

Succession planning 2.0:

A future-proofing talent strategy for technology leadership in the Middle East

The new reality of tech succession



US\$780 billion
by 2030

Middle East's digital economy growing at 20% growth per annum, outpacing growth of the global digital economy¹

These figures call for a mindset shift as companies future-proof their technology leadership, in which equal importance must be given to both capturing opportunities and anticipating or reducing risks.



US\$7.9 million
in 2030

Cost of a data breach in the Middle East up 15% over the last three years and a marked 155.9% increase over the last decade²

Across the Middle East, we have witnessed an investment in pivotal leadership roles within the technology function such as the chief technology officer, chief information security officer, chief data officer, and now, the chief AI officer. In the previous decade, running a succession exercise for the technology function involved just one leader. Today, organizations must build succession planning exercises that cover multiple leaders with multiple large, dispersed teams.

Do you have the right tech leaders for the future? Critical questions to consider:

- 1 Have you mapped out your technology leadership team and the roles they play?**

The rise of emerging technology leaders could lead to uncertainty in the positioning of roles within an organization. In some cases, roles might find themselves devalued, downgraded or merged into a peer role within the technology function. Unclear reporting lines breed confusion around the role's objectives and can prevent each tech leader from taking ownership and driving tangible impact.

A Gartner study into the evolution of the role found that just 22% of data and analytics leaders reported to the CEO, while more than 40% reported to the CIO.
- 2 Is your board part of the succession planning process?**

More priority must be given at the top to strategically plan the organization's roadmap (ideally for a three-to-five-year horizon), skill sets for the future, and how to attract best-fit technology talent from the market and develop leaders from within the organization. Experienced directors with the right level of technology expertise will also be able to guide boards in making decisions that consider, anticipate and align with the rapid pace of technology development for the future.

Our survey of 112 CEOs and board members in the Middle East found that only 38% of leaders are confident in their organization's ability to manage leadership succession and turnover.
- 3 Are your technology leaders also business influencers?**

Today's tech leaders must operate as integrated business strategists rather than as pure technical experts. This means that they need to be able to articulate complex technical strategies in terms that make sense to the C-suite and board, in order to drive alignment at the highest organizational level.
- 4 How diverse is your current technology leadership development pipeline?**

The cornerstone of any effective leadership succession strategy is the board's ability to maintain a diverse talent bench that goes deep into the organization. As it is, strong technology leaders with the right mix of subject matter expertise and leadership skills are hard to come by. Companies in the region should also look to improve their internal leadership development pipelines for such candidates.

Our recent study of leadership teams in the top 50 Middle East companies found that 73% of CTOs /CIOs are externally hired.

¹ Source: UBS

² Source: IBM Security and Ponemon Institute

Guide to succession planning 2.0 in the digital and data-first era



Look at talent at least three levels below the C-suite

Oftentimes, technology leaders start from being technical experts. Boards and CEOs will need to start identifying these individuals early and putting in place structured development programs to build up their leadership skills.

Make diversity a priority

Boards should recognize that the more diverse in terms of gender, age, experience—or other characteristics relevant to specific markets—that talent pool is, the stronger, and larger, it will be. Retaining diverse leaders requires ensuring all top talent have access to the right opportunities to develop the skill sets and competencies needed to be considered a potential technology leader profile.

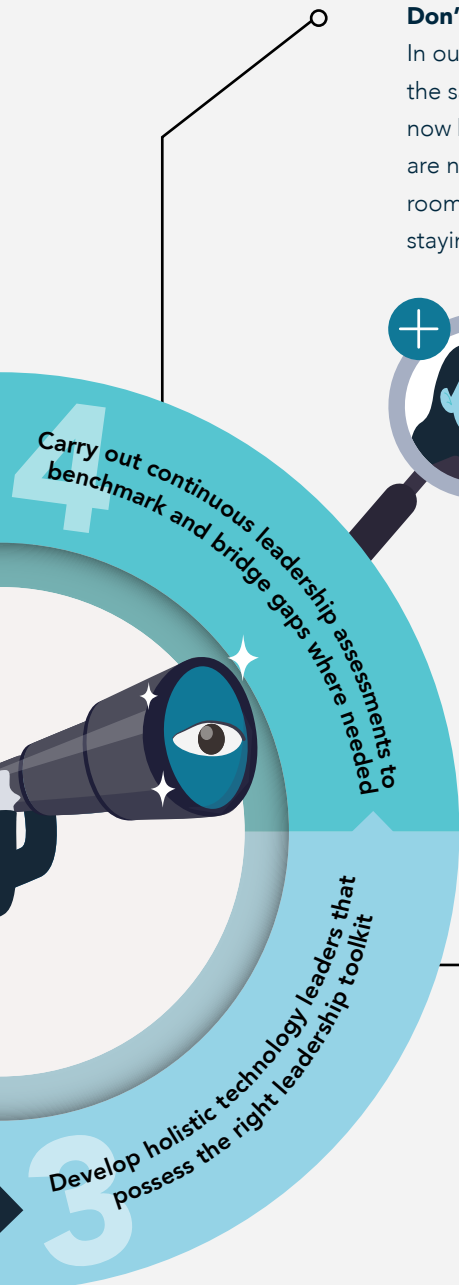
Search for the right leader

Deep-dive interview-based assessments combined with online psychometrics can uncover people who may not have put themselves forward but in fact have leadership capabilities or skill sets that could be very valuable to their organizations. Ensuring those strengths are known, refining through leadership development, and keeping a long-term talent strategy in mind during promotion and executive succession planning will help companies develop—and retain—these emerging leaders.

Strengthen leadership pipelines

Independent, objective data to assess leaders and their competencies as an ongoing process is critical in delivering the insight companies need to manage their leadership pipeline over many years; especially as the tech leadership suite only grows in complexity and scale.





Don't copy and paste the incumbent profile and selection criteria

In our experience, we see that many companies fall back to their instincts on looking for leaders with the same profile as the incumbent. It's critical for organizations to hire not for what the company is right now but for what it wants to become. It is important to assess carefully what new skills and capabilities are needed to take the company forward. Technology leaders should be the most curious people in the room, helping their organizations navigate change, and they must have an appetite for new skills and staying up-to-date with consumer preferences in order to achieve impact at the executive level.



Engage with custodians of the organizational vision

To build a succession strategy that is forward-looking, it is important to have ongoing visionary interviews with the organization's board members and CEO to understand their long-term strategic priorities. This will help identify the traits and skills that tech leadership successors need to have or hone, in order to uphold the company's purpose.



Look for leaders whose values align with your organization

With tech talent hot in demand, one key consideration beyond the hard skills is the motivation and character of aspiring technology leaders as part of the success planning process. The ideal candidate is one who focuses on transforming the organization rather than on personal gain.

Ability to influence at the C-suite and board level

Depending on the board's experience and expertise, board members may not immediately understand a technology transformation roadmap in its entirety or have different ideas of what success looks like. No matter the role, it is critical for technology leaders to be able to translate complex concepts into a language that boards and executive teams understand to secure their buy-in.

Succession assessments should evaluate candidates' abilities to bridge technology and business priorities, including examining leadership behaviors and communication skills that foster influence and collaboration.

Leading in an agile environment

Agility is only becoming more important for leaders, teams, and organizations to thrive in a world that is still being rapidly reshaped. Technology leaders once buried in the background now need to be at the forefront to advise and lead their organizations.

Based on Heidrick & Struggles' client work and research, the best approach is to identify, define, and assess the underlying traits that predict individuals' potential to act with agility. These include traits like foresight, learning, adaptability and resilience. Understanding of the different facets of agility helps companies see how many executives typically have those underlying traits, where the largest gaps are and how to bridge these gaps as part of the overall succession planning exercise.



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