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# Retail Industry's CEO Turnover Rate Has Hit A Record High

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Retail's revolving doors are turning faster than ever as the industry scrambles to respond to changing consumer behavior and disruptions led by Amazon. (Photo by View Pictures/UIG via Getty Images)

As retailers scramble to respond to the new demands of fickle consumers and to disruptors like Amazon, the industry is taking a page from those shoppers who show little loyalty and changing CEOs at a faster pace than ever.

The retail industry saw its rate of announced CEO changes among S&P 500 companies rise to nearly 23% last year, from 16%, according to the Conference Board's annual study *CEO Succession Practices*, developed in partnership with the executive search firm Heidrick &

Struggles. That was the highest rate the sector has seen since the Conference Board began the study in 2001 and more than double the industry's historical average rate of 10.5%.

The retail CEO turnover rate last year also topped that of other industries from finance to transportation and doubled the S&P 500 index average of 10.8%, according to the 116-page report.

“The wholesale and retail industry is among the most vulnerable to today’s changes and disruptions, including ongoing pressure to develop an omnichannel presence to compete with online shopping,” the report said. It reflects “the aptly named ‘retailpocalypse’ that has been affecting department stores and other trade businesses besieged by the Amazon behemoth.”

Those in the industry that have announced CEO changes last year include Macy’s, Ralph Lauren and Tiffany.

Barbie parent Mattel is another example. The company, faced with declining sales, changing children’s play patterns and the negative impact of Toys “R” Us’ bankruptcy, has reshuffled its CEO deck again. This year it replaced former Google executive Margo Georgiadis, who had been on the job for only a little over a year, with former Fox executive Ynon Kreiz.

Almost two-fifths of the retail CEO changes were a result of a failure to deliver that led to what’s considered “disciplinary succession,” according to the report. The rate also topped that of other S&P 500 segments.

Meanwhile, “embattled by disrupting competition and changes in the consumer market,” retailers, as in some other industries, are increasingly looking outside for CEO talent as they hope to gain fresh perspective, the report said.

The percentage of CEO appointments among S&P 500 companies that went to outsiders jumped to 44% last year, more than triple the percentage the past two years, according to the report. (To be clear, retailers aren't just looking for outsiders; they are also looking for talent outside of the industry itself. Think of the increased poaching of tech sector and startup talent.)

Chipotle Mexican Grill is one example of hiring from outside its corporate family. The fast-casual restaurant chain this year named former Taco Bell CEO Brian Niccol, who was credited with turning around the Yum! Brands unit, to replace founder Steve Ells as CEO. Ells, who was named executive chairman, said then that Niccol “will bring fresh energy and leadership” to Chipotle.

With the disruptions facing the industry showing no signs of easing, the retail industry's revolving doors may only turn faster.