

CEO Suites See Slow Traffic at Exit Gate

CEO/MD Exits in NSE-listed Cos



Sector-wise Exits in 2024*

Consumer discretionary	23	Energy	5
Financial services	20	IT	5
Industrials	18	Diversified	2
Commodities	17	Telecommunication	2
FMCG	9	Consumer	1
Services	7	Healthcare	1
Utilities	7		

*As of Dec 20; Note: Positions captured are those on the boards of NSE-listed cos

Source: primeinfobase.com

REAR VIEW 2024

Sreeradha Basu

Bengaluru: India Inc saw fewer exits of top executives in 2024 compared to the two preceding years, reflecting a broader industry slowdown and limited corner-room opportunities after the post-pandemic boom.

A total of 117 managing directors or chief executive officers across 2,528 NSE-listed companies exited their positions as of December 20, according to data compiled for ET by primeinfobase.com. This compares with 129 exits across 2,235 companies and 142 exits across 2,021 companies in 2023 and 2022 respectively.

The churn rate stood at 4.6% as of December 20, improving from 5.8% and 7% in 2023 and 2022 respectively, the data showed.

Indian companies experienced high CEO exodus in 2022 as businesses bounced back after a muted 2020 and 2021 when challenges such as pandemic-induced lockdowns and remote work tempered the pace of changes at

the top.

Search firms, board members and corporate governance advisory firms say moderation of the post-Covid boom may have lessened the pace of CEO changes, but that the current scenario needs to be viewed in context of the overall ecosystem.

Shriram Subramanian, MD at

corporate governance advisory firm InGovern noted a post-pandemic surge in demand and consumer sentiment, propelling businesses and sparking

new job opportunities. "However, in 2024, many sectors including auto, FMCG, IT, banking, etc are seeing demand taper and business slowdown, so the sentiment is more muted."

However, unlisted firms such as startups and family-run companies have been tapping top executives to bolster their ranks.

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"There is a large and active unlisted private (non-public) ecosystem in the form of unlisted multinationals, family-owned businesses and PE/VC-backed companies and this market has been extremely active," said Pankaj Arora, managing director of executive search firm Russell Reynolds Associates.

Subramanian said IPO markets are still hot and at SMEs, (and) small and mid-cap companies that have raised fresh capital, and (are) seeking to professionalise management, the demand for CEOs and MDs is greater.

"There seems to be greater excitement in PE/venture-funded businesses," noted Vinita Bali, an independent director and former MD at Britannia.

Navnit Singh, chairman and regional managing director at executive search firm Korn Ferry said most listed companies are doing decently well and will continue to do better as capex keeps growing. Many CEOs are choosing stability, leading to fewer exits.

"Even in our searches, the majority of the mandates are from new-age companies or where lis-

ted companies are growing so rapidly that they need a new person to steer growth."

Among NSE-listed companies, the consumer discretionary sector topped the list with 23 CEOs/MDs leaving their posts till December 20.

The financial services sector saw the second-highest churn rate, with 20 exits, while industrial and commodity sectors saw 18 and 17 CEO/MD exits, respectively.

Overall, as the business scenario turns more challenging and fraught with uncertainties, the CEO's job is getting more difficult despite rising remuneration levels.

Globally, CEO turnover continues to scale new highs, especially in the US.

US publicly listed companies saw 327 CEO changes through November, according to outplacement firm Challenger, Gray & Christmas.

According to the Global CEO turnover Index by Russell Reynolds Associates, as of end-September, year-to-date CEO departures increased to 156 in 2024 from 147 in 2023 though sequentially, there was a 5% drop in turnover to July-September 2024 from July-September 2023.