

25x25 PRESS RELEASE
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- **UK plc risks facing critical talent deficit at its most senior levels**
With detrimental impact on UK growth

25x25, the not-for-profit membership organisation founded in 2021 by leading UK and international companies, which provides **independent pan-sector research and data analytics on succession and talent planning**, today launches its third research report. This report, entitled '*Nomination Committee Effectiveness on CEO Succession Planning*' is based on interviews undertaken by 25x25 with 117 Chairs, largely from the FTSE350, and other experts (the "Survey").

The results show that in UK plc:

- Insufficient 'transformative' CEOs are being developed, i.e.: strategic leaders required to grow, merge or acquire, and innovate.
- The majority of current CEOs are 'operator' CEOs, i.e: operational leaders required to restructure, reduce costs or improve operating margins.
- The need for an operator CEO vs a transformative CEO may be cyclical, and these cycles are getting shorter.

As a result, UK plc is seeking these transformative CEOs outside of their own organisations and has built a dependency on external CEOs that is much higher than similar markets (58% of all FTSE350 CEOs vs 27% for S&P500, 23% for DAX40 and 30% for CAC40).

This risks impacting UK growth, on the basis that any company requires a certain amount of transformative leadership, and to be so reliant on seeking this externally at the highest level of risk and remuneration (at CEO level) may not be sustainable.

Shorter CEO tenure in the UK limits the incumbent CEOs' time to develop successors (CEO tenure is 5.0 years for the FTSE350 vs 7.9 years for S&P500, 6.2 years for DAX40, 8.2 years for CAC40). Furthermore, operator CEOs are more likely to develop successors with similar skills. For women CEOs, average tenure is even lower (4.1 years for FTSE350 versus 5.2 years for S&P500).

The research shows, however, that some of these issues are not structurally difficult to fix. 25x25's work over the last four years with its members and wider network, demonstrates that **if a systematic and forward-looking approach is applied to CEO succession and talent planning then the number of viable internal candidates can increase very rapidly.** But in order to do so, investment is required, and a review of the process and the data being tracked is a good starting point.

The research also finds that:

- Much of the talent analysis undertaken by boards as part of their CEO succession and executive talent planning is based on **historical patterns and criteria such as experience and skills, and not forward-looking assessments.**
- UK plc boards may be under more pressure from UK investors on their CEO selection than boards in comparable markets.

Tara Cemlyn-Jones, CEO 25x25 said:

“The problem we are observing is that each Board regards its CEO succession as unique and therefore the data it tracks is for their specific company or sector. This limits the talent pools being benchmarked. By covering the whole market, we have a good view of the structural trends on critical skills, and we work with members to help them develop forward-looking and transformative talent plans.”

Sir Mark Tucker, Chair HSBC said:

“This research was clear, thoughtful, and impactful. A valuable piece of work that conveys practical learnings and unique and important insights.”

Kevin Parry, Chairman Nationwide Building Society said:

“This research is timely and the key points drawing out the relevance of operational and strategic priorities at different times are spot on.”

Dame Alison Carnwath, NED EG Group (Asda), NED Paccar, Senior Advisor Evercore said:

“Here we have some research which really stimulates a good debate. Nomination committees with very experienced business leaders represented will enjoy adding this content to their important debates about succession.”

Sharon Thorne, NED Rio Tinto; said:

“Excellent input about needing both operational and transformative skills, possibly cyclically, but also within the pipeline – it really resonates.”

Notes to editors

To arrange an interview or for further information, please contact:

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Research Methodology

For this research, 25x25 held 30 to 60-minute interviews between March and July 2025 with over 160 experts including 73% Chairs and/or Chairs of the Nominations Committee or equivalent; 14% Senior Independent Directors and/or Independent Non-Executive Directors; 7% Chief People Officers or equivalent; and 6% External Recruiters.

25x25 has developed its proprietary pan-sector Pathways to CEO methodology to measure progression to CEO and executive positions. It has been tracking this cumulative data on a quarterly basis since 2021 and has published on this data since December 2023.

25x25 also tracks market data every quarter for a wide range of international market indices, such as the FTSE350, S&P500, DAX40, CAC40 and others. This data is collected based on **the total number of people in role at that specific collection date**, including CEO appointments, Pathways to CEO, CEO tenure, among other. The data provided above is at 31st March 2025.

About 25x25

25x25 Limited (25x25) is a not-for-profit membership organisation founded by leading UK and international companies committed to improving CEO succession and talent planning including gender-balance, skills gaps and other; and sharing best practice across the wider business community.

25x25 provides independent pan-sector market research, data analysis, and specific insights and advice on CEO succession and executive talent planning, including forward-looking data analytics assessment tools, skills gap analysis and high-potential talent identification.

25x25 launched in November 2021 with 14 founding members and now has 24 members including currently as diamond members: BAE Systems, Baker McKenzie, Barclays, bp, NatWest Group; and as standard or legacy members: Admiral Group, British Land, Brunswick Group, Centrica, Deloitte, GSK, IG Group, ITV, Linklaters, Lombard Odier Investment Management, Martin Currie – a Franklin Templeton Company, Morgan Stanley & Co International, National Grid, Pennon Group, Royal Air Force, Smiths Group, Spectris, Spirax Group and Unilever.

Over the last four years, leveraging its interactions with its members and the leadership teams at over 500 UK and international companies (the ‘Expert Network’), 25x25 has developed and launched:

- The 25x25 Framework, a set of best practices focussed on its proprietary Pathways to CEO methodology. This methodology has now been adopted by many companies.
- Three independent research reports, including this latest report – see [Research Reports](#). This research is based on market data compiled quarterly by the 25x25 team; observational data gathered from its Expert Network; and aggregated and anonymised data collected through interviews on specific subject matters.
- The 25x25 Interactive Framework Tool (25x25 IF Tool), a self-assessment data analytics tool on executive gender-balance and CEO succession tailored for the FTSE350 market – see [IF Tool](#). The 25x25 IF Tool was made freely available in December 2023 and has over 2,500 users.
- Over 25 video interviews with 25x25 Ambassadors – see [Members’ Voices](#). These videos illustrate the Pathways to CEO methodology, best practice and common challenges.
- Over 20 peer-group events - see [Events](#). These curated events allow peer groups to share views, under Chatham House rules, on key issues and concerns; and for 25x25 to share recent learnings from its wider network.

To join as a 25x25 member, please contact: members@25x25.com.

To help fund our research, please contact: admin@25x25.com.

To support or collaborate with 25x25, please contact: admin@25x25.com.