

# Why first-time CEOs lose momentum – and how to regain it



The moment a new CEO is announced, the air shifts. Congratulatory calls, social media posts, warm messages from mentors, and eager greetings from colleagues – all mark the occasion. From the outside, it looks like a career peak. But for those stepping into the role, it is often the beginning of a much steeper climb.

Leadership transitions rarely unfold as triumphantly as they appear, particularly for first-time CEOs.

In the early months, the real challenge is not just assuming authority but defining what leadership should look like at this new level. And for most, there's surprisingly little guidance.

Research shows that 50-70% of executives in their new role fail within the first 18 months. This isn't always due to poor decisions or flawed strategies. More often, it stems from underestimating the complexity and ambiguity of the role.

This should be a period of momentum – a time for fresh vision, cultural renewal, and bold decisions. Yet many first-time CEOs lose traction – not through missteps, but by failing to assert themselves early.

They listen, avoid disruption and seek trust. But six months in, the pace stalls. Decisions lag and the organisation remains unchanged.

It is not that the CEO has failed. It is that they have not fully arrived.

## The slow fade: Understanding where momentum slips

The paradox of internal promotion is that familiarity creates comfort, not readiness. An insider may be seen as a natural choice – they know the business, the people, the culture. But this ease often masks the real transition required.

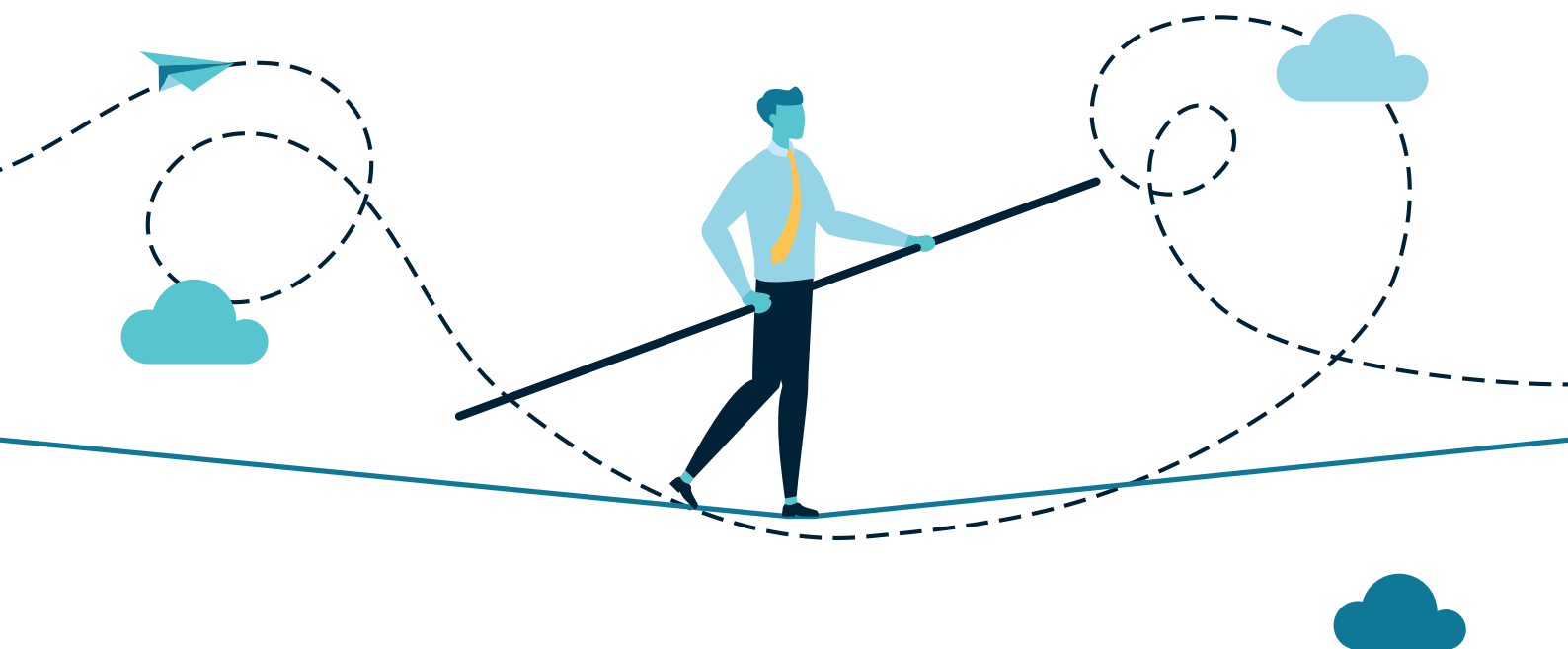
While the role has changed, expectations stay the same. Former peers continue to operate as they did before. Unspoken norms persist. Many new CEOs promoted from within underestimate the need to reframe and reset – both their own identity and the system around them.

This is where the drift begins. Without a deliberate cultural reset, old habits resurface. Without symbolic assertion, ambiguity creeps in. Without clear decision rights and structural clarity, teams revert to the familiar, thereby slowing progress.

Take the case of a long-tenured internal executive appointed as CEO of a legacy industrial conglomerate. Though trusted and accomplished, he approached the role with excess caution. The company was already under strain and required not just operational fixes, but visible change – bold signals, cultural clarity, a sharp narrative reset. He stabilised costs rather than signalling change. In trying to preserve continuity, he missed the opportunity for renewal. His tenure lasted just over a year.

He did not lack capability. What he lacked was the mandate to lead differently – and he didn't claim that permission early enough. Politeness does not shift institutions.





### What's really happening in the early months?

Behind the scenes, first-time CEOs face challenges that rarely appear in formal transition plans or onboarding checklists. These are not tactical gaps – they are identity shocks.

The first is the lingering legacy of the previous leader. Their style, priorities, and influence don't disappear when they exit. A new CEO walks into rooms where decisions still echo with their predecessor's voice.

One leader, newly appointed to the top role at a multinational software company with a long and high-profile history, understood this challenge well. Rather than distancing from his predecessor's legacy, he chose to reframe it. By introducing a leadership narrative focused on empathy and a growth mindset, he signalled evolution rather than rupture. It was a subtle but powerful shift that helped define his tenure on his own terms.

Another challenge is the peer-to-boss transition. One day, you're a colleague; the next, you're the one making the calls. The invisible shift in dynamics can feel awkward and many first-time CEOs respond by playing it safe. They lean towards broad consensus, avoid tough calls, and hesitate to disrupt the status quo too early. The intent is to build trust, but the effect is often inertia disguised as inclusion.

At a large global bank, the appointment of its first ever female CEO was followed by a period of extensive listening and stakeholder engagement, but also a degree of excessive caution. Over time, however, the need for sharper, more decisive action became clear. She recalibrated her approach: flattening layers, restructuring the team, and stepping into a more assertive leadership posture. The early drift was real, but she moved decisively to counter it and ultimately her leadership vision became clearer over time.

This last challenge is harder to see: the ambiguity of power in the CEO role. While the title confers formal authority, informal influence doesn't shift overnight. Legacy networks, board dynamics, and external perceptions can all test a new leader's grip on the role. Who really holds the reins? How much space does the new CEO have to reshape the leadership team, or shift the culture?

These questions are rarely answered clearly. Most first-time CEOs are left to learn in real time – often by trial, or error.

## Old structures, new leaders: A clash of intent and system

One of the quiet failures in CEO transitions is that the organisation does not adapt to support the new leader. Structure, expectations, and informal hierarchies are often still designed for the previous CEO.

Without deliberate structural and cultural resets, the new leader operates with symbolic power but little traction.

Even well-meaning traits – inclusive leadership, consensus-building, and active listening – can backfire if not anchored in clarity. Inclusion without role definition breeds confusion. Consensus without conviction creates fatigue. When the leader hesitates, the system does too, and results reflect that hesitation.

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## What regaining momentum looks like

Effective transitions are not louder or more aggressive. They are more intentional and well planned. They begin with an understanding that the first six months are not about settling in. They are about claiming the role – architecturally, symbolically, and behaviourally.

The software company CEO's transition was not defined by a strategy overhaul, but a shift in tone. His use of empathy became a flag of change. And from that, structural shifts followed.

Similarly, the global bank CEO's eventual reset underscores the importance of clarity. As her leadership vision sharpened, decisions grew bolder, the pace of change faster, and organisational aligned improved.

These leaders didn't just adapt to the seat – they redesigned it.

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## What an impactful executive transition looks like

A common mistake many organisations make is treating executive transitions like onboarding.

Onboarding helps leaders step into established structures. But transitions require realignment – of systems, roles and identify. Three shifts are essential:



### Cultural

Tone, norms, and narratives must evolve



### Structural

Roles, decision rights, and rhythms need redefinition



### Personal

The leader must transition from participant to system shaper

At Heidrick & Struggles, we have supported first-time CEOs in India across industries and sectors – from the successor at a global pharma major, to the incoming CEO of a chemicals conglomerate expanding into EV batteries, to the newly appointed leader of a global restaurant chain. While each case is unique, the architecture of a successful transition often follows four key principles.



## 1. Start with a plan – even if imperfect

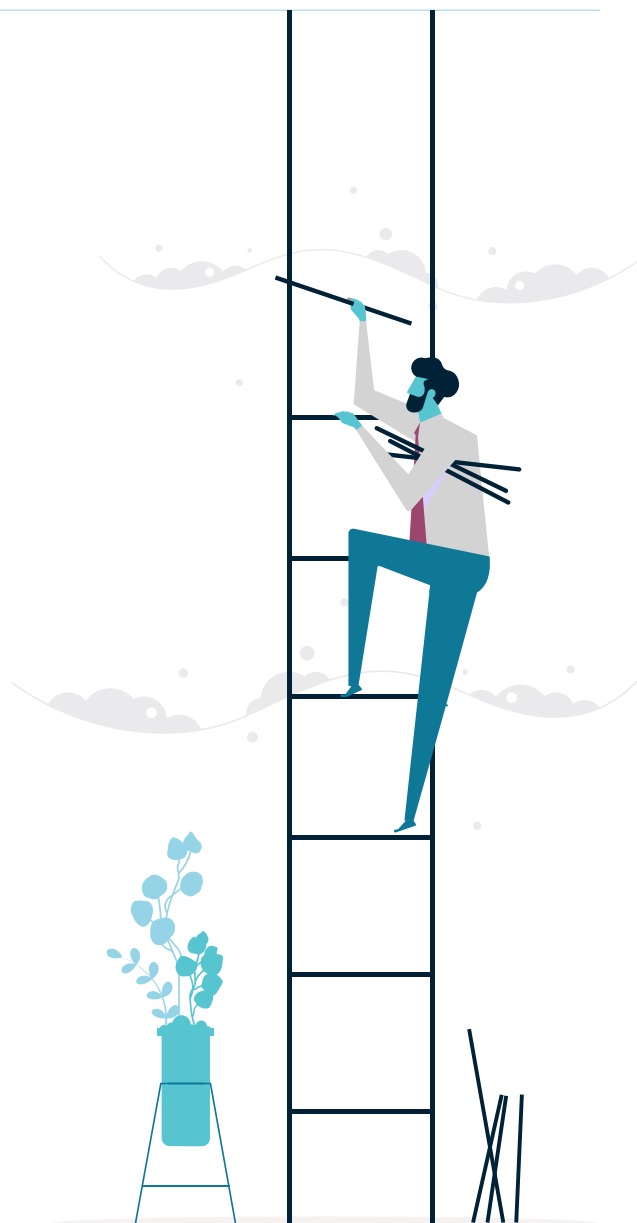
One of the most persistent myths in CEO transitions is that discovery must come before direction. In practice, it is direction that sharpens discovery. We work with first-time CEOs to build 90-day and 180-day transition plans – not as rigid blueprints, but as directional tools that guide early decision-making.

We begin with a simple but critical question: “where do you want to be in six months, and what is the minimum evidence that you’ve arrived?”

From there, we help leaders define:

- What success looks like
- Which early actions will create momentum
- What behaviours may indicate drift or misalignment
- Which individual or organisational patterns merit close observation

This document becomes a living guide – a space for reflection, prioritisation, and accountability. It also acts as a safeguard against inertia. With average global CEO tenure now trending closer to two to three years, the early window cannot be consumed by over-calibration. Stakeholders expect traction. Boards expect clarity. That is why we help CEOs cultivate not only direction, but urgency – an “action bias” that translates early insight into visible momentum.



## 2. Use coaching as strategic infrastructure

The isolation that often accompanies the CEO role is widely underestimated. Yet executive coaching – when used intentionally – serves not as support but as infrastructure. It creates a neutral, confidential space for processing high-stakes decisions in a politically complex environment. Over a year-long period, we work with new CEOs to:



Pressure-test critical decisions before they are made public



Navigate unspoken dynamics around power and influence



Refine language, presence, and posture commensurate with the role



Shift thinking from functional depth to enterprise-level perspective

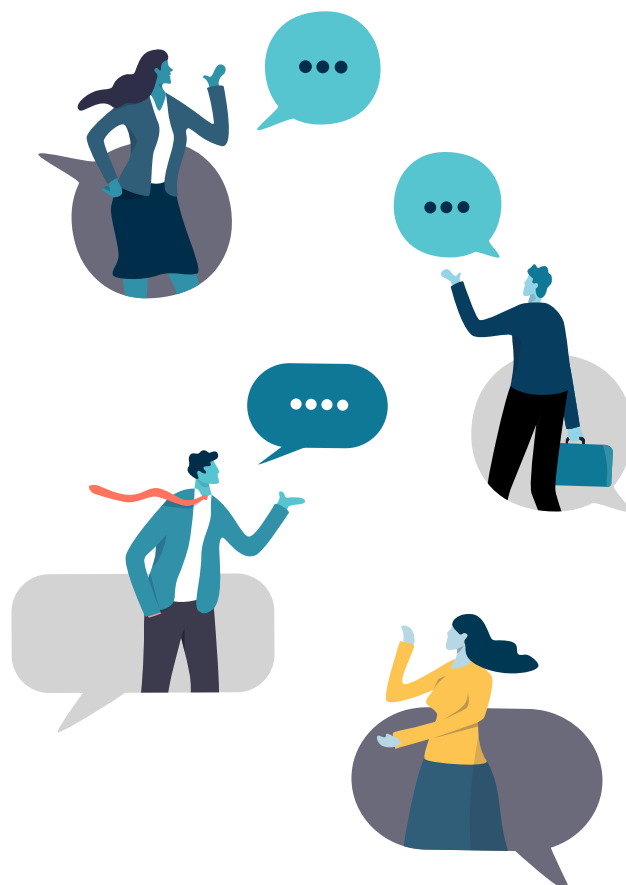
Coaching becomes a structured pause – a space to allow slow reactive impulses, challenge assumptions, and sharpen leadership intent. This is not just about motivation; it is about developing the clarity and precision required at the top.

## 3. Engage with peer networks to expand strategic range

First-time CEOs often carry residual perspectives from their previous roles. But the CEO role demands a broader vantage point – the ability to operate across systems, sectors and various contexts. That is why one of our most powerful interventions is to enable CEO circles – a networking forum where new leaders can engage with current and former CEOs who have navigated similar challenges and can:

- Share and benchmark complex challenges without the pressure of internal optics
- Learn how other CEOs navigate high-stakes scenarios – from founder transitions to activist pressure
- Accelerate pattern recognition by engaging across industries

These external inputs help CEOs recalibrate what “good” looks like and expands the range of choices they’re able to consider.



## 4. Address the unspoken challenges

No CEO transition is seamless. What often separates effective transitions from stalled ones is the ability to confront the difficult, unspoken aspects of leadership change:

- How will you reposition your board from oversight to strategic partner?
- What if your predecessor continues to hold informal influence?
- How do you manage legacy loyalties while building a high-performing team?
- How do you responsibly exit your previous role – and signal a new chapter?

We help CEOs navigate these inflection points – through short and targeted example-driven acceleration sessions with our internal CEO acceleration advisors – designed to move from reflection to resolution. These moments, more than any early vision statement, shape the trajectory of a CEO’s first year.



Beyond succession: Redefining the leadership role

First-time CEOs are often handed the reins of an organisation with deep-rooted legacy systems and expected to lead forward without the time or permission to reshape what’s underneath. Execution is expected; reinvention is rarely supported.

Yet real transition is not simply about occupying the chair, but about reshaping it to align with the leader one chooses to become. CEOs who lead with clarity, intention, and a strong sense of authorship are far more likely to steer with confidence and conviction.

When transitions are left to unfold organically, legacy tends to dominate. But when approached with deliberate design, first-time CEOs do not just inherit influence – they redefine it. They do not just lead within existing constructs – they evolve what leadership means for their organisations.

That redefinition, when anchored in strategy and values, becomes the foundation for sustained momentum well beyond the early tenure.

The CEO transition toolkit: A guide for first-time CEOs

Element	What it provides	Why it matters
 90-180-day transition plan	Sets direction and accountability	Creates clarity early; prevents drift
 Executive coaching	Safe space for reflection and behavioural calibration	Builds resilience; prevents isolation
 Peer CEO network access	Perspective and informal insight	Accelerates maturity and broadens strategic range
 Acceleration sessions (Targeted)	Tackles unspoken dilemmas such as board dynamics, peer-to-boss, and succession clarity	Unblocks blind spots; aligns symbolic and practical leadership
 Top team journeys (Workshops)	Reframes tone and narrative necessary for a high-performing team	Establishes CEO presence, signals change and creates long-term momentum through team buy-in

To learn more about CEO succession, contact us.

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