

CEO Succession: The Test of India Inc's Boardroom Readiness



Navnit Singh
*Chairman & Regional
Managing Director
Korn Ferry India*

India is stepping into a new chapter. As companies expand globally, go public, and digitize at scale, their boards are facing intensified scrutiny from investors, regulators, and employees alike. And the question gaining urgency is not just who leads today, but who's ready to lead tomorrow.

From family-run firms evolving into global powerhouses to digital unicorns disrupting legacy sectors, we are witnessing the dramatic transformation of India Inc.

Yet beneath this wave of progress, a churn is unfolding—one that can threaten the very continuity required to sustain the upward trajectory.

In FY '25 alone, 141 CEO exits have been recorded among NSE-listed companies, up from 119 in FY '24. This marks a 19% increase in top-level departures in just a year. And this number only captures formal transitions in listed companies; the actual number of CEOs preparing to move, being nudged out, or facing burnout is likely much higher. We are, quite simply, entering an era of elevated volatility at the top.

In this climate, CEO succession planning can no longer be treated as a "next quarter" conversation. It is the single most strategic responsibility for a board and in India, it has become a business imperative.

The CEO seat is getting harder to hold—and easier to lose.

The pressure at the top isn't coming from one direction: it's the result of a convergence of many forces.

CEO tenures are shrinking. What was once a decade-long role is now routinely measured in three-to-five-year cycles. Heightened performance expectations, demanding boards, and increasingly complex stakeholder environments are making the CEO seat harder to hold. Tolerance for underperformance has declined, and scrutiny has intensified.

The psychological strain is mounting. A 2024 Korn Ferry study found that 73% of Indian CEOs report experiencing imposter syndrome, higher than even their global peers. In an era that demands bold vision and confident execution, self-doubt is also creeping into the C-suite.

At the same time, the leadership pipeline remains narrow. As of July 2025, only nine of the Nifty 200 companies have a woman serving as CEO or MD. In a country as diverse as India, the gap between leadership representation and market reality is a strategic liability.

In promoter-led or family-driven enterprises, succession conversations are often delayed or informal. As legacy

leaders approach retirement or generational handovers, many organizations still lack a clearly defined roadmap for who's next, due to emotional complexity, governance gaps, or reluctance to let go.

Layered onto this is a volatile external environment. CEOs must now lead through constantly shifting geopolitical dynamics and enhanced regulatory scrutiny.

And then comes the digital divide. As AI, analytics, and platform thinking reshape entire industries, boards are looking for CEOs with digital fluency and transformation acumen. Yet many internal pipelines are built around traditional leadership profiles, leaving a mismatch between the demands of the future and the readiness of today's successors.

This convergence of internal gaps and external shocks makes one thing clear: succession planning is no longer a behind-the-scenes exercise. It is a front-line strategic imperative.

What the World's Best Boards Are Doing Differently?

When succession isn't prioritized, the impact doesn't stop at the CEO's office. It ripples across the organization, derailing strategy, shaking investor confidence, and fracturing morale. Globally, companies with reactive leadership changes often experience value erosion for 12 to 18 months post-transition. And the cost of unplanned succession is rising—strategically, reputationally, and financially.

The good news? According to Korn Ferry's Board Chair of the Future 2025 study, which draws insights from Chairs across 33 countries representing over 800 boards, succession is now viewed not as a risk to be managed, but as a lever to accelerate strategy. This shift in thinking is already underway globally.

In the most future-focused organizations:

- **Succession is a standing agenda item**, tracked as rigorously as risk or revenue.
- **Internal and external pipelines are assessed in parallel**, with boards investing in both homegrown talent and market intelligence on external candidates.
- **Emergency readiness is codified**, with interim leaders, communication plans, and contingency protocols clearly defined.
- **Succession planning is decoupled from crisis**—it is normalized, embedded, and positioned as a hallmark of high-performing governance.

Boards that lead with foresight think across time horizons:

- **Immediate readiness:** Is there someone within the top team who could step in tomorrow if needed?
- **2-year horizon:** Who is being groomed, coached, and stretched for the role?
- **3-to-5-year pipeline:** Are we identifying and investing in next-gen leaders who reflect our future?

The Chair as Catalyst: Coach, Challenger, Compass

The Board Chair's role in succession cannot be overstated.

In an increasingly complex and compressed world, the most effective Chairs act as more than just process owners, they serve as strategic partners to the CEO, challengers of assumptions, and stewards of continuity.

In India, where hierarchy and loyalty can blur the lines between oversight and overreach, Chairs must walk a fine line, creating space for bold thinking without undermining the CEO and encouraging leadership transitions without fueling paranoia.

This is where the Chair's role as coach becomes vital. Done right, succession planning is not a threat to the CEO—it is an investment in the CEO's success. It provides clarity, encourages stretch, and ensures that leadership evolution doesn't stop at the corner office.

What Indian Boards Must Do Now?

To meet the moment, Indian boards need to act with urgency and discipline:

- **Have a formal, living succession plan** – complete with roles, timelines, decision criteria, and contingencies.

- **Build diverse, future-fit pipelines** – invest in tech-savvy, inclusive, and globally minded talent early.
- **Engage external talent advisors** – benchmark internal talent against market reality, not assumptions.
- **Invest in leadership development** – link succession to coaching, board exposure, and transformation readiness.
- **De-stigmatize succession planning** – position it as a strength, not a signal of instability.

Final Thought: Succession as a Strategy

We often think of succession as a risk mitigation tool. But it's more than that, it's a *strategic accelerant*. It's how boards signal to investors, regulators, and employees that their organizations are built for continuity, not crisis—that they are thinking in decades, not quarters.

If India Inc is serious about building institutions that endure—not just valuations that rise and recede—it's time for boards to treat succession as a defining act of leadership, not a deferred decision.