More CEOs Eye Exit as Going Gets Tough, Options Spring Up

Trend a reflection of what is happening globally: US saw 222 CEO departures in Jan

Sreeradha Basu

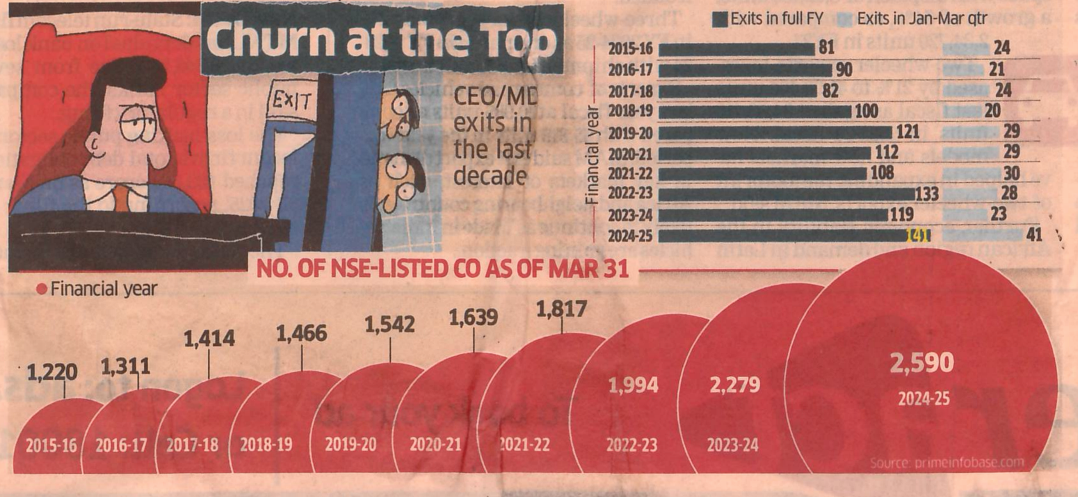
Bengaluru: CEO departures have picked up pace across India Inc in 2025, with 41 corner room checkouts at NSE-listed companies in the March quarter, compared with 23 in the year-ago quarter.

In the backdrop of geopolitical tensions, market volatility and accelerating pace of technological and regulatory changes, Corporate India saw a total of 141 managing directors or chief executive officers across 2,590 NSE-listed companies exiting their positions in 2024-25. This compares with 119 exits across 2,279 companies and 133 exits across 1,994 companies in 2023-24 and 2022-23 respectively, according to data compiled for ET by primeinfobase.com.

Retirements apart, the surge in CEO turnover is driven by multiple factors, say experts. On one hand, the opening up of new opportunities and a talent supply crunch has led to an uptick in corner office movements. On the other, increased scrutiny of CEOs and a lower tolerance for unmet expectations and underperformance at the highest level by boards and shareholders has made the top job tougher to hold on to.

The scenario is playing out not just in listed companies, but also in unlisted multinationals, family-owned businesses, PE/VC-backed companies and startups, among others.

"CEOs are now high-stakes appointments and there are also more instances of involuntary exits given the shorter horizon for delivering better results," said K Sudarshan, MD of executive search firm EMA Partners India.



"Secondly, as opportunities are opening up across the spectrum, it isn't easy finding the right candidates," said Sudarshan. "Cross-industry movements are more common as companies continue to look for new talent in a market where supply is scarce. A combination of these factors is driving high attrition."

There's also a growing trend of managers who are exiting corporate careers and moving to life in the slower lane, he said.

According to Pankaj Arora, managing director of leadership advisory firm Russell Reynolds Associates, CEO churn in this period has been driven by a combination of increasing opportunities, largely due to private and capital market activity, new business models (AI, energy transition etc) and generally favourable sentiment towards India as an investment destination.

"At the same time, there are ever-increasing expectations, pressure and scrutiny of CEOs," he said. "This calls for a proactive and strategic approach towards CEO succession planning."

Salary packages are another factor. With CEO compensation in India soaring and the gap between Indian and global pay narrowing, the patience for top bosses not pulling their weight is wearing thin.

"Things are moving towards what we see in western markets. Proxy advisors are working in a big way with investors and there's more pressure coming in. You have to deliver," said Anandorup Ghose, partner at Deloitte India.

Deloitte's latest Executive Performance and Rewards Survey covering more than 400 companies showed that the median compensation for non-promoter CEOs in India in 2025 touched ₹10 crore, marking a 13% increase from the previous year.

Going forward, uncertainty and unpredictability in the backdrop of tariff flip-flops and business and political upheavals will keep things challenging, especially for those in the driver's seat, said experts.

The trend is a reflection of what is happening globally. In January 2025, under Donald Trump, the US saw a record-breaking number of CEO exits at 222—14% higher than 194 in January 2024 and the highest ever since global outplacement firm Challenger, Gray & Christmas started tracking turnover data in 2002. In February 2025, there were 247 CEO exits in the US, the second-highest for the month since 2002.