

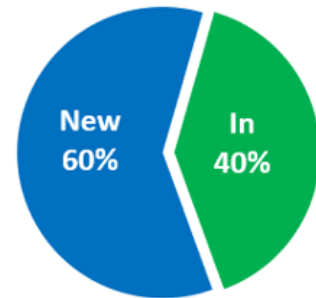
Newcomers vs. Promotions at the Top of Corporate Organizational Charts

C-suite roles are highly coveted positions in global business. To fill these important positions, companies sometimes pursue new hires from outside their organizations, and they sometimes promote talent internally.

We assessed C-suite executives from the 500 companies that comprise the [2021 edition of the Global Fortune 500](#).

C-suite executives at these companies are defined as the chief executive officer (CEO), direct reports to the CEO (N-1 to CEO) and those reporting to them (N-2 to CEO), totaling 30 executives as of January 1, 2022.

We then checked this list against those who were already in the C-suite of their current company four years earlier.



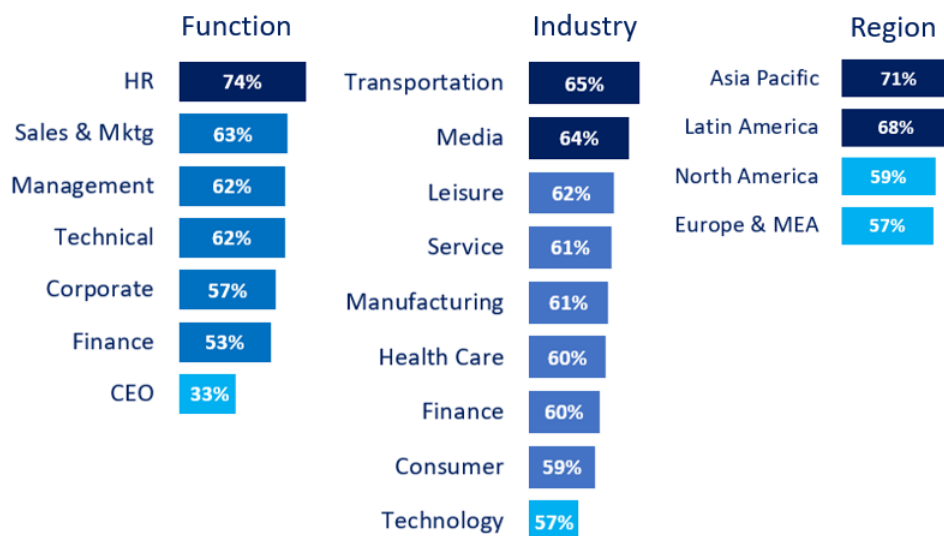
Newcomers to their company C-suite

What we found was this: As of 2022, 40.1 percent of C-suite executives (pictured in green above) were **in C-suite roles** at their current company, **four years earlier** on January 1, 2018. It represents an annual attrition of 20.4%.

Conversely, 59.9 percent were not and were **new to C-suite roles** of their current company (pictured in blue above).

Newcomers to their company C-suite

In the graph below, we display those who were **not** in C-suite functions at their current company, **four years ago** and the C-suite [functions](#), [industries](#), and regions of the world in which they now function:



Newcomers to their company C-suite

What we found in this assessment was that C-suite newcomers **are highest in Human Resources**. Companies have faced increasingly urgent needs to strengthen their HR function and hire those capable of developing new corporate cultures, transforming organizations, recruiting new hires with new skills, or restructuring organizational compensation, incentives, and benefits.

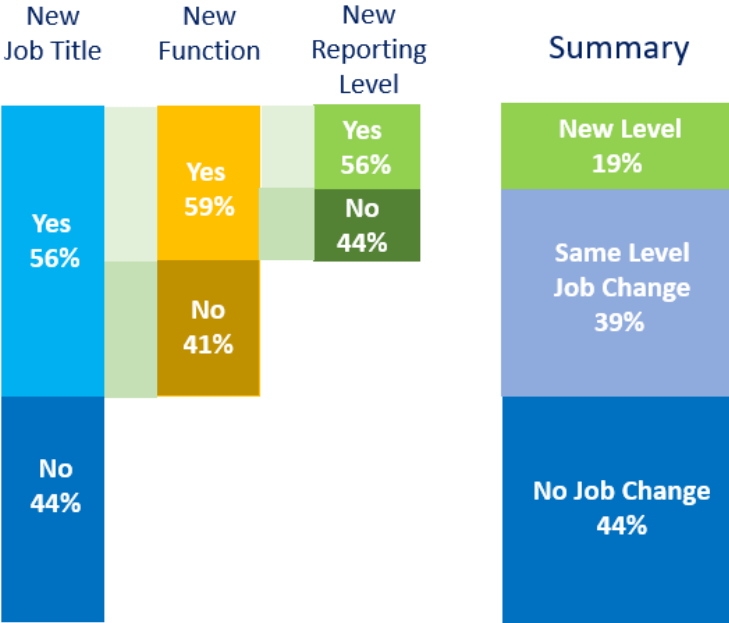
Conversely, the rate of C-suite newcomers is **lowest in CEO** role, primarily because companies have increasingly sought stability during the rough pandemic period and have not been very willing to make changes at the top of their company’s executive management during this volatile period.

Within **industries**, differences are more limited between the extremes. The transportation industry (airline and maritime) and media industry (news, broadcasting, print and newspapers) have gone through more changes in their C-suites than other industries.

On a **geographic** basis, North America and Europe have largely trended in a stable and historically consistent manner while Asia Pacific (mainly China and India) and Latin America (mainly Brazil and Mexico) have seen a much higher share of newcomers to their respective C-suites.

Promotions within the C-suite

Among the 40.1 percent of C-suite executives who were in C-suite jobs four years previously and are still in C-suite jobs presently with the same company, we found the following related to their respective job titles, functions, and reporting levels:



Job changes after 4 years in a company C-suite

Within this category, 44 percent (in dark blue) still hold the **same business titles** they had four years ago but the majority (56 percent in light blue) of them hold new business titles today, which represents an evolution of their C-suite functional roles and missions.

Also, within this category, 41 percent (in brown) today hold **new business titles** and have kept the **same functional roles**, meaning that the evolutions of their C-suite roles were minor (e.g., a vice president, communications becoming a vice president, communication and advertising but largely remaining in a communications function).

For 59 percent (in yellow), however, changes in their business titles reflect **new functions** (e.g., vice president, data and analytics becoming a vice president, revenue, representing a functional move from data analytics to a sales function).

Among this group, changes in their respective functions also include a **new reporting level** for 56 percent (light green) of them (e.g., a vice president, control in N-2 to the CEO being promoted to a chief financial officer in N-1 to the CEO).

To summarize,

- **one fifth** of the C-suite executives have been **promoted** to a higher level after four years (the 19 percent in light green),
- **two fifths** have enjoyed **some changes** in their role (the 39 percent in light blue), and
- **two fifths** have held their exact **same roles** (the 44 percent in dark blue).

Take Away

C-suites continue to **reshuffle and restructure** with an annual attrition of 20.4%. Executive hiring skills is thus a must-have for any top manager.

Partnering with talented executive search firms that understand these companies' challenges and setting up robust executive recruiting processes both represent key investments for large companies.

To follow what is happening in your market, we have developed alerts to keep you informed on a [daily, weekly, or monthly](#) basis about executive changes at your selected companies ([free access](#)) and also in industries, countries, and functions you wish to monitor ([premium access](#)).