



## Telco CEOs Today and in the Future

The telecommunications industry is at the confluence of a worldwide digital transformation, where virtually all aspects of consumer life and commerce have become inextricably connected. For every threat faced by a telecommunications CEO — intensified competition from over-the-top (OTT) content providers, increasing regulatory pressure, escalating customer demands, mounting security and privacy concerns — there are blossoming opportunities offered by emerging technologies like 5G, artificial intelligence (AI) and the internet of things.

The uncertain economic environment is constantly challenging traditional telecom business models, prompting the overhaul of internal operations as well as the pursuit of strategic partnerships, M&A and organic growth strategies to increase revenues. Responding to the ongoing disruption will require new creativity, collaboration, operational dexterity and customer focus led by this generation of CEOs and the next.

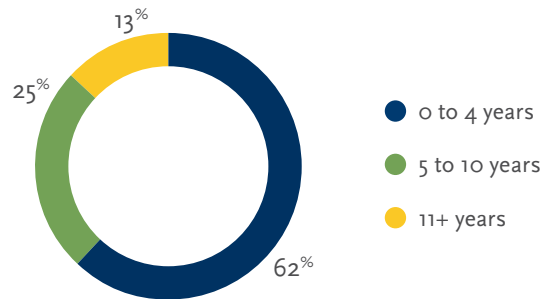
In this article, we aim to paint a broad picture of the current population of chief executives of the world's largest telecommunication companies based on attributes and experience — age, diversity, professional background, board membership, route up, education and history abroad. Then we'll consider how those characteristics and competencies could lend themselves to meeting the current challenges faced by companies in this dynamic industry.

The 60 companies in this study are limited to regional and local telecommunications carriers and selected based on their respective market capitalization according to Capital IQ. Our analysis includes publicly available data as of July, 17, 2019, from 17 European companies, 15 in Asia Pacific, 10 in Africa and the Middle East, 10 in Latin America and eight in North America.

## AGE

The average age of current CEOs of the largest global telecommunication companies is 54. They have an average tenure of 3.5 years, with individual tenures ranging from less than a year to 21 years. Nine CEOs started in 2019. Looking at the CEOs immediately preceding the current CEOs, the average age at departure was 55 years.

### Current CEO Tenure



## DIVERSITY

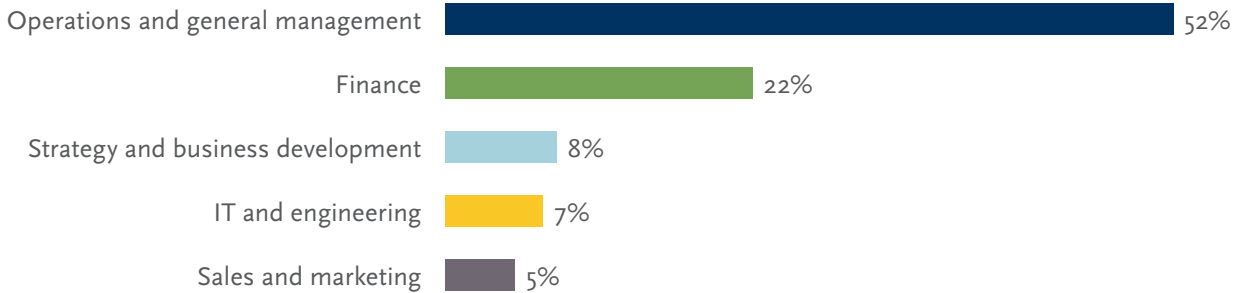
The top job has very little gender diversity, with men leading 57 of 60 of the world's biggest telecommunications carriers. Two of the three women CEOs operate in Europe.

## PROFESSIONAL BACKGROUND

The majority of CEOs of the largest global telecommunications companies have a primary background in either technology, media or telecommunications, indicating that, for many telecom companies, such a background is a prerequisite for the top executive role. Thirty-five percent (35%) have spent their entire careers in telecommunications. Nonetheless, the overall range of experience for CEOs is broad, including roles in consumer goods and services, professional services and financial services.

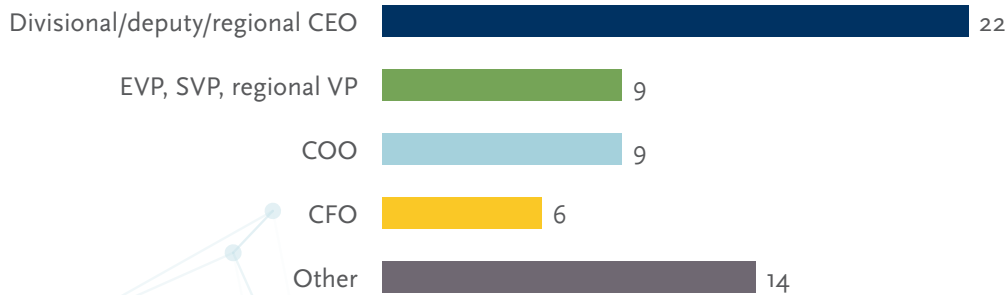
Among our CEO sample, the vast majority have built their careers primarily in operations and general management (52%), followed by finance (22%). Other areas of expertise include strategy and business development (7%), IT and engineering (7%), and sales and marketing (5%).

## CEO Primary Career Backgrounds



Zooming in on the particular role prior to becoming CEO, 22 chief executives served previously as a CEO (either of a smaller company or a division), nine as either a senior vice president, executive vice president or regional president, nine as a COO and six as a CFO.

## Role Held Prior to Appointment as CEO



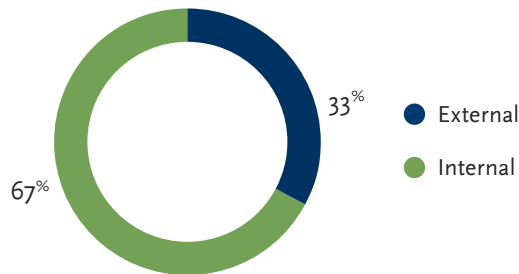
### BOARD MEMBERSHIP

Fifty-eight percent (58%) of the CEOs in our sample serve as a non-executive director (NED) on at least one outside board. About half (49%) hold this position at a company outside the telecommunications industry — not surprising when considering that many businesses are undergoing digital transformation. Many of the CEOs serving on a board inside the industry serve on the GSMA board. Serving as an NED for a different company can broaden executives’ perspectives and enrich their knowledge of other business models and industry challenges.

## INTERNAL VS. EXTERNAL ROUTE

The majority of the telecom CEOs were promoted to the role from within their company: 67% were promoted from a position within the parent company or its board.

### Internal vs External Appointments



## EDUCATION

Our analysis produced several interesting findings related to the educational levels and fields of study of telecom CEOs. The majority followed courses in business administration (24) and finance, accounting or economics (15). IT and engineering ranked third, with nine CEOs, while courses specifically related to telecommunications were followed by only two chief executives.

Regarding the level of education, all 60 CEOs in our study hold at least a bachelor's degree, 17 obtained a master's degree or similar, 16 completed an M.B.A. and five earned a Ph.D.

## INTERNATIONAL EXPERIENCE

Our study finds that 32 of the CEOs have worked in more than one country. For the majority (24) of these executives, this meant working on another continent. The majority of cross-continental CEOs (54%) returned to their home continent after some time abroad.

Asian telecom executives seem to be travelling the least, with only four out of the 15 CEOs (27%) having international experience, three of whom worked across continents. Five of the eight North American CEOs have international experience, three in other continents. Meanwhile, in the Middle East and Africa and in South America, 70% of the telecommunications CEOs have international experience. About half of European CEOs (9 of 17) have international experience. In the future, this number may increase due to further globalization and developments in transnational and trans-continental transportation.

## LOOKING AHEAD: 4 QUESTIONS FOR THE FUTURE

Today, and for the foreseeable future, telecommunications CEOs operate at the center of a vortex. Buffeted by digital transformation, technological advances, expanding globalization and shifting economic power, the resultant market volatility and complexity is — and most likely always will be — a fact of life for these CEOs. As the demands grow, how should organizations be thinking about developing the next generation of leaders? Here are four questions to consider.

- 1 What capabilities and experience will future CEOs and senior leaders need?** CEOs increasingly must orient their companies to be outward-facing and customer-centric, constantly monitoring consumer trends in addition to sector and competitive changes, and carefully considering how they will impact their specific business. They will need to foster more agile organizations and mindsets and break down silos and bureaucracies. What career experiences will become more important?
- 2 Do we have the processes to develop a diverse pipeline of leaders for the future?** Only three women lead the top 60 telecom companies today. With research illustrating the value of diversity, what are organizations doing to ensure that they look more broadly to identify and develop promising women and others from under-represented groups — and those from international markets — for senior leadership roles?
- 3 How can we inject fresh perspectives?** As our study shows, the vast majority of telecommunications CEOs are internally promoted, which can be a blessing and a curse. On one hand, these executives have a deep understanding of the business and the organization, giving them a distinct point of view on what the strategies and top priorities should be. On the other hand, they also can have ingrained biases about the organization, the team and the business that can hinder innovative thinking. Organizations and individual leaders need to cultivate a fresh perspective on the business and emerging external threats and opportunities.
- 4 What cultural characteristics will be important to develop and embed in our CEO and C-suite succession planning?** Succession planning and development should take into account the culture that the organization is trying to foster and consider how individuals' leadership styles contribute to the culture as well as how the talent development process advances the ideal culture.

## METHODOLOGY

The companies in this study are limited to regional and local telecommunications carriers and selected based on their respective market capitalization according to Capital IQ.<sup>1</sup> Moreover, additional selection criteria are applied per region depending on the number and size of the telecom carriers available (see table below).

Data for CEOs may include interim, group or regional CEOs, depending on the size and organizational structure of the respective carrier.

All data was collected by Spencer Stuart from public sources as of July 2019.

Region	Criteria	Number
Europe	Max. two biggest carriers per country including a minimum market cap of € 5 billion.	17
Africa & Middle East	Max. two biggest carriers per country including a minimum market cap of € 2 billion.	10
Asia Pacific	Max. two biggest carriers per country including a minimum market cap of € 5 billion (limited to 15).	15
North America	All carriers have a market cap of at least € 5 billion.	8
Latin America	All carriers have a market cap of at least € 1 billion.	10
<b>Total</b>		<b>60</b>

<sup>1</sup> Accessed in October 2018 and updated in July 2019.





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