

JULY 2025

Rethinking Talent Retention and Development in PE-Backed CPG Companies

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As private equity investment reshapes the consumer-packaged goods landscape, organizations that master talent retention and leadership development are emerging as the clear winners in an increasingly competitive market.

The recent surge of private equity investment in consumer-packaged goods has transformed more than balance sheets. As CPG companies—particularly established brands with operational gaps—have become attractive PE targets, leadership expectations have shifted dramatically.

[Private equity's expanding presence in CPG](#) is reshaping organizational approaches to growth, innovation, and talent management. Talent acquisition and leadership development are no longer peripheral functions but central drivers of value creation. Progressive PE investors now integrate talent considerations directly into investment decisions rather than treating people-related choices as secondary to financial analysis.

This strategic elevation of talent has been deliberate and systematic. As noted by [Harvard Business Review](#), top-performing PE firms systematically reevaluate leadership collaboration starting in the due diligence phase. They examine executive capabilities with the same rigor applied to financial assessments while emphasizing cultural compatibility as a predictor of sustained value delivery. Talent cultivation and retention have become strategic necessities for maintaining momentum and realizing broader investment objectives.

CPG enterprises under PE ownership must fundamentally reorient their approach to leadership, organizational culture, and human capital planning. Organizations that excel at attracting, developing, and retaining top-tier talent will exceed market expectations while establishing competitive advantages in an increasingly demanding environment.

The Unique Challenges of Talent Management in PE-Backed CPG Companies

Talent management within private equity-owned consumer packaged goods businesses creates distinct complexities through the intersection of aggressive growth targets, evolving organizational values, and heightened leadership effectiveness expectations.

Accelerated growth pressures represent a primary challenge. PE sponsors typically impose ambitious expansion timelines and operational enhancement goals that place substantial demands on internal teams. Senior leaders must achieve growth objectives while managing

the impact on employee capacity and morale. [This pressure intensifies](#) in CPG businesses where rapid scaling can stretch leadership capabilities and challenge operational agility.

Cultural alignment presents another significant obstacle. CPG companies often operate within agile, brand-focused cultures that may conflict with the structured, data-driven approaches favored by private equity owners. Bridging these cultural differences requires [intentional leadership](#) and cohesive communication strategies. Culture directly shapes employee experience and value creation potential. From senior leadership to individual contributors, how people perceive and navigate daily work impacts engagement levels and contribution quality. Without deliberate integration of values and working styles, organizations risk disengagement, change resistance, and diminished team cohesion.

Leadership turnover and continuity risks compound these challenges. The imperative for rapid performance gains can trigger high executive turnover, particularly when short-term benchmarks remain unmet. While intended to accelerate progress, excessive leadership changes erode trust, destabilize teams, and disrupt long-term planning. Recognizing this dynamic, many PE firms now prioritize leadership evaluation early in the investment process, incorporating interpersonal competencies alongside financial expertise. This comprehensive approach to leadership selection supports resilience, fosters alignment, and drives sustained enterprise value.

Simultaneously, increasing attention to [diversity, equity, and inclusion](#), combined with intensifying talent competition, requires PE firms to reconsider conventional recruitment strategies. Forward-thinking leaders are elevating talent to central positions in investment planning, understanding that long-term value depends on the ability to attract, develop, and retain capable, motivated teams from the outset.

Strategic Approaches to Talent Retention

Strong leadership remains a key differentiator as firms pursue sustained growth and integrate critical technology expertise across deal lifecycles. In 2025, private equity firms are expected to intensify focus on both attracting and retaining top talent.

Meeting these demands requires PE sponsors to reimagine leadership recruitment for portfolio companies, especially when appealing to executives from large-cap environments. Growing recognition indicates that talent strategies must extend beyond the C-suite, reaching middle management and shaping broader organizational structures to drive long-term success.

Three clear foundations emerge for building successful talent retention strategies in today's PE-backed CPG landscape.

Getting ahead of the hiring curve requires starting well before deal completion. Conducting leadership evaluations during due diligence allows sponsors to identify capability gaps early and develop succession plans through deliberate, data-driven approaches. This foresight minimizes post-close disruption and ensures leadership alignment with investment strategies from the outset.

Commitment to executive development addresses the need for CPG C-suite leaders who can navigate increasingly complex environments including AI deployment, supply chain challenges, and geopolitical upheaval. With unprecedented change unfolding continuously, executive development becomes crucial for organizational success and talent retention. Ongoing [leadership development commitment](#) plays a vital role through tailored training and growth opportunities that improve motivation, deepen internal talent benches, and equip rising leaders for future roles. This approach strengthens enterprise adaptability and reduces dependence on external recruitment.

Leveraging executive reward structures creates win-win outcomes through compelling performance-tied compensation that has long proven effective for talent retention, particularly in scenarios where equity ownership benefits from executive stability. This [combination](#) of early evaluation, leadership investment, and equity incentives now characterizes high-performing PE talent strategies. In arguably one of the most challenging labor markets in recent memory, firms embracing well-rounded, forward-thinking people management approaches gain clear competitive advantages.

The Role of Executive Search Partners

In today's dynamic landscape, particularly within private equity-backed environments, leadership must deliver both strategic foresight and operational excellence. Executive search partners are uniquely positioned to help organizations identify and integrate individuals capable of meeting these challenges.

Identifying transformational leaders requires executive recruiters who excel at sourcing candidates with deep industry expertise plus the agility and vision necessary to lead through PE-backed environment volatility and accelerated pace.

Ensuring cultural fit demands recruitment partners who extend beyond surface-level assessments to evaluate how leadership candidates align with organizational values, stakeholder expectations, and evolving strategic priorities, ensuring cohesion from day one.

Facilitating smooth transitions involves experienced recruiters providing structured onboarding guidance and transitional support that enables new executives to quickly gain traction and sustain momentum during critical organizational change periods.

The importance of leadership and culture alignment in driving resilience and adaptability appears clearly in the example of [Serenity Kids](#), a baby food brand that swiftly transformed packaging to meet demand while maintaining its healthy niche when existing processes failed. This agility resulted from cohesive leadership teams and unified organizational culture, enabling rapid decision-making and innovation in response to market disruptions.

This case demonstrates how prioritizing leadership and cultural alignment empowers CPG companies to navigate challenges effectively and maintain competitive edges in fluctuating markets.

Building a Sustainable Talent Strategy

In private equity-backed CPG companies, long-term value creation requires a fundamental shift: talent considerations extend well beyond the top of organizational charts. Successful firms invest in leadership development across all levels, recognizing that sustainable growth emerges from deeply engaged and well-supported workforces.

True competitive advantage develops when PE sponsors, portfolio companies, and executive search partners collaborate closely to build leadership pipelines extending beyond the C-suite. Organizations embracing more [holistic, forward-looking people strategies](#) position themselves not only to deliver strong returns but to build enduring enterprise value.