How Newly Appointed CIOs Take Charge: The Critical First Two Years

Completed Research Paper

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ABSTRACT

The transition for any executive into a new appointment is a challenge. This transition for the newly appointed Chief Information Officer (CIO) is especially so given the breadth of their responsibilities. The CIO not only manages the delivery of IT services and projects but must be viewed as a legitimate business leader in order to influence strategic decision-making. This study explores the experience of CIOs taking charge of a new appointment. It integrates concepts from leader socialization and role theory with CIO leadership challenges. The data is based on in depth interviews with twenty one CIOs representing nineteen industries. The findings suggest that CIOs experience three overlapping phases of taking charge: entry, stabilization and renewal. These phases result in confidence, credibility and legitimacy as a new leader in the organization. The data further reveals that the organizational situation encountered by the CIO is a significant influence on the taking charge process. In particular, transition type - start-up, turnaround, realignment or success-sustaining – impact the process as well as determining whether the appointment is an ‘insider’ or an ‘outsider.’ The study suggests that CIOs experience organizational socialization in two domains of leadership. These domains are supply-side and demand-side leadership with the data indicating that supply-side socialization occurs first.

Keywords
Taking charge, Chief Information Officer, new appointment, transition, leader socialization, executive integration, IT leadership

INTRODUCTION

The role of the Chief Information Officer (CIO) is a unique executive challenge (Karahanna and Watson, 2006). In some organizations the role has evolved into an executive who drives innovation and transformation through information technology (Ranganathan and Jha, 2008) although they do not have control over all the resources necessary to actually realize the benefits (Peppard, 2007). Effective CIOs are important to an organization as most are dependent on their IT systems and for some IT is a source of competitive differentiation.

CIOs have average tenures in an appointment of four years give or take a few months (Thibodeau, 2011). This is similar to other executive positions. However the involuntary turnover rate is higher than other executives at approximately 23% (Nash, 2009). For a newly appointed CIO being effective and integrating successfully into a new assignment is making a good start. Research suggests that it takes a new executive almost three years to fully develop mastery and influence in a new assignment (Gabarro, 1987). This process of “taking charge” significantly influences whether the CIO extends their tenure beyond the average of four years.

The literature is relatively mute on the topic of how newly appointed CIOs take charge. The purpose of this research is to explore this phenomenon in more depth from the CIO’s perspective in order to increase our understanding of the process of taking charge and its influencing factors. While the first 90 days of any executive’s transition is important (Watkins, 2004), our research suggests that this is not the entire story. Based on these CIOs’ voices we have identified phases of taking charge with activities and outcomes.
The research on CIOs has evolved from understanding the nature of their emerging role (Chun and Mooney, 2009) to developing more complex models of their effectiveness (Peppard, 2010). There has been very little research on how newly appointed CIOs transition into the organization and this is true of other non-CEO executives as well. Organizational socialization theory provides some insight into the CIO’s taking charge experience although this theoretical lens has not been used to examine it in the IS literature.

Socialization is the process by which an individual acquires the social knowledge and skills necessary to assume an organizational role (Van Maanen, 1978; Van Maanen and Schein, 1979). It describes a process where “raw” newcomers are transformed into functional members of the organization. Organizational socialization can also be described as a process of mutual adjustment between the individual and the organization. The organization seeks to influence and shape its members while the individual is trying to define and shape his/her role within the organization (Fisher, 1986). Research into socialization is concerned primarily with the actions that an organization can take to achieve certain socialization outcomes (Allen, 2006; Allen and Meyer, 1990; Ashford and Saks, 1996; Ashford, Sluss and Saks, 2007; Buchanan II, 1974; Chao, O’Leary-Kelly, Wolf, Klein and Gardner, 1994; Jones, 1986; Saks, Uggerslev and Fassina, 2007; Van Maanen, 1978). This stream of research focused primarily on the degree of individual conformity to the organization’s demands and the resulting outcomes. It is a one-way perspective of how the organization can “process” newcomers.

Leaders bring a more complex set of beliefs built from previous experiences to a new appointment and a stronger set of expectations about the role than an inexperienced newcomer. They also have more discretion in enacting those role expectations (Ashford and Black, 1999; Fondas and Stewart, 1994; Mantere, 2008). Socialization theory is a way to study CIOs because it is sensitive to the processual phenomena of a leader’s adjustment to a new appointment. Socialization is an important process because even a top executive is influenced by the organization’s belief systems and informal power structures. No leader, even the chief executive, has total control of all aspects of an organization (Fondas and Wiersema, 1997). The impact of organizational socialization on new leader transitions is under-emphasized in the management literature.

A significant study on leader socialization and taking charge was undertaken by John J. Gabarro (1987). Gabarro identified a five stage process and indicated it takes almost three years (an average of 33 months) for an executive to master a leadership assignment. Fondas and Wiersema (1997) developed a theoretical model of CEO socialization and its influence on strategic change. Their model captures the combination of individual contribution to socialization and organizational influences although it has not been empirically confirmed. A single case study of the first two years of a new CEO’s appointment as leader of a teaching hospital (Denis, Langley and Pineault, 2000) suggested a dynamic model of a mutual adjustment process. It is through the mutual adjustment process of leader socialization that convergence between the leader and organization occurs.

There has been one study published focusing on CIOs’ transition into a new appointment. Leidner and Mackay (2007) collected data from CIOs about the first year they were on the job. Our research builds on this research and seeks to extend it addressing the question: “how do CIO’s experience taking charge of a new appointment?” We studied the taking charge process for newly appointed CIOs as a dynamic mutual adjustment process. The perspective of leader socialization is appropriate to apply to the newly appointed CIO because it captures the dynamics of the mutual adjustment process between the executive and the organization. We posit that the newly appointed CIO must transition into the organization by determining how to influence the top management team’s expectations and processes.

**METHOD**

The research question in this study is exploratory and one that seeks “understanding” rather than “explanation”. An interpretive approach using in-depth interviews allowed us to explore the range of experiences that CIOs have had with the taking charge process. Seeking understanding requires data that is “rich” in the sense that it expresses CIOs’ experience in their own words and semi-structured interviews are an effective way to explore these experiences (Kvale, 1996).

The interview protocol was developed based on the research question and existing literature. We reviewed an initial protocol with two CIOs in a structured walk-through where the CIOs were not asked to answer the questions but rather to focus on the clarity of the questions. They were also asked if there were questions that were missing. These reviews elicited edits for
clarification. We then conducted three pilot interviews to assess both the interview protocol as well as the interview process itself. The conclusion was the interview guide generated the data needed to address the research question.

The sampling technique adopted is a combination of convenience and snowballing (Miles and Huberman, 1999). CIOs personally known to us were contacted. This was a convenience sample. People in our professional network that work with CIOs were also contacted for referrals and introductions. This approach incorporated snowball sampling. Participants were either a current or past Chief Information Officer. Since the study was interested in understanding what factors influence the taking charge process we did not a priori select executives from specific backgrounds, industries, company sizes, etc. This open selection added breadth to the data collected.

Given the broad geographic locations of the participants, interviews were conducted by telephone, recorded and transcribed. The interview protocol consisted of a number of open ended questions and focused on three main areas. The first was simply background information related to their time in role, CIO experience, reporting relationship and prior experience in IT and industry. The second area of inquiry was to have them describe the situation that existed when they took over the appointment. The third area consisted of questions that probed the taking charge process that they experienced.

The data was coded using template analysis, a group of techniques for thematically organizing and analyzing textual data (King, 2004). At the point of the twenty first CIO interview the data reached a point of theoretical saturation in that no new categories emerged for coding (Eisenhardt, 1989; Flick, 2009). Therefore sampling was stopped at twenty one interviews in the main study.

Participant backgrounds

Participants were primarily male and there were only three female executives. The participants approximate the general gender distribution of CIOs (Heller, 2012), however this approximation is purely coincidental since no sampling strategy was used to achieve a representative sample of gender. Time in the current role varied across a broad range. Table 1 shows the distribution of tenure in the current appointment.

<table>
<thead>
<tr>
<th>Tenure in current role (years)</th>
<th>0-1</th>
<th>1 - 2</th>
<th>2.1 – 3</th>
<th>3.1 – 5</th>
<th>Over 5</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>3</td>
<td>10</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Table 1 Distribution of participants' tenure in current appointment

Seventy-one percent of the participants have been in their current role three years or less. Table 2 shows the frequency of prior experience by succession type. Success type is identified in the literature as an “insider” or “outsider”. An “insider” is one promoted to the role from within the organization while an “outsider” is a CIO hired from outside the organization.

<table>
<thead>
<tr>
<th>Prior CIO Experience</th>
<th>Insider</th>
<th>Outsider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>15</td>
</tr>
</tbody>
</table>

Table 2 Frequency of prior CIO experience by succession type

The range of total years CIO experience was from 1.5 to 17 years. The total work experience of the participants was high with an average of over 23 years (range was 15-32 years). The number of years of IT experience ranged from 2-30 years, yet only seven participants (33%) had non-IT business experience.
FINDINGS

CIOs described different situations that they inherited upon arriving in a new appointment. We wanted to capture the situational context of the taking charge process and evaluate its influence. These situational descriptions were categorized using transition types adopted from Watkins (2004).

The four types of CIO transitions are:

- **Start-up**: the CIO is charged with assembling the IT capabilities (people, funding and technology) to get a new business, product, project off the ground.
- **Turnaround**: the CIO takes an IT organization that is recognized to be in trouble and works to get it back on track.
- **Realignment**: the CIO is challenged to revitalize an IT organization that is drifting into trouble.
- **Success-sustaining**: the CIO takes responsibility to preserve the vitality of a successful IT organization and take it to the next level.

The frequency of the transition types represented in the project is in Table 3. Most of the transitions were described as Turnarounds or Realignments.

<table>
<thead>
<tr>
<th>Transition Type</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Up</td>
<td>1</td>
</tr>
<tr>
<td>Turnaround</td>
<td>7</td>
</tr>
<tr>
<td>Realignment</td>
<td>9</td>
</tr>
<tr>
<td>Sustaining Success</td>
<td>4</td>
</tr>
<tr>
<td>Total Participants</td>
<td>21</td>
</tr>
</tbody>
</table>

Table 3 Frequency of participants by transition type

A combination transition type and succession type provides some additional perspective as shown in Table 4.

<table>
<thead>
<tr>
<th>Transition / Succession Type</th>
<th>Insider</th>
<th>Outsider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start-Up</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Turnaround</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Realignment</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Success sustaining</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 4 Frequency of succession type by transition type

Taking charge phases

Our analysis suggests that taking charge was experienced by the participants in three distinct and overlapping phases: Entry, Stabilization and Renewal. These phases emerged from the data as the participants described both the timeline of their taking charge process as well as the types of activities in which they engaged. CIOs always experienced an Entry phase of 4-6 months upon initial transition into the new role/organization. A Stabilization phase began shortly after the new executive
started and lasted 9-12 months. A Renewal phase started approximately 6 months into an appointment and overlapped the Stabilization phase. A generalized view of these phases is shown in Figure 1.

![Figure 1 Taking charge phases across time](image)

In addition to the process of taking charge we were interested in how CIOs described their adjustment to the new organization. We categorized these descriptions into “socialization outcomes” consistent with Denis et al. (2000). These outcomes describe the degree of convergence in the expectations of the CIO and TMT. Outcomes are parallelism, assimilation, accommodation and transformation. Parallelism indicates lack of convergence and a failed transition. Assimilation indicates an adjustment where the CIO accepts most, if not all, of the organization’s expectations of the role. Accommodation describes a “meeting in the middle” adjustment of negotiated expectations. Transformation describes an adjustment where the CIO primarily sets the expectations for the role themselves.

CIO leadership has been described as existing in two domains, supply-side and demand-side (Broadbent and Kitzis, 2005). These domains emerged clearly in the phases of a new CIO taking charge. The Stabilization phase focused on supply-side leadership and the Renewal phase on demand-side leadership. Each phase resulted in a socialization outcome for the newly appointed CIO. The next sections will describe CIOs’ experiences in each of these phases in detail.

**Entry Phase**

All the participants described a process of getting to know the business of the organization and the objectives of its top management team. CIOs also used this time to diagnose the IT-related problems in the organization. Several mechanisms were used by CIOs during the Entry phase. The most frequently used was interviewing non-IT stakeholders and IT leaders alike to collect information. Another mechanism was observation, whereby the CIO watched how decisions were made and how others behaved. Lastly, CIOs also reviewed existing documentation such as reports and plans.

CIOs reported that it was 4-6 months before they felt capable of making significant decisions and having a cursory understanding of the organization’s issues and people. There were three areas that CIOs focused a lot of attention during the Entry phase. These areas of assessment were the IT leadership team, IT governance processes and the IT savvy of their top management team peers.

A strong leadership team was viewed by CIOs as critical to their success. While most CIOs assessed their IT leadership as being in need of rebuilding, the capability of the IT leadership was not always identified to be a lack of individual competence. Often CIOs explained that a lack of previous attention and investment in the IT organization had rendered it incapable of meeting the organization’s needs.

The state of IT governance processes varied as the new CIOs took charge. Comments from CIOs ranged from “non-existent”, “low”, or “not very mature” to “high” or “strong” or “very good”.

IT savvy describes how well the top managers of the organization understand and appreciate the role that information technology can play in helping them meet their business objectives (Weill and Ross, 2009). Across our CIOs, this was
generally assessed as low. Many CIOs viewed the cause of low IT savvy in top management as the inability of the IT organization to demonstrate value. Increasing the TMT’s understanding of the potential contribution by IT was highlighted as a priority during the Renewal phase. Creating this shared understanding was reported as an important step in the socialization of the CIO because it consists of negotiating and influencing TMT expectations.

The outcome of the Entry phase was a working knowledge of the organization for the new CIO. This working knowledge consisted of understanding the key players, their objectives, what “kept them up at night” and the general political environment. It also provided the CIO with an assessment of their IT leadership team and the efficacy of IT governance in the organization. The Entry process lasted approximately 4-6 months and set the stage for Stabilization and Renewal.

**Stabilization Phase**

The Stabilization phase began shortly after the CIO started taking charge and lasted for approximately 9-12 months. The Stabilization phase consisted of three sets of activities: taking corrective action and delivering existing projects, building the IT leadership team and implementing basic IT governance processes. These actions were consistent with the concept of supply-side leadership. Taking corrective action was based on the CIOs diagnosis of services that required improvement. These problems were identified by speaking to stakeholders during the initial months of the Entry phase and through the CIO’s own observation. This was seen as contributing to building credibility.

“...the interesting thing about establishing credibility was that I got concussions from all the low hanging fruit. I went to every department and said give me your top 5 client problems. Then we went out and actively attacked the number 1 pain point in every department...then they say ’hey you got this done in 7 days and your predecessor couldn’t get it done in 1½ years!'” [CIO-11]

Improving IT services was not the only priority. The CIO also had to deliver IT projects that were already in-flight when they arrived. CIOs felt that the credibility earned in Stabilization would provide them the opportunity to make more strategic changes in the future.

Another one of the first actions CIOs take is to communicate with the team about their expectations and to build trust with the IT team. The importance of the IT leadership team to the effectiveness of the CIO is recognized in the research (Peppard, 2010; Marchand, Kettinger and Rollins, 2000) and also the participants of this study. Significant changes in personnel were undertaken with CIOs replacing a high percentage of their leadership teams during this phase. Replacing inherited IT leaders with people viewed as more capable by the CIO contributed to building credibility with non-IT business partners, built the foundation for executing strategic initiatives and also consolidated the CIO’s power base.

The data suggests that CIOs generally either initiated or enhanced IT governance processes in Stabilization to achieve two objectives. The first was to take control over IT operations such as infrastructure and applications. The second was to define decision rights regarding IT investment decisions. Both of these actions helped establish the CIO’s authority to control IT operations and to facilitate more formality and transparency in decision making within the top management team regarding IT investments.

There were several key outcomes of the Stabilization phase. The CIO now had gained credibility as an IT leader, had governance processes to prioritize IT initiatives with significant business impact and a leadership team in place to execute those initiatives. The CIO experienced a supply-side socialization outcome at the end of the Stabilization phase.

**Renewal Phase**

The Renewal phase is characterized by the CIO building on their credibility to implement changes that position them to become a legitimate business leader with a more strategic focus. This is the essence of demand-side leadership. Setting a more strategic direction for IT and ITs contribution to the business objectives was a key activity in the Renewal phase. An example of this transformation is described succinctly by one of the CIOs we interviewed:

“The business people on the retail side of the business never had anyone who told them or indicated that technology can drive significant improvements or efficiencies or anything like that. IT has never really been a business partner but IT has turned that around.” [CIO-16]
CIOs made growing the capability of the team a priority by focusing on increasing the business savvy of their IT team and providing other development opportunities. The also sought to raise the IT savvy of their business partners by demonstrating how IT could help them achieve their goals and one-on-one coaching. CIOs were less ambitious about using formal educational processes. They focused their time mostly on their peers who they identified as being already open to incorporating information technology to accomplish their business objectives. In this way they attempted to raise awareness among the other top management team of how information technology might help them as well.

CIOs also enhanced IT governance processes in the Renewal phase. By now the CIO is driving more significant change into the organization although most of the interviewees recognized that this can be difficult and slower than they would like. Understanding the pace of change that the organization was capable of absorbing was a key adjustment for the new CIO.

“So, what we’ve introduced...we spent a lot of time introducing, carefully introducing and as a phrase we use...introducing things in the culturally appropriate speed.” [CIO-7]

“If you are a sprinter and you come into a walking organization you are going to walk. I actually had to slow down a little bit on some things and conclude you can only do one large change at a time. One thing I am always wary of when you come into a place requiring a lot of change is...change fatigue.” [CIO-11]

The most significant transition for the CIO in the Renewal phase was to gain legitimacy as a business leader. This demonstration of Demand-side leadership for the new CIO is how they operate as a fully functional member of the top management team.

“The CEO said to me ‘I love all the directions you gave us on IT, your guidance and collaboration. But you have more to offer so don’t just limit yourself to having a view on IT related topics. We need to hear more from you.” [CIO-5]

“‘My boss in the senior leadership team uses me to go out to our remote sites and articulate our strategic vision as a company. Now, that’s kind of weird for the IT guy to be the one doing that.” [CIO-6]

The Renewal phase was characterized by the CIO building on their credibility to implement changes that position them to become a legitimate business leader. They enhanced the capability of the IT leadership team and improved IT governance processes. The CIO exerted influence in setting IT strategy and started the evolution from IT leader to business leader. The CIO experienced a demand-side socialization outcome in this phase. CIOs experienced the taking charge process in three overlapping phases that led to building confidence, credibility and legitimacy over time. This taking charge process is summarized in Table 5.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Entry</th>
<th>Stabilization</th>
<th>Renewal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timeframe</strong></td>
<td>Month 0-6</td>
<td>Month 1-12</td>
<td>Month 6-24+</td>
</tr>
<tr>
<td><strong>Key Activities</strong></td>
<td>• Learning about the organization  • Diagnosing service delivery issues  • Building relationships  • Assessing personnel  • Evaluating IT governance</td>
<td>• Improving service  • Delivering in-flight projects  • Building IT leadership team  • Implementing IT governance</td>
<td>• Influencing strategic initiatives  • Enhancing the IT team  • Building IT savvy with TMT</td>
</tr>
<tr>
<td><strong>Outcomes</strong></td>
<td>• Confidence  • Understanding of issues  • Action agenda</td>
<td>• Credibility as IT leader (supply-side socialization)  • Influence via IT leaders  • Control via governance</td>
<td>• Legitimacy as business leader (demand-side socialization)  • Increased IT strategic contribution  • Improved TMT IT savvy</td>
</tr>
</tbody>
</table>

Table 5 CIO taking charge phases, activities and outcomes
CONCLUSIONS

The study findings lead to several main conclusions. First, CIO background did not influence the taking charge process as much as the literature would suggest. Second, CIO socialization occurred differently in the domains of supply-side and demand-side leadership. Finally, transition type influenced the taking charge process and socialization outcomes.

Prior role and industry experience have been identified as characteristics that influence the effectiveness of the CIO and the taking charge process (Fondas and Wiersema, 1997; Gabarro, 1987; Smaltz et al., 2006; Peppard, 2010). The taking charge process for those interviewed without relevant industry experience was not significantly different from the other participants. The same research also suggests that prior CIO role experience would provide an advantage. No advantage in the taking charge timeline was discernible as they still followed a similar timeline and activities in taking charge. It may have influenced the “quality” of their decisions, but this study did not evaluate that aspect. In contrast to the work done by Gabarro (1987) these findings indicate that CIOs experience overlapping rather than sequential phases.

Transition type was the most influential factor in how the CIOs took charge of their appointment and the resultant socialization outcome. Transition type directly influenced the degree of change that the CIO was required to implement but did not significantly influence the phases themselves or the timeline described. Moreover, companies requiring a leader for turnaround or realignment transitions were more likely to hire outsiders into the CIO role. The transition type of success sustaining was almost evenly split between insiders and outsiders. The degree of change implemented by new CIOs was described by Leidner and Mackay (2007) as “incremental” or “radical”. The data of this study suggests similar conclusions. This is also consistent with the definitions of the different transition types (Watkins, 2004). Different degrees of change were also observed by Gabarro (1987) between “turnaround” and “normal” situations.

The Leidner and Mackay study (2007) linked CIO actions to the type of predecessor that they followed in the role. In contrast, this study suggests that the CIO actions in taking charge are better described in terms of the transition type. Our data would suggest that the transition type is a function of the gap between the CEO’s vision for IT and the current state of IT in the organization.

The findings also indicate that CIOs approach the taking charge process in several phases. The CIO tends to focus on supply-side leadership activities in the Stabilization phase and demand-side leadership in the Renewal phase. CIOs establish supply-side leadership relatively early in their taking charge process, but it might be 18-24 months before they influence demand-side outcomes. Chen et al. (2010) proposed a phased model of CIO leadership where supply-side leadership influenced demand-side leadership and the findings of this study are consistent with that conclusion. Denis et al. (2000) found that a new CEO taking charge experienced socialization uniquely in two different domains. Similarly, this study suggests that CIOs experience socialization uniquely between supply-side and demand-side leadership domains and that the outcomes are linked as Chen et al describe.

This research has developed a better understanding of how CIOs experience taking charge of a new appointment. Our three phase model increases collective understanding of the CIO taking charge process extending the work of Leidner and Mackay (2007) by taking a processual view of the phenomenon. This phased model can be used to further explore CIO taking charge processes. The model can also provide the basis to explore the taking charge process for non-IT executives.

The findings of this study move the conversation regarding newly appointed CIOs beyond incremental / radical change to a deeper discussion of specific activities and the outcomes that CIOs’ experience from those activities. The processes of building confidence, becoming a credible IT leader and stretching to be identified as a legitimate business leader have been hidden from the literature on newly appointed CIOs. This descriptive model of CIO socialization can be useful to newly appointed CIOs as they develop more complete transition plans and expectations beyond the 90-100 day window. CIOs must plan on a 2-3 year transition period and manage the organization’s expectations accordingly.

ACKNOWLEDGEMENTS

The authors thank the paper reviewers for their detailed comments that improved the clarity of this paper.
REFERENCES


