



Steady State of Change: CFO Turnover Maintains Record Pace



As European organizations navigate tumultuous macroeconomic trends, CFO retirements hit a five-year high, and turnover rates continue to break records, experienced financial leaders are few and far between. In fact, a staggering **69% of CFOs changed roles since 2020**. This poses a significant risk to organizations looking to retain their CFOs in an increasingly competitive market.

To summarize the latest CFO turnover trends and gain insight into this aggressive market, Russell Reynolds Associates analyzed the CFOs of European organizations from 2020 to H1 2024 (N=660). We found that:

1. CFO turnover remains high across the board, with a five-year high in the FTSE 250, SMI, and the OMX Helsinki
2. The majority of newly appointed CFOs (65%) are in the role for the first time
3. Succession is starting to pay off for women CFOs, with 56% of women appointed to the top job coming from within the organization
4. CFO retirement rates have sharply increased over the past five years, jumping eight percentage points since last year and a whopping 22 percentage points since 2020.

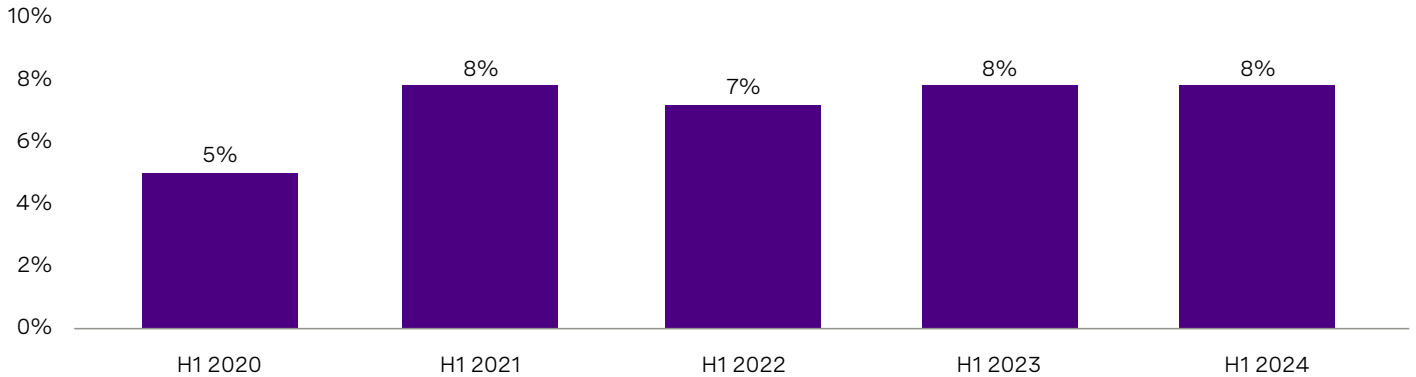


CFO turnover reached record highs for the second

In H1 2024, European CFO turnover hit 8%, matching last year's highs (Figure 1). Recent high levels of CFO turnover suggest that this trend has become the norm, due to increasing retirement rates, macroeconomic trends, and the fight for financial officer gender diversity. This continuous

churn creates new opportunities for next-generation finance talent, and is likely why most newly appointed CFOs are in the role for the first time (more on this in the next section). consecutive year.

Figure 1: YoY CFO turnover (2020 - H1 2024)

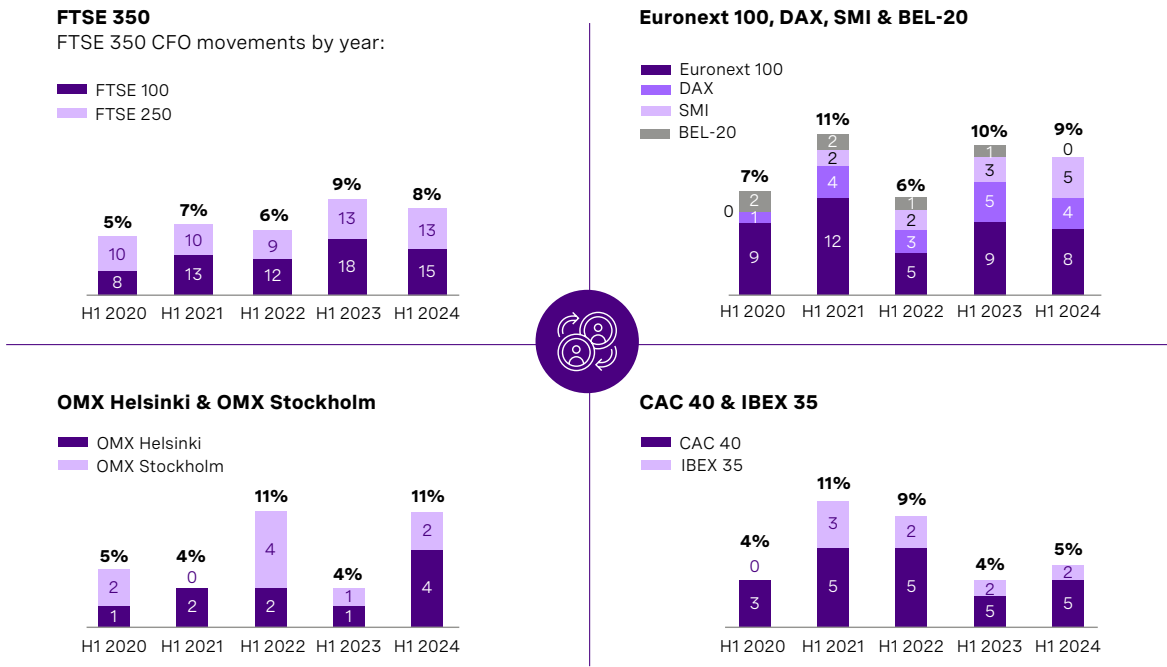


Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to H1 2024 N=660. (Note: 6 of the new CFOs are interim. Some companies are multi-listed; turnover is accounted for across all indexes.)

The FTSE 250 and SMI have been particularly active, while the IBEX-35 and BEL-20 saw a decrease over the same period (Figure 2). This turnover increase can be partly explained by unprecedented retirement rates for CFOs across Europe,

varying LTIP performance, the push for greater diversity in leadership teams, and the anticipated return of PE (which is attracting candidates from listed companies).

Figure 2: Trending CFO turnover by index (2020 - H1 2024)



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to H1 2024 N=660. (Note: 6 of the new CFOs are interim. Some companies are multi-listed; turnover is accounted for across all indexes.)

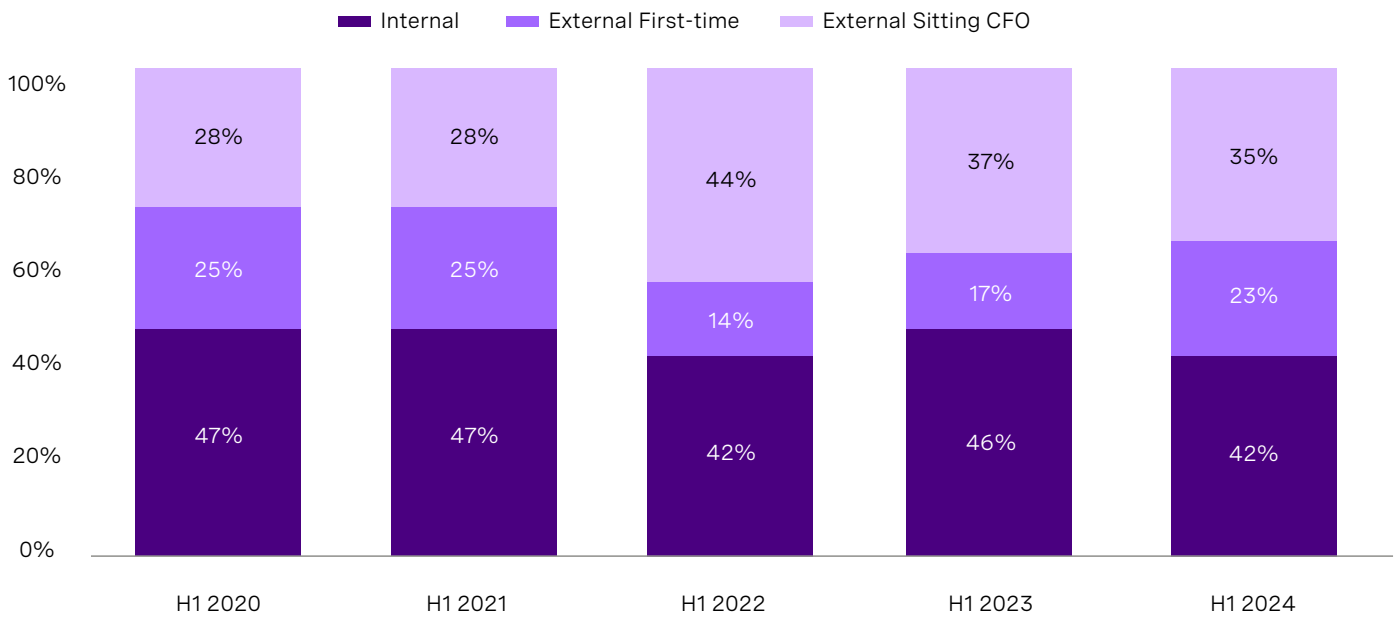


First time CFOs are still dominating the market

There continues to be more first-time **CFOs in the European market** (65%), due to the record levels of CFOs retiring in 2024 and CFO succession plans coming to fruition. While 35% of organizations looking externally for

their next CFO hired a leader with a proven track record, first-time talent gained ground, increasing 6-percentage points over the last year (Figure 3).

Figure 3: YoY internal versus external CFO appointments (2020 - H1 2024)



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to H1 2024 N=660. (Note: 6 of the new CFOs are interim. Some companies are multi-listed; turnover is accounted for across all indexes.)

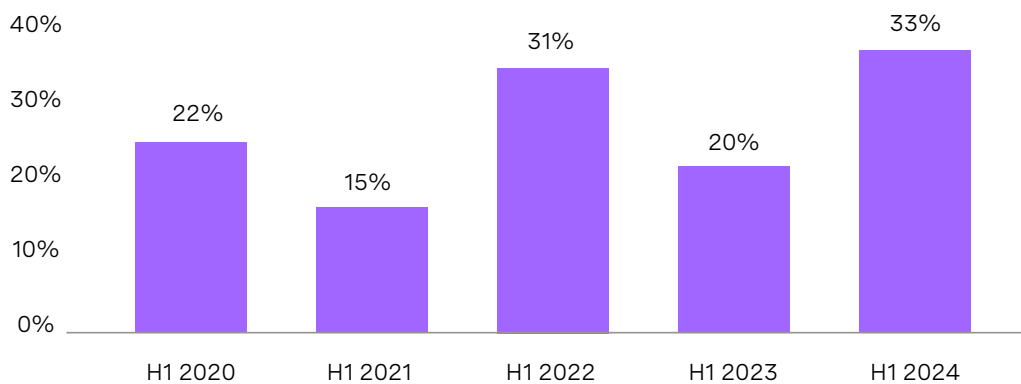


Succession planning is paying off for women CFOs

Women now hold 21% of the CFO roles in the analyzed European indices, **a record for women's representation in the top financial job.** These numbers will likely keep

improving, as women CFO appointments increased by 13 percentage points over the last year (Figure 4).

Figure 3: YoY internal versus external CFO appointments (2020 - H1 2024)



Women hold **21%** of the CFO roles in Europe in 2024

Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to H1 2024 N=660. (Note: 6 of the new CFOs are interim. Some companies are multi-listed; turnover is accounted for across all indexes.)

What's more, **56% of women CFOs appointed in 2024 were internal hires** (Figure 5a), a 20-percentage point increase from the previous year and **82% of these women were in the CFO role for the first time** (Figure 5b). While there's still work to do to achieve gender parity, these

encouraging improvements indicate that organizations' increased investments in succession planning and developing women in finance are helping to close the financial leadership gender gap.

Figure 5a: YoY internal versus external women CFO appointments (2020 - H1 2024)

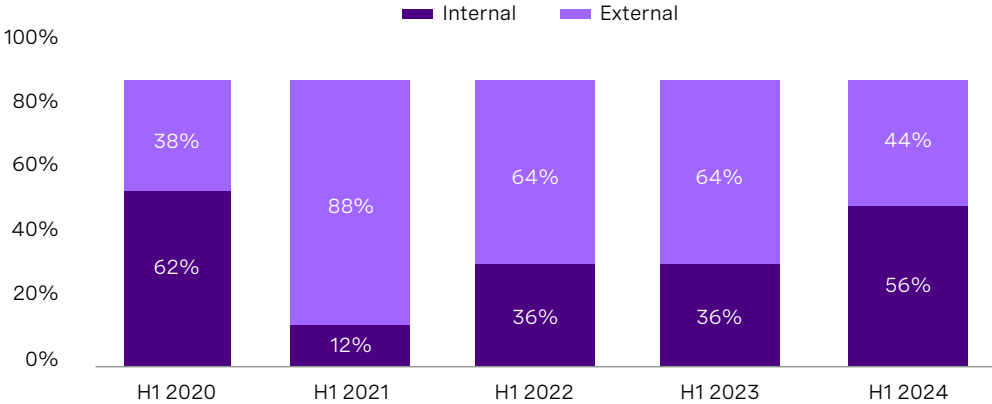
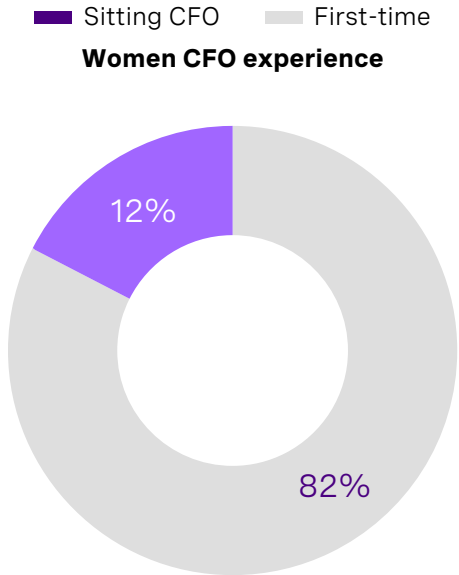


Figure 5b: Women CFOs' prior experience (2024)



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to H1 2024 N=660. (Note: 6 of the new CFOs are interim. Some companies are multi-listed; turnover is accounted for across all indexes.)



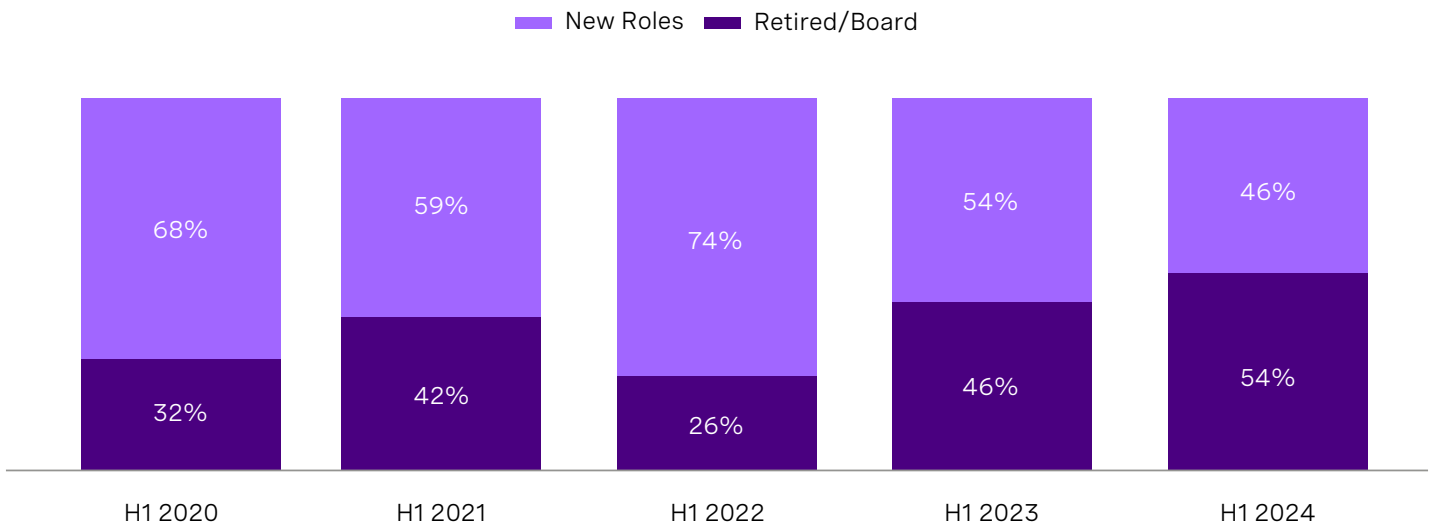
CFO retirement rates continue to be on the rise

Retirement rates **reached a five-year high, increasing 8 percentage points to 54% in 2024** (Figure 6). On average, CFOs are retiring at age 55 and departing their CFO role after a 6.7 year tenure.

CFOs approaching retirement may not seek another CFO role due to factors like burnout, financial security, or simply deciding that retirement seems most attractive. Instead,

many departing CFOs are leveraging their finance expertise in various board roles. This is especially common in the UK, where there are more opportunities to join boards as audit chairs or on remuneration committees (where we have seen an increase of financial expertise), ultimately leading to chair positions (22% of current FTSE 350 chairs have CFO experience).

Figure 6: YoY CFO Departures (2020 - H1 2024)

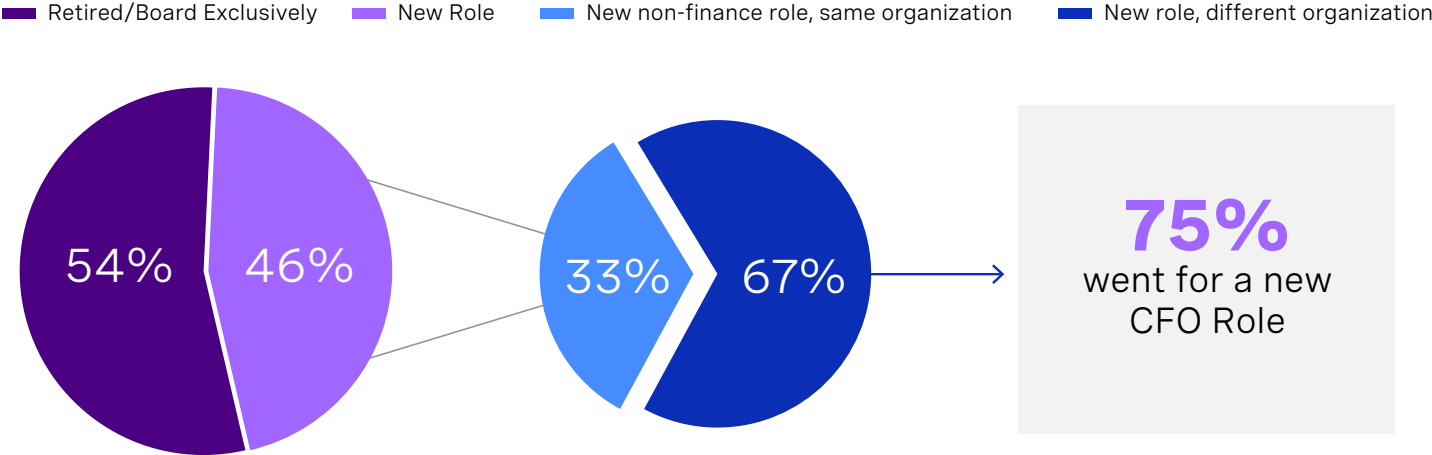


Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to H1 2024 N=660. (Note: Some retiring/departing CFO data is unavailable.)

As demand for experienced CFO talent remains high, there are ample opportunities for these leaders. Of the 67% of CFOs who made external moves, **75% have opted for another CFO role**. Unsurprisingly, those who made internal moves all opted for broader, non-finance leadership roles,

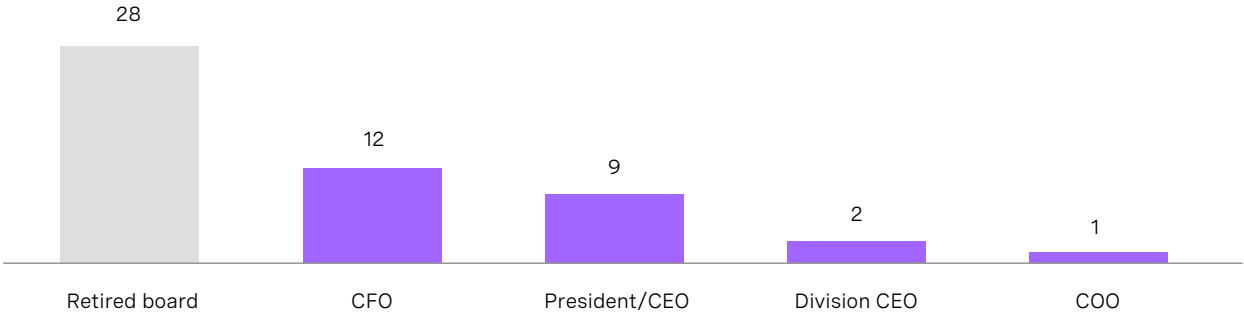
like CEO or COO roles (Figures 7 and 8). Half of transitioning CFOs are taking on the CEO and general management roles, up from 36% in 2023 (Figure 8). This highlights the need for new, challenging opportunities for CFOs.

Figure 7: H1 2024 European CFO Exits



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to H1 2024 N=660. (Note: Some retiring/departing CFO data is unavailable.)

Figure 8: Number of departing European CFOs per new role - H1 2024



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to H1 2024 N=660. (Note: Some retiring/departing CFO data is unavailable.)

Is your top finance talent planning an exit?

With CFO turnover remaining high, executives and board members who are invested in their organization's CFO succession plan should ask: Am I taking actionable and targeted steps to prepare for my or my CFO's exit?

When planning for your next financial leader, we recommend the following retention strategies:

- **Engage in ongoing career development conversations to retain your CFO:** With CFOs increasingly looking externally for their next challenge, create new challenging opportunities within your company or risk losing your talent.
- **Plan for retirement:** On average, CFOs retired at age 55 in 2024. Don't be afraid to open a dialogue around your CFO's retirement plans, as this allows them to be involved in planning for their own successor.
- **Continue to invest in succession planning:** After engaging in career planning conversations with your CFO, [re-assess your finance talent succession plan](#) to ensure both timelines align. Given the lack of gender diversity in financial talent pipelines, pay specific attention to developing and retaining women in finance. There's always room to improve: consider whether you are looking deep enough into your organization, your assessment and development methodologies, and your overall transition plan.
- **CFO mentorship:** With the majority of CFOs being in the role for the first time, newly appointed CFOs will be facing a host of new career challenges. [The value of a trusted, independent mentor](#) who brings specific executive experiences and has faced similar challenges is invaluable.
- **Check-in with underrepresented minorities:** RRA's H1 2024 [Global Leadership Monitor](#) found that the top reasons underrepresented executives left their jobs were: career advancement, seeking new responsibilities, and seeking a different company culture. Create clear job paths for finance talent with multiple entry points and progression routes, making these paths visible to all employees as part of onboarding and development conversations. Offering structured sponsorship programs that target underrepresented groups can help retain talent. Finally, ensure that you fully [understand your organizational culture](#) and URM finance leaders' experiences within it.
- **Re-evaluate compensation:** As experienced CFOs continue to be in demand during a difficult economic market, evaluate whether your compensation package is competitive. Sourcing market intelligence on similar organizations can shed light on what competitors might offer your CFO. Don't let a slightly more competitive package lure your CFO talent away.

To complete this analysis, RRA analyzed Boardex data from the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to H1 2024 (n=660).

Authors

Romain Clio co-leads Russell Reynolds Associates' EMEA Financial Officers Practice. He is based in Brussels.

Ben Jones co-leads Russell Reynolds Associates' EMEA Financial Officers Practice. He is based in London.

Mohammed Khan is a member of the Financial Officers Practice knowledge team at Russell Reynolds Associates. He is based in London.

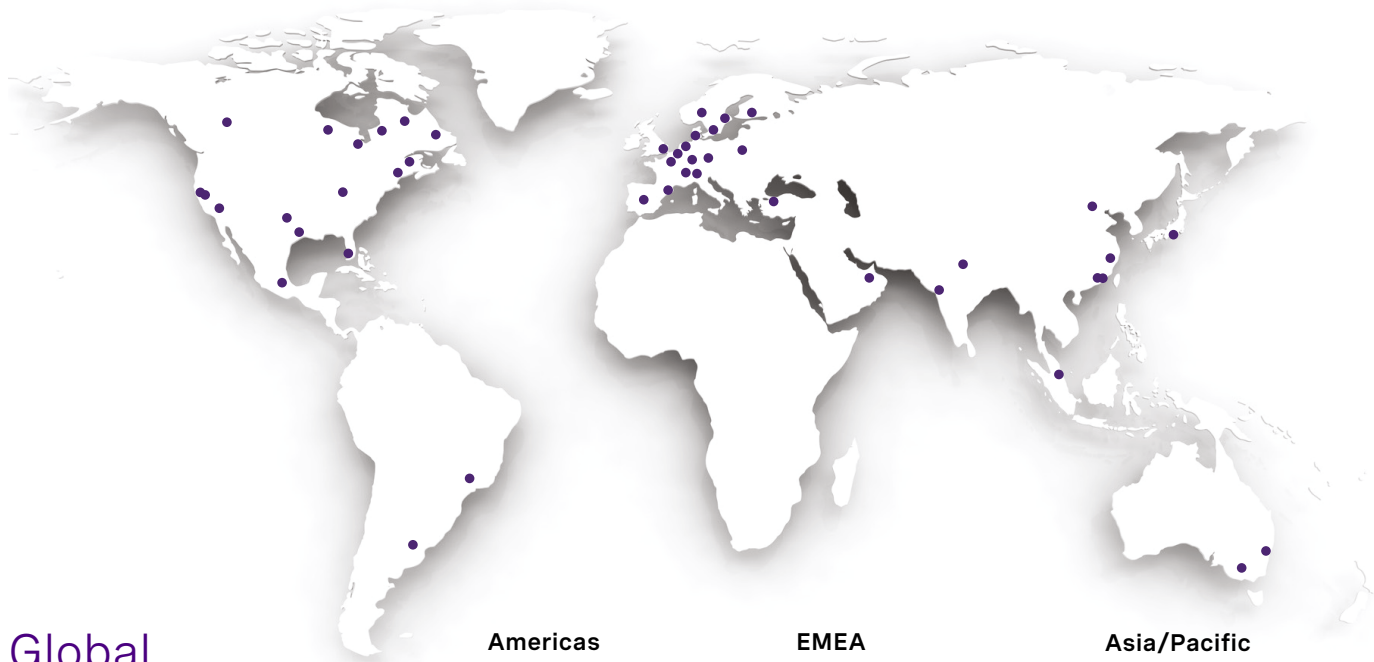
Catherine Schroeder leads Knowledge for Russell Reynolds Associates' Financial Officers Practice. She is based in Toronto.

Suzzane Wood is a member of the EMEA Financial Officers Practice at Russell Reynolds Associates. She is based in London.

About Russell Reynolds Associates

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