How Newly Appointed CIOs Take Charge

Anthony B. Gerth, Indiana University (U.S.)
Joe Peppard, European School of Management and Technology (Germany)

Executive Summary

Based on in-depth interviews with 21 CIOs, the full article explores the process of how CIOs take charge of a new appointment. Taking charge is the process of learning and taking action to the point where an executive has mastered the new assignment in sufficient depth so he or she can run the sphere of responsibility effectively, given the constraints and available resources. We identified three overlapping phases of the CIO taking charge process: Entry, Stabilization and Renewal. We also found the organizational situation encountered by a new CIO significantly influences the process. Specifically, four CIO transition types—start-up, turnaround, realignment and success sustaining—determine the degree of change required.

All CIOs experienced an Entry phase of four to six months. The Stabilization phase began shortly after the CIO started the role and lasted between nine and 12 months. The Renewal phase commenced approximately six months into an appointment and overlapped the Stabilization phase. The Stabilization phase focused on the CIO’s supply-side leadership and the Renewal phase on demand-side leadership.

Entry Phase

The key activities in the Entry phase were learning about the organization, diagnosing service delivery issues, building relationships, assessing IT personnel, evaluating IT governance and assessing the level of IT-savvy of the CIO’s top management peers. Having a strong leadership team was viewed by CIOs as critical for their success and the ultimate ability of the organization to derive value from IT. IT-savvy describes how well the organization's top managers understand and appreciate the role that IT can play in helping them meet their business objectives and their role in the process. The outcome of the Entry phase is that the newly appointed CIO has a working knowledge of the organization—an understanding of the key players, their objectives, what "keeps them up at night,” organizational culture and the general political environment.

Stabilization Phase

Key activities in the Stabilization phase were improving service delivery, delivering projects already in the pipeline, building the IT leadership team and implementing IT governance. CIOs felt that taking corrective action and delivering existing projects soon after they arrived provided them with the credibility to make more strategic changes in the future. CIOs recognized the crucial importance of the IT leadership team for their effectiveness. They often made significant changes in personnel and some replaced a high percentage of their leadership teams. During this phase, CIOs usually initiated or enhanced IT governance processes to take control over IT operations and to define decision rights for setting strategy and IT investment opportunities. The outcomes of the Stabilization phase were that the CIO had gained credibility as an IT leader, had implemented governance processes to prioritize IT initiatives with significant business impact and developed a leadership team to execute those initiatives.

1 The full article is published in the September 2014 issue of MIS Quarterly Executive, available online at www.misqe.org.
Renewal Phase

Key activities in the Renewal phase were influencing strategic initiatives, enhancing the IT team and building the top management team’s IT-savvy. This phase was characterized by CIOs as building on their credibility to implement changes that position them to become legitimate business leaders with a more strategic focus. They also focused on increasing their IT teams’ level of business-savvy and providing them with other development opportunities. And they sought to raise the IT-savvy of their business partners by demonstrating how IT could help them achieve their goals and by coaching them one-on-one. The most significant outcome of the Renewal phase was that the CIO had gained legitimacy as a business leader. This demonstration of demand-side leadership enabled the CIO to operate as an effective member of the top management team.

Intensity of Change in Each Phase Varies by Transition Type

The intensity of change within each phase of the taking charge process varied according to which of four types of transition the new CIO faced: start-up, turnaround, realignment or success sustaining. In a start-up transition, the CIO is charged with assembling the IT capabilities (people, processes, funding and technology) to get a new IT organization off the ground. With a turnaround transition, the CIO takes on an IT organization that is “in trouble” and works to get it back on track. In a realignment transition, the new CIO is hired to revitalize an IT organization that is “drifting into trouble.” Prior to the CIO’s appointment, tensions were beginning to emerge, often due to a new reporting line for the CIO, changes in the makeup of the IT leadership team, or a new mandate for IT (e.g., a shift from cost minimization to more a strategic role). The new CIO in a success sustaining transition takes responsibility for preserving the vitality of a successful IT organization and “take it to the next level.” In this transition type, the previous CIO was perceived as being successful and having performed well in the role and has either moved into a new role, to a new organization or retired.

Phase Timing and Activities Are Not Influenced by CIO Background

The timing and activities of the three phases of the taking charge process were not affected by the newly appointed CIO’s background (insider or outsider, industry experience, prior experience of the CIO role). The taking charge process for those without relevant industry experience was not significantly different from the others. And prior experience of the CIO role did not materially affect the taking charge timeline, with all newly appointed CIOs following a similar timeline and carrying out similar activities.

Guidelines for Newly Appointed CIOs

From the findings of the research study, we provide 11 guidelines for newly appointed CIOs:

1. Be prepared for surprises, even after extensive due-diligence
2. Recognize that taking charge requires more than a 90-day plan
3. Don’t try to introduce changes too quickly
4. Recognize that transition type influences intensity of change, not timing
5. Understand the entry phase is about learning
6. Proactively seek information and build relationships
7. Be clear as to what constitutes success
8. Earn the right to influence business strategy
9. Build a shared vision for the role and contribution of IT
10. Realize what worked in the past might not be successful again
11. Build the level of top management’s IT-savvy by delivering demonstrable value.

Our three-phase model enhances understanding of the process newly appointed CIOs use to take charge and extends previous research into new CIOs. Successful CIO transitions require significant time, and a newly appointed CIO should plan on a 24- to 36-month transition that starts with building confidence and credibility as an IT leader and moves toward achieving legitimacy as a business leader. In a similar vein, the CEO and top management team must recognize what can realistically be achieved by a newly appointed CIO and give him or her time to have an impact.