRA H2 2024 Global Leadership Monitor, n = 1,247 next generation C-suite leaders

Next generation C-suite leaders are quick to point out the importance of continuous learning, but even when given developmental opportunities, they often don't see a clear connection between these activities and their path to the C-suite. While next generation C-suite leaders rated coaching and mentoring as two of the three most impactful development activities, only 45% reported that their organization provides coaching, and only a dismal 27% receive mentoring (Figure 3).

A **coach** brings a background in leadership development disciplines to advise leaders on how to accelerate and sustain desired leadership behavioral changes to reach optimal performance.

A **mentor** is a senior executive with a track record of leadership success who helps a mentee close experiential gaps in tackling specific business and role challenges by sharing their business knowledge, skills, and leadership experience.

**Figure 3: Next generation C-suite leaders' leadership development opportunities vs their impact**



Source: RRA H2 2024 Global Leadership Monitor, n = 1,181 next generation leaders

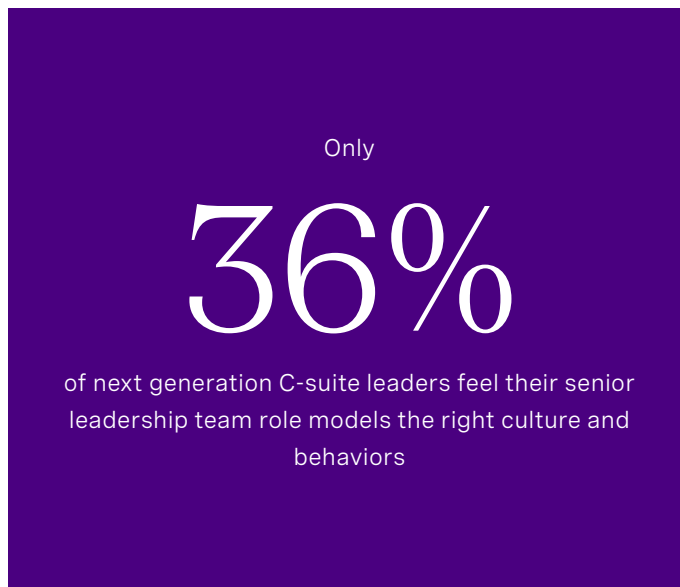
This indicates that, while organizations may believe that they're investing in next generation leaders' development, those investments may be misplaced. To retain these leaders, organizations need to provide more structured development opportunities that are clearly connected to career progression, rather than development for the sake of development.

## An executive leadership team that role models the right culture and behavior

Culture is every leader's imperative, and understanding how to influence, steer, and steward culture is a primary role of leaders. However, only 36% of next generation C-suite leaders feel their senior leadership team role models the right culture and behaviors. Critically, next generation C-suite leaders who do not believe their senior leadership team exemplifies the right culture and behaviors are 1.51x more likely to leave their organization.

When an executive leadership team doesn't role model the right culture and behaviors, it can lead to a [lack of trust](#). This, in turn, can result in a lack of motivation and accountability across the organization. It also leads to more transactional, versus collaborative, operations. Given that next generation C-suite leaders tend to be in strategy critical or key value driving roles with several direct reports themselves, there is risk of a multiplier effect if their motivation, accountability, and collaboration falter.

A strong appreciation for organizational culture and clear articulation of that culture can lead to more productive employees, improved performance outcomes, and accelerated growth. Many next generation C-suite leaders emphasized the importance of a collaborative and inclusive leadership style, valuing diverse perspectives and fostering environments where team members can thrive by [adapting and leading through disruption, ambiguity and change](#).



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I watched the way the executive team historically operated. It's been dysfunctional – factions competing that create operational silos. That culture needs to change if we want C-suite leadership to be aspirational for our next generation leaders.”

**C-level candidate, APAC financial services organization**

## How leaders can engage and elevate next generation C-suite leaders

To get ahead of this looming next generation attrition crisis, we see leading organizations:

**Establishing a well-defined succession process.** Best-in-class organizations have a clear view as to which roles are key to the future, what skills and competencies will be needed for those roles as they evolve, and where to find individuals with those skills and competencies, whether internally or externally. In addition, assessing senior leaders against external market benchmarks is a crucial strategy for identifying talent gaps and enhancing development programs. Waiting for a seat to open on the executive leadership team before having a plan to fill it – a too common practice – sends the signal that the organization is not investing in its future or that of the individuals sitting just outside the executive team.

**Using a forward-looking, data-driven talent identification approach.** Organizations are increasingly utilizing diverse data points and perspectives to accurately identify high-potential talent, ensuring a comprehensive understanding of who should be included in the top talent pipeline. While many organizations use manager feedback and performance reviews in creating their list of potential future leaders, the organizations with the most robust succession processes create role profiles for where the C-suite roles are headed and identify talent using a combination of 360 feedback, performance data, and psychometric assessments to give a more complete picture of the [current capabilities and future potential of their next-in-line leaders](#).

**Tailoring development plans and engaging in developmental innovation.** Best-in-class organizations discern what development needs exist for next generation and current C-suite leaders, and how to address those needs. Most organizations view senior leadership development as unnecessary or only for closing observed gaps; leading organizations maintain a focus on continuous development of skills and capability at the top of the house. Leaders at these organizations benefit from more bespoke development programs, aligning technical and leadership competencies with specific roles and future experiences over a 3- to 5-year horizon to offer precise and actionable development advice. Key features include developmental-focused assessments and robust Individual Development Plans that offer clear, constructive feedback on where leaders need to stretch themselves and how to do that. In addition, forward-thinking organizations create roles and environments that support experimentation and cross-pollination, mitigating perceived risks and fostering leadership development without punitive repercussions.

**Providing transparent engagement and communication.** Transparent communication about investment in high-potential talent enhances motivation and retention, providing clear feedback and a forward path to reduce competition among peers. Moreover, leading organizations communicate clearly about the organization's succession planning strategy and process, fostering trust and authenticity with their next generation C-suite leaders.

**Measuring culture alignment.** Measuring C-suite alignment with the rest of the organization is key to understanding how to transform the culture for future success. Organizations that are well positioned to stem the tide of next generation C-suite leader disenfranchisement know that the C-suite is often only presented with the “silver lining” when it comes to how work is really done, what gets rewarded, and what gets punished. Rather than relying on a handful of personal experiences, employee engagement survey results, and/or employee satisfaction scores, the best organizations take time to measure the current culture, define the needed culture, and develop the action plans to get from here to there .

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If we want the next generation to aspire to the C-suite, we need to make it aspirational again. That means creating a culture at the top that people admire, communicating with transparency, and committing to ongoing development.”

**Former Senior Vice President for Succession Planning and Talent Management, global manufacturing company**

## What's next for the next generation of leaders?

Getting ahead of the crisis of next generation C-suite leader turnover requires a multifaceted approach that combines effective succession planning, tailored and continuous development, and cultural alignment. By proactively engaging with and supporting potential leaders, organizations can ensure robust leadership pipelines and foster environments where future leaders thrive.



## Authors

**Miriam Capelli** is a senior member of Russell Reynolds Associates' Leadership Advisory practice. She is based in Singapore.

**Adele Farag** is a senior member of Russell Reynolds Associates' Leadership Advisory practice. She is based in London.

**Scott Smith** is a senior member of Russell Reynolds Associates' Leadership Advisory practice. He is based in Dallas.

**Peter Pickus** leads Russell Reynolds Associates' Assessment and Development Knowledge team. He is based in North Carolina.

**Elizabeth Burn** is a member of Russell Reynolds Associates' Assessment and Development Knowledge team. She is based in Washington, D.C.

**Sharon Tan** is a member of Russell Reynolds Associates' Assessment and Development Knowledge team. She is based in Singapore.

**Joy Tan** is a member of the Russell Reynolds Associates' Center for Leadership Insight. She is based in New York.

## References

<sup>1</sup> Next generation C-suite leaders refer to leaders who directly report to the C-suite.

<sup>2</sup> Source: RRA H2 2024 Global Leadership Monitor, n= 1,369 next generation C-suite leaders

<sup>3</sup> Source: RRA H1 2022 to H2 2024 Global Leadership Monitor

<sup>4</sup> Source: RRA H2 2024 Global Leadership Monitor, n= 941 next generation C-suite leaders

<sup>5</sup> Source: RRA H1 2021 to H2 2024 Leadership Confidence Index

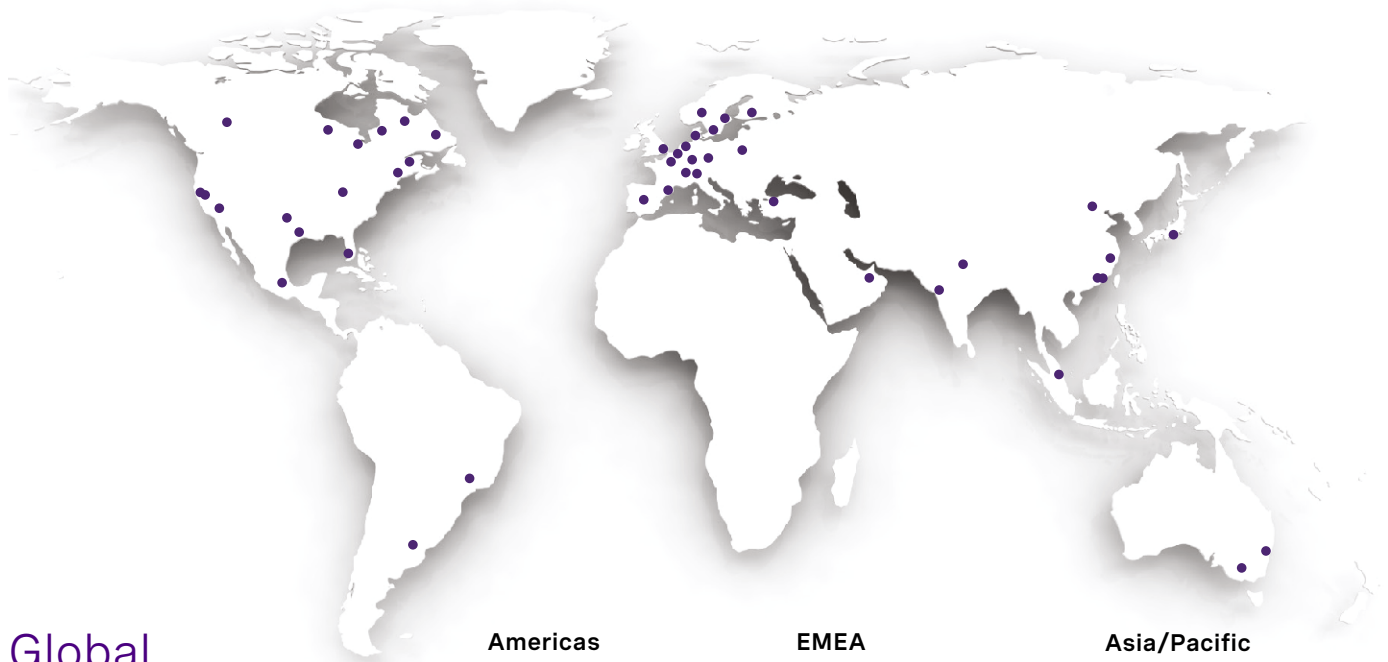
<sup>6</sup> Source: RRA H2 2024 Global Leadership Monitor, n= 1,041 next generation C-suite leaders

<sup>7</sup> Source: RRA H1 2024 Global Leadership Monitor, n= 531 next generation C-suite leaders

# 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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