

Digital Leadership Trends:

our predictions for 2023

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2022 saw a focus on data, artificial intelligence/ machine learning (AI/ML), convergence between tech and business strategy and continued emphasis on retention and equality, diversity & inclusion (ED&I). Will 2023 see more of the same?

Partners within our Digital & Technology Leadership Practice met recently to share insights on what's likely to drive the digital leadership agenda in the next twelve months.

The following key trends were identified:

- Data work continues; AI/ML expertise in demand.
- Continued convergence of tech and corporate strategy; 'digital first' a board focus.
- Movement of CIOs into COO/ CEO roles.
- Combination of tech and commercial/ leadership skills in demand.
- Retention to remain an issue; purpose, linked to ED&I and ESG, part of the package.
- Increased awareness of digital carbon footprint.
- Potential pressure on tech decisions from economic headwinds.
- Metaverse and Quantum moving closer to application.
- Historic cloud investment scrutinised for value-add.







Data deluge and AI/ ML capability still top the to-do list

Some organisations will continue work on fixing the data basics first. Others have forged ahead and are poised to find new ways to exploit value. The largest organisations are not always the fastest movers; many smaller companies are leading the way. Digital leaders proficient in driving AI, ML, robotic process automation (RPA), hyperautomation, digital twin and industry 4.0 initiatives will be in demand. All organisations will look to streamline operations, cut costs and generate insights with real-time data. Data is itself a catalyst as AI/ ML enables organisations to better manage and gain insight from huge data volumes. Automation may also play a role in tackling labour shortages in certain areas.

'Digital first' is on everyone's game plan

We expect the evolution of digital to remain a factor in every role we hire for. The pandemic brought 'digital first' to the fore; organisations with strong digital offerings and client portals stepped into the gap created by the lack of real-life contact. Those without, scrambled to get their act together. Customer demographics and preferences have changed for good – they want to transact online, and they want a seamless experience.

Tech and broader corporate strategy will keep converging

This is one trend that is not going anywhere. Technology is now the common denominator across all strands of corporate strategy, embedded in almost every business process. This trend will gather pace as organisations seek to automate and collect data from every corner of their operations.

More CIOs moving into CEO/ COO roles

We expect to see more CIOs moving into CEO and COO roles in 2023. Digital leaders skilled in transformation are at the forefront of both tech strategy and the use of tech to enable corporate strategy. They are uniquely placed to unlock competitive advantage and generate commercial potential. It's no longer acceptable for the executive not to understand tech given its centrality – hence CIOs with broad corporate experience and business acumen can be a good fit for a COO/ CEO role.

Tech expertise is not enough alone – communication, influencing & leadership essential

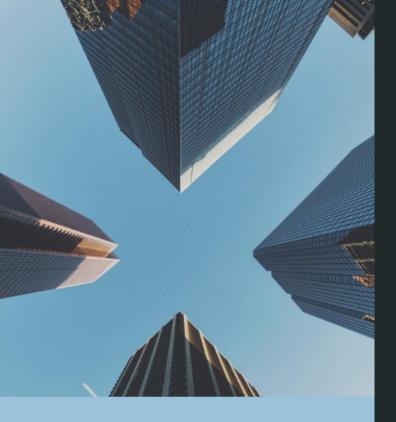
Demand for expertise in areas such as cybersecurity, AI/ ML, data, and EA will continue. But across all tech roles, organisations will look not solely for technology expertise but also robust commercial and leadership skills. Given technology's increasingly broad scope, organisations need digital leaders who can engage across the business and drive the entire strategy forwards – inspiring and influencing to deliver change and transformation.

Retention to remain a focus; employee motivations are changing

We expect retention to remain key. Tension is evident between employee and employer motivations, particularly on remote/ hybrid working. Candidates are being offered increased choice on what a working week looks like. Some organisations want staff in the office, some prefer to keep staff remote, others may experiment with reduced working hours such as the 4-day working week initiative. Purpose is becoming a bigger motivation; employees are looking for more ethical and eco-friendly organisations. To find and retain top talent, organisations will need to be aware of employee aspirations and how that continues to adapt.









ED&I important and evolving all the time

Companies will be judged on ED&I by investors, customers, existing staff and potential hires, and organisations will increasingly need to provide data to back up ESG and ED&I claims. Whilst gender and race may be the most visible sign of a diverse workforce, diversity today goes way beyond this. Organisations need to react sensitively and quickly to all types of diversity. In a fast-moving information age, increasingly aware participants will demand a response to issues such as gender identity and expression, neurodiversity and historic colonialism. A diverse workforce needs to be complemented by inclusive practice ensuring each employee feels valued with staff trained to address issues such as unconscious bias.

Tech contribution to net zero under scrutiny

Consumer and emploee decisions in the developed world are ever more informed by environmental considerations. Alongside this, there is growing requirement to report on ESG, and tech is increasingly a part of the eco equation. Some estimates put the carbon footprint from digital at close to 4% of global greenhouse gas emissions, which is more than the much-maligned aviation industry. Carbon targets historically had manufacturing and transport sectors in their sights. Expect that net to widen as awareness grows of the carbon footprint of the entire supply chain. Digital decarbonisation credentials are only going to become more important this year.

Economic headwinds to hit tech momentum?

Tech research firm Gartner forecasts worldwide IT spend to grow 2.4% this year but also notes, 'a turbulent economy has changed the context of business decisions and can cause CIOs to become more hesitant, delay decisions or reorder priorities.' Some observers fear tech spending was brought forward in the pandemic and a hangover is on the cards. But the focus will remain on improving business performance no matter what the economy throws at us, and it can be a more opportune time to hire and keep top talent during a slowdown. Having the best people will always drive competitive advantage and performance.

Future focus – metaverse and quantum computing

The metaverse is not here yet, but it will pay to have a brand offering ready for when it is – hence why digital first strategies need to have one eye on the metaverse. We expect another tech frontier – quantum – to remain in the headlines this year as tech giants move closer to taking this into practical application. This will keep cybersecurity top of the agenda as new frontiers are just as tantalising for hackers as legitimate organisations.

Cloud spending – a good return?

Given that many organisations invested heavily in the cloud several years ago, we expect discussions around what the payback has been. Organisations will be looking at how they have been able to extract value from the cloud, what the real return has been and how this will shape future investment decisions.

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Jean-Pierre brings over 20 years of experience providing executive search solutions for IT leadership and business transformation. Clients include entrepreneurial SMEs through to large multinational organisations going through people, process and systems change.



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Meet the team





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