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How Do Boards Organize Themselves for CEO Succession Planning?

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CEO Succession

Strategy

Here's what directors should know about how their peers plan for CEO succession planning and whether to reassess their own processes.

Few corporate acts are more momentous than selecting a new CEO. Despite this being one of the board's primary responsibilities ↗, directors often lack insight into how their peers approach this critical task.

In fact, it is one of the most common questions posed to Russell Reynolds Associates when speaking with board leaders about CEO succession planning. Our research reveals one of the consequences of directors not knowing how to approach this effort, or what a "good" CEO succession practice look like: Only half of director respondents ↗ to the 2025 Board Culture and Director Behaviors Study report having the ability to appoint an internal successor if one was needed tomorrow.

The study asked more than 1,000 corporate directors to detail what really happens in their boardrooms. Recognizing that many directors serve on multiple boards, we asked each director to  questions from the perspective of the board on which the individual has served the longest.

For this year's report, we asked directors who had been involved in a CEO succession planning effort at any point in time while on those boards to tell us about how their boards approached the task.

Below is what we learned about how boards approach CEO succession planning.

Organization and Leadership

Just as formal committee structures vary from board to board, so, too, does the way that boards organize themselves to approach the task of CEO succession planning. Data from the Board Culture and Director Behaviors Study report show that:

- 20 percent of respondents tackled succession at the full-board level, with all directors involved in the process;
- 17 percent established a special committee entirely focused on managing the CEO succession process; and
- 6 percent created an informal working group of directors.

When it came to leading the effort, 25 percent of respondents said that their independent board leaders (i.e., chair or lead independent director) spearheaded the effort, and another 25 percent turned to their nominating and governance committee chair.

When determining how to organize CEO succession planning efforts, and who to ask to take the lead, there is no one-size-fits-all solution. Board leaders should consider existing committee structures and whether there is an established committee that would logically be responsible and has the bandwidth to take on the work. Managing succession at the full board level is attractive for many reasons—not the least of which is that the full board will eventually have to vote on the decision—but it also requires directors who will engage at the right level and time, rather than overreaching and overcomplicating the process along the way.

Monitoring and Interviewing

One of the benefits of a robust, long-term CEO succession plan is that it creates optionality: The board can ideally choose between multiple great executives, all of whom could be expected to perform well in the role. If external candidates are considered, it gives directors a chance to benchmark internal talent against the external talent market. This can highlight internal candidate development gaps or provide confirmation that the internal candidate is the best one for the job.

Long-term CEO succession plans should ideally play out over three or more years, giving directors the opportunity to fully understand and evaluate the internal candidates. In fact, directors who report using a longer timeline for CEO succession planning are significantly more likely than directors using shorter timelines to report feeling as though they are adequately informed about internal candidates'  and development plans, and that they had adequate exposure to those internal candidates in 11.5 months leading up to their selection.

When it was time to make the final decision, directors reported considering a median of one internal candidate and two external candidates. Russell Reynolds Associates' [CEO Turnover Index](#) data show that about 76 percent of incoming CEOs in the first half of 2025 were internal hires. This indicates that while more external candidates are considered for the role, boards are confident that their succession processes prepare internal candidates to succeed as CEO.

Looking Beyond the CEO

While CEO succession planning is a primary focus of the board, directors are increasingly showing interest in broader C-suite succession efforts. This occurs for multiple reasons: The people in C-suite roles are likely internal CEO successors and there is a growing recognition of the importance of a having an executive team that performs strongly.

It is no surprise, then, that the majority of respondents in the Board Culture and Director Behaviors Study reported that the board also looked at broader C-suite succession issues, either generally (27%) or for specific roles (51%), when undertaking CEO succession planning. Among the boards that looked at successors for specific executives' roles, 75 percent looked at the chief financial officer, 55 percent looked at the chief operating officer, and 30 percent looked at the chief human resources officer.

The Importance of Early Action

Successful long-term CEO succession planning requires boards to identify the right organizational structure and leadership for their business context and culture, focus on impactful candidate development efforts with frequent monitoring, and establish a systematic process for internal and external candidate evaluation. When the board puts these pieces in place early in the process, it creates the conditions necessary for the selection of the right candidate and a smooth transition of the new CEO.

The views expressed in this article are the authors' own and do not represent the perspective of NACD.

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