




The CFO Exodus: Exploring Financial Officer Turnover in Europe



As European organizations navigate tumultuous macroeconomic trends, CFO retirements hit a four-year high, and turnover rates continue to increase, experienced financial leaders are few and far between. This poses significant risk to organizations looking to retain their CFOs in an increasingly competitive market.

Russell Reynolds Associates analyzed CFOs of European organizations from 2020 to 2023 (N=660) to summarize the latest turnover trends and gain insight into an increasingly competitive market where 60% percent have turned over since 2020. We found that:

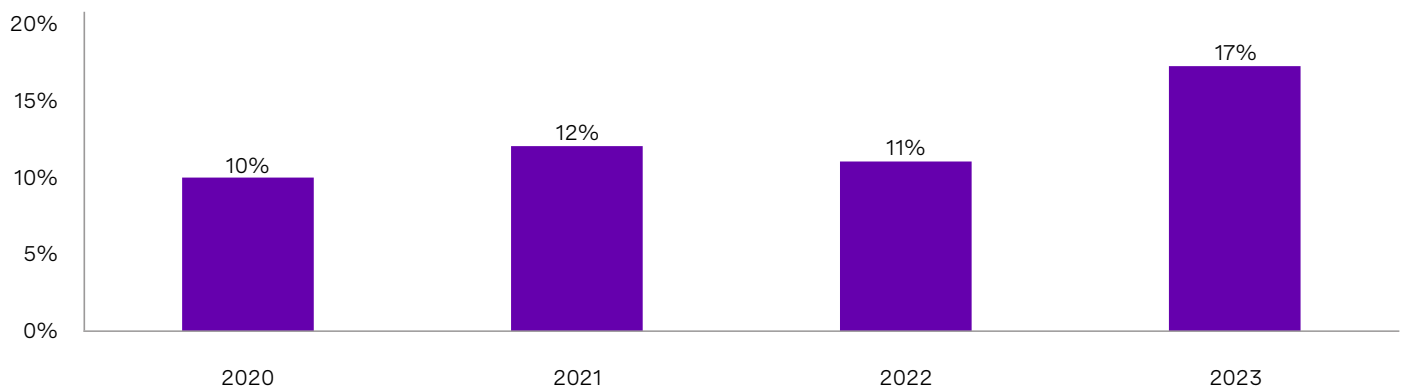
1. CFO turnover continues to increase across the board, with a four-year high in the FTSE 350, DAX, and the Euronext 100
2. The majority of newly appointed CFOs (57%) are in the role for the first time
3. More women CFOs are coming from outside the organization (67%), as internal talent is scarce
4. CFO retirement rates have sharply increased over the past four years, jumping 14 percentage points since 2022



The revolving CFO door: CFO turnover continues to increase across the board

In 2023, European CFO turnover hit 17%, reaching a four-year high (Figure 1). Recent high levels of CFO turnover suggest that this trend may 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 the majority of newly appointed CFOs are in the role for the first time (we'll explore this further in the next section).

Figure 1. Trending CFO turnover: 2020-2023



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to 2023 N=660.

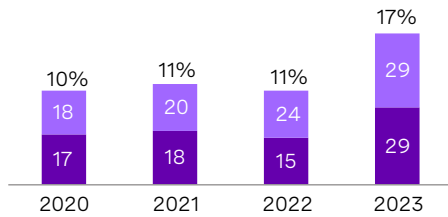
Note: 15 of the new CFOs are interim. Some companies are multi-listed; turnover is accounted for across all indexes.

The FTSE 350 & DAX 40 have been particularly active, with CFO turnover in 2023 reaching a four-year high of 17% and 25% respectively, while the Nordic regions have seen a decrease in the same period of time (Figure 2). The increase in turnover can be partly explained by unprecedented retirement rates for CFOs across Europe, coupled with an increased demand for experienced CFOs.

Figure 2. Trending CFO turnover by index

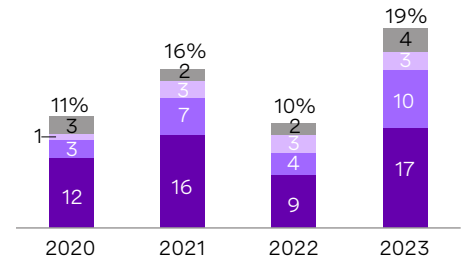
FTSE 350

■ FTSE 250
■ FTSE 100



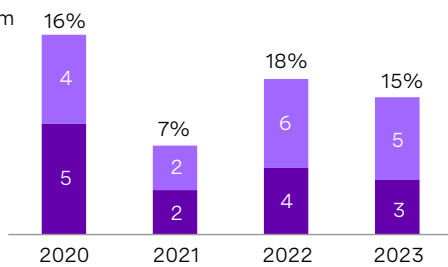
Euronext 100, DAX, SMI & BEL-20

■ BEL-20
■ SMI
■ DAX
■ Euronext 100



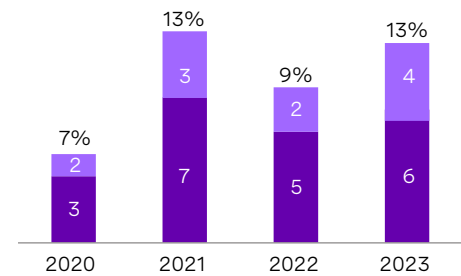
OMX Helsinki & OMX Stockholm

■ OMX Stockholm
■ OMX Helsinki



CAC 40 & IBEX 35

■ IBEX 35
■ CAC 40



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to 2023, N=660

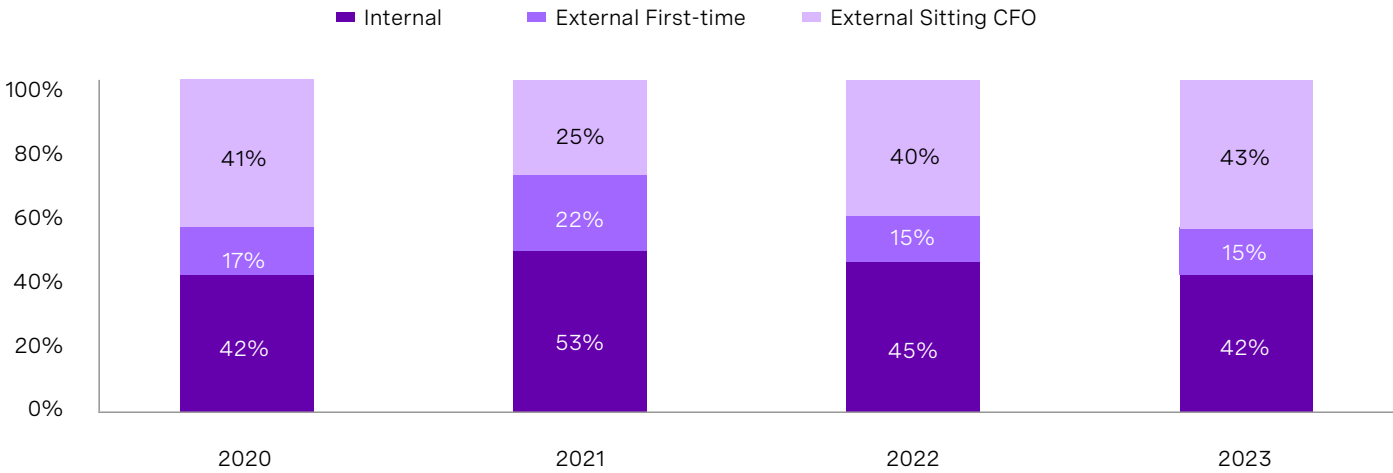
Note: 15 of the new CFOs are interim. Some companies are multi-listed; turnover is accounted for across all indexes.



The majority of newly appointed CFOs are in the role for the first time

There continues to be more first time CFOs in the European market (57%), likely due to the record levels of CFOs retiring in 2023 and CFO succession plans coming to fruition. However, organizations that look externally for their next CFO are opting for proven talent (Figure 3), likely wanting the stability of someone who has held the top job as we continue to navigate through economic uncertainty.

Figure 3. Internal versus external CFO appointments



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to 2023, N=660

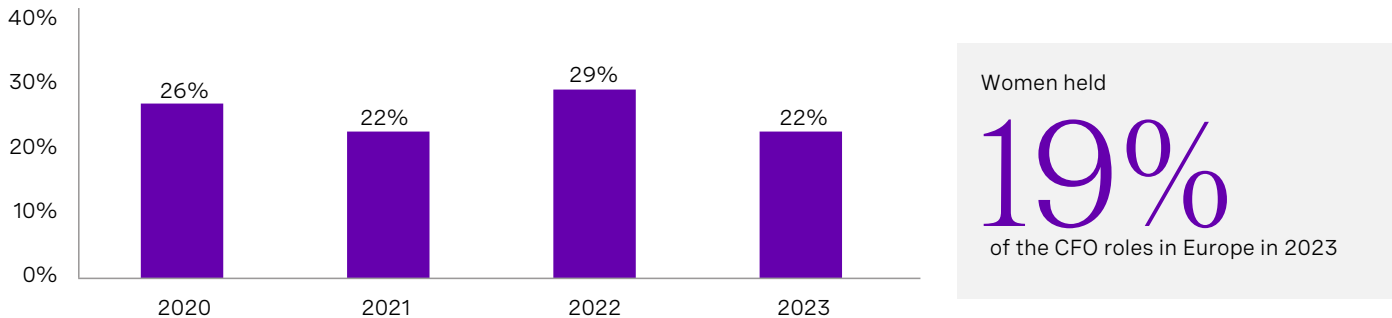
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Women CFOs are coming from outside the organization, as internal talent is scarce

More women have been appointed to the top financial job than ever before, as women now hold 19% of CFO roles in the analyzed European indices. While these improvements are encouraging, we're still far from parity, with 2023 CFO women appointments decreasing 7 percentage points since last year (Figure 4).

Figure 4. New women CFO appointments



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to 2023, N=660
Note: 15 of the new CFOs are interim. Some companies are multi-listed; turnover is accounted for across all indexes.



Organizations without a gender-diverse bench are looking externally for more talent, typically recruiting experienced women CFOs. In fact, in 2023, 57% of appointed women CFO appointments were sitting CFOs prior (Figure 5a), increasing 19 percentage points from the previous year. These external hires indicate that internal financial officers' pipelines—while improving at lower levels—still lack gender diversity at the top.

Figure 5a. Internal versus external women CFO appointments

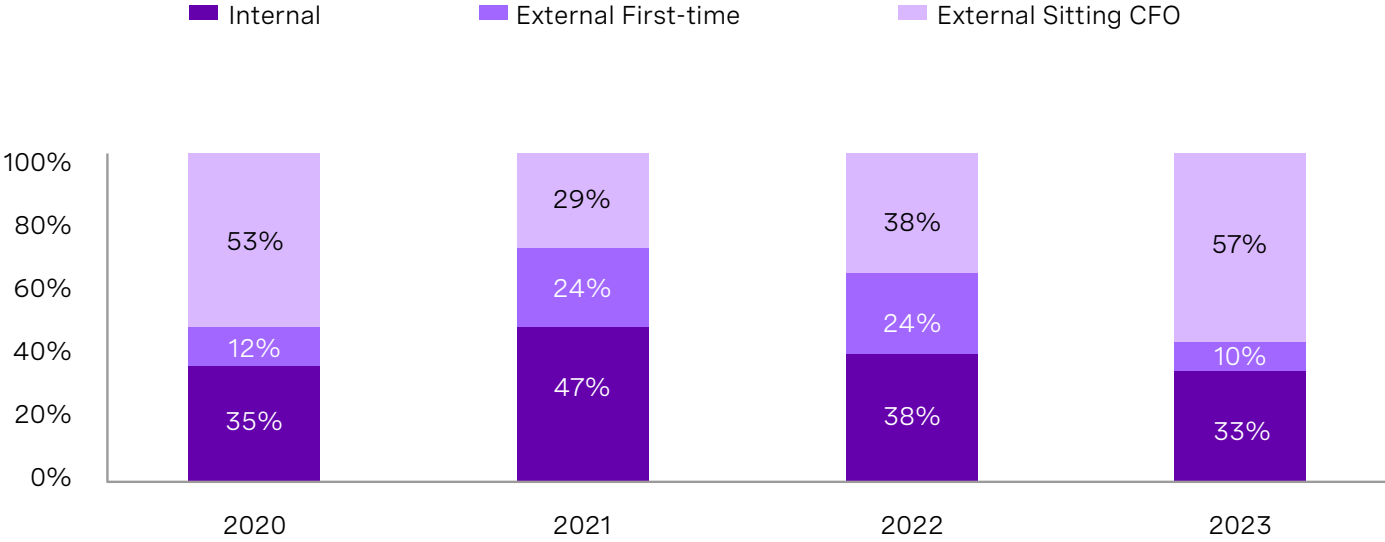
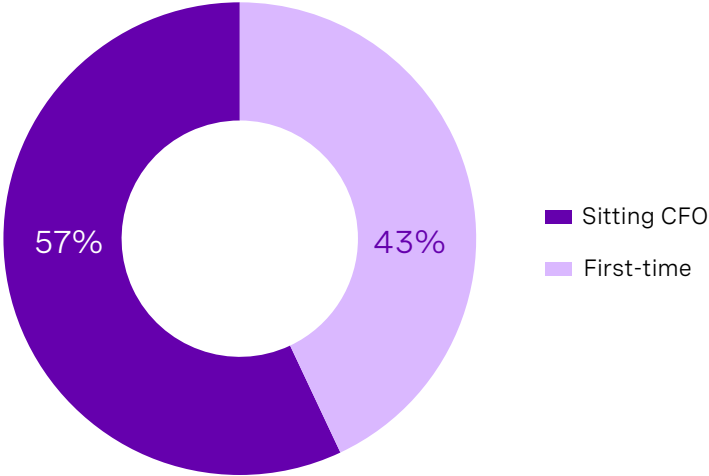


Figure 5b. Women CFO experience



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to 2023, N=660

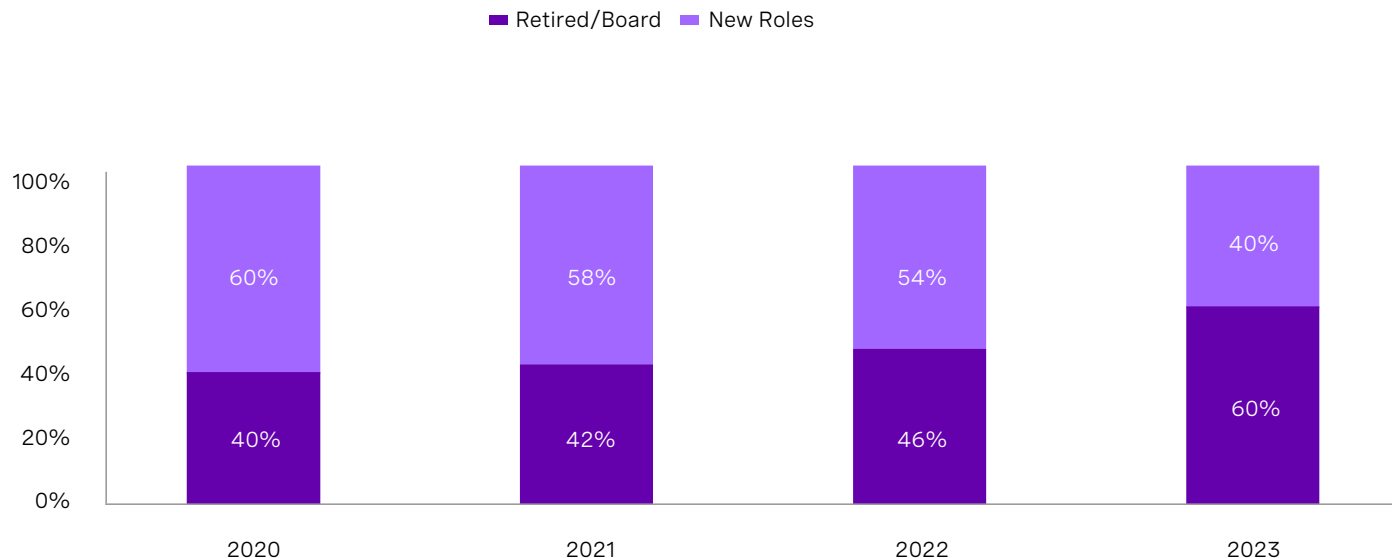
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CFO executive retirement has increased over the past four years, jumping 15 percentage points since 2022



Retirement rates reached a four-year high, increasing 14 percentage points to 60% in 2023 (Figure 6). On average, CFOs are retiring at age 57. CFOs approaching retirement may not seek another CFO role due to factors like burnout, financial security, or simply deciding that retirement seems the more attractive option. Instead, many are leveraging their finance expertise in various board roles, especially in the UK where there are more opportunities and demand for CFOs to transition into chair positions (21% of current FTSE 350 Chairs have CFO experience).

Figure 6. Trending CFO Departures

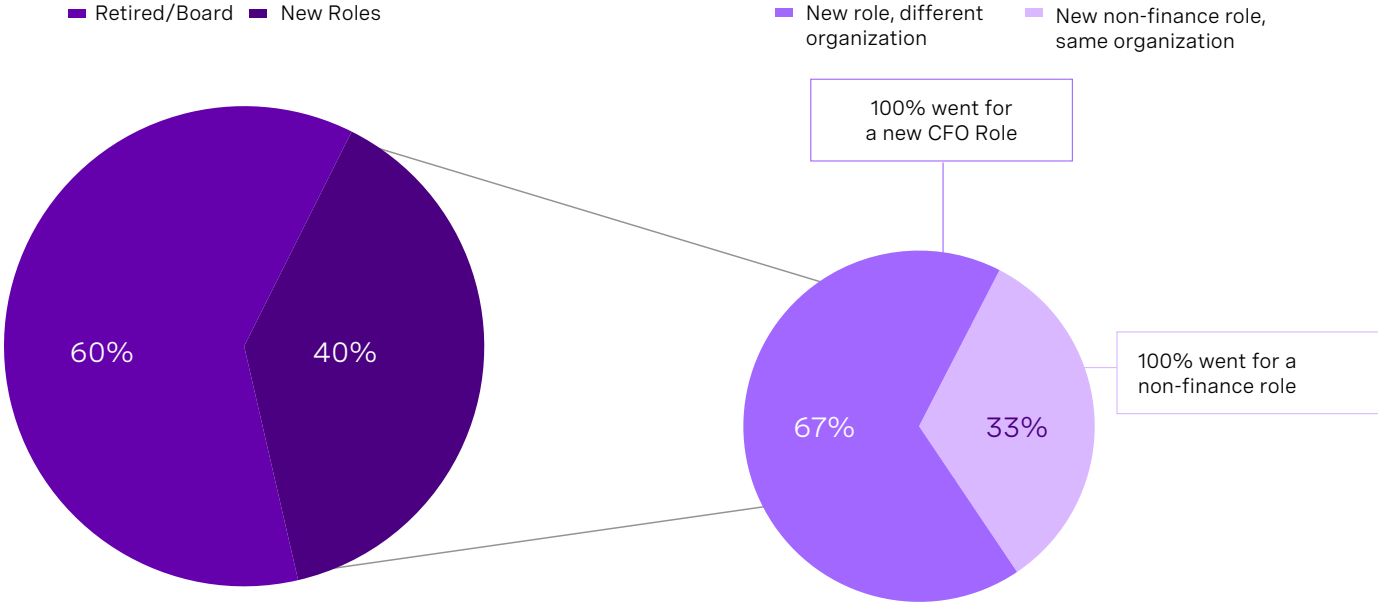


Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to 2023, N=660

Note: Some retiring/departing CFO data is unavailable

As many CFOs retire and demand for experienced CFO talent continues to increase, there are ample opportunities for financial officers. Of the 67% of CFOs who made external moves, 100% have opted for a CFO role. Perhaps unsurprisingly, those who made internal moves all opted for broader, non-finance leadership roles, like CEO or COO (Figures 7 and 8). We have also seen a 38% increase in transitioning CFOs taking on a new CFO role, from 21 in 2022 to 29 in 2023 (Figure 8). With the current economic and political headwinds organizations are facing in Europe, organizations are looking for seasoned CFOs to help navigate.

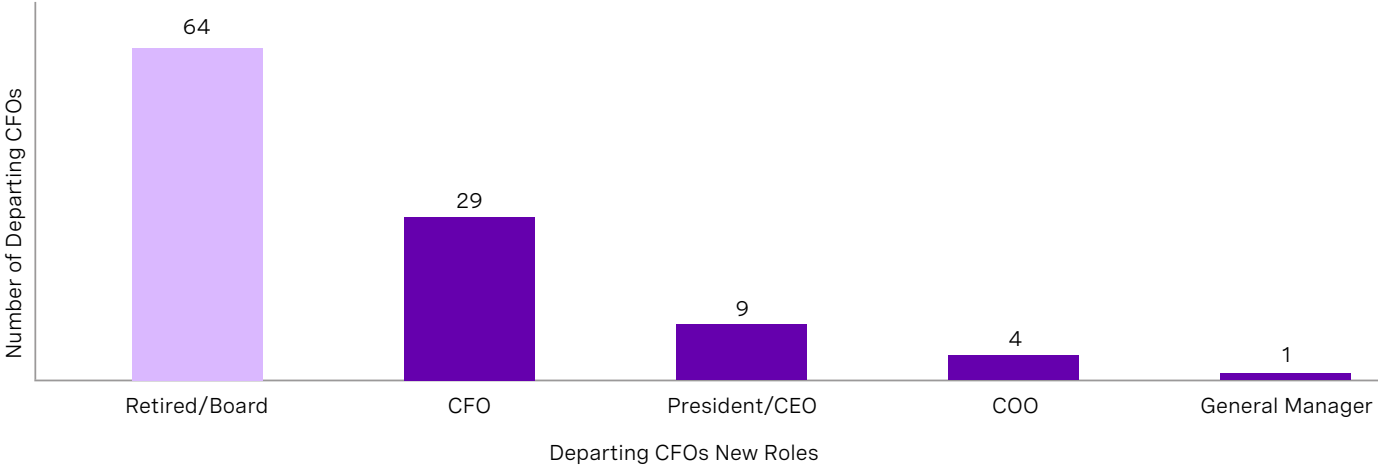
Figure 7. 2023 European CFO YTD Exits



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to 2023, N=660

Note: Some retiring/departing CFO data is unavailable

Figure 8. The roles departing European CFOs take next (count)



Source: RRA analysis of the FTSE 350, BEL-20, CAC 40, DAX, IBEX 35, OMX Helsinki, OMX Stockholm, SMI, Euronext 100 from 2020 to 2023, N=660

Note: Some retiring/departing CFO data is unavailable



Is your top finance talent planning an exit?

With CFO turnover becoming the new norm, 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 57 in 2023. 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 H2 2023 [Global Leadership Monitor](#) found that the top reasons underrepresented executives left their jobs were career advancement, better pay, and a desire to feel more valued by an organization. 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.

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.

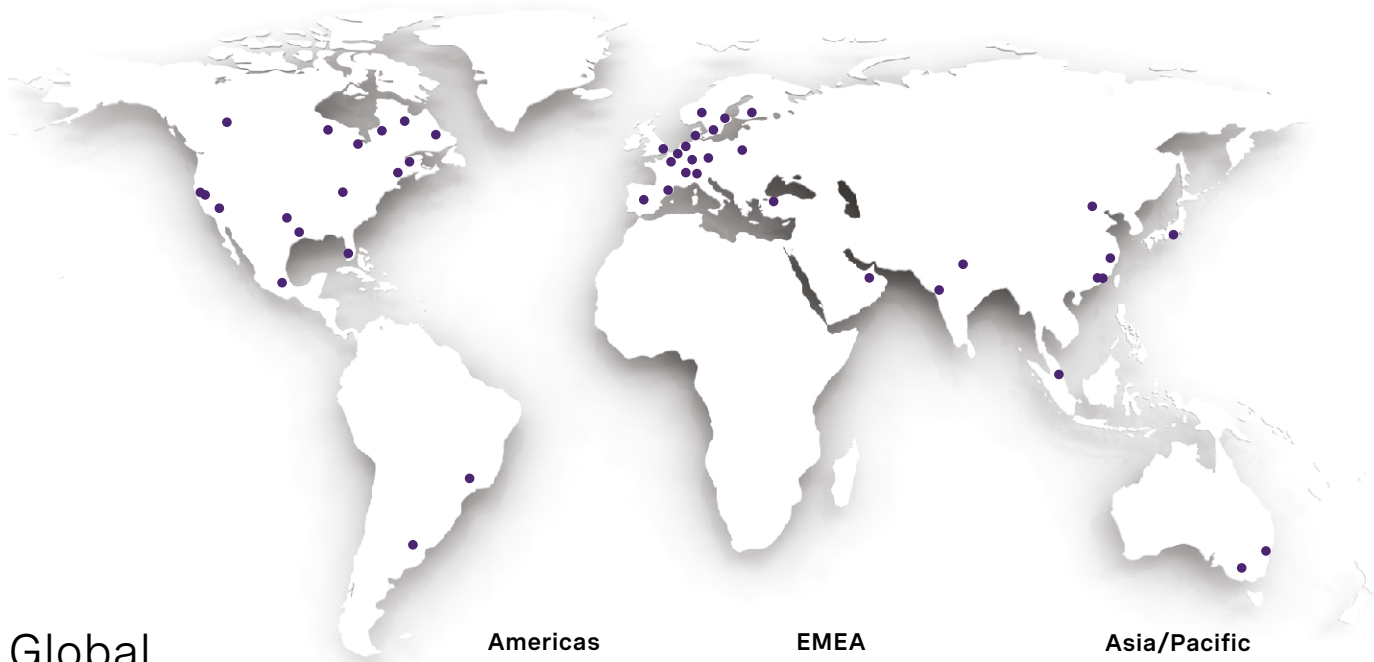
Catherine Schroeder leads Knowledge for Russell Reynolds Associates' Financial Officers Practice. She is based in Toronto.

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

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