

CEO SUCCESSION

Majority of CEOs Promoted From Within, yet Boards Unevenly Focus on Executive Leadership Development

Key Takeaways

Majority of New CEOs Are Promoted From Within:

Nearly half (47%) of respondents indicate that it is important or very important for their board to improve the rigor of their CEO succession planning process over the course of the coming year. The linkage between the board's responsibilities to appoint the CEO and to ensure a strong internal leadership pipeline becomes clear when one considers that of the respondents who indicated that their board had replaced their CEO in the last 12 months, 70% report that the new CEO was promoted from within.

Only a Minority of Boards Strongly Focus on Executive Leadership Development:

Only 39% of boards have developed a pipeline of internal candidates and 25% have changed the roles of internal candidates to assess leadership potential. Overall, 38% of respondents believe that their board allocates too little time to executive leadership development.

Few Boards Perform CEO Candidate Competency Assessments Against Future Needs:

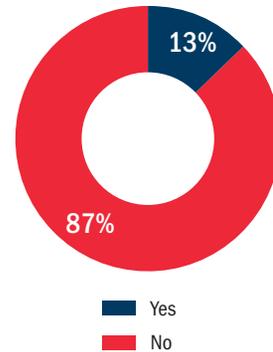
While 60% of boards discussed long-term CEO succession planning in the last 12 months, only 22% have formally conducted a competency analysis to assess what leadership attributes are required to fulfill their organization's future strategic needs.

Relevant NACD Resources

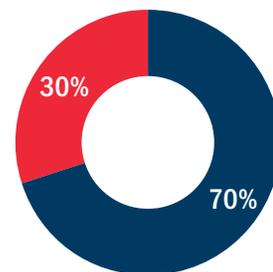
[Directors Handbook Series: Success at the Top: CEO Evaluation and Succession](#)



Has your company's CEO been replaced in the last 12 months?



Concerning your recent CEO transition, was the replacement CEO promoted from within or brought in from outside of the company?



■ Promoted from within
■ Brought in from outside of the organization

Which of the following practices related to CEO succession has your board performed over the past 12 months? (Please select all that apply.)

