

THE CIO EDGE



LEADERSHIP SKILLS
YOU NEED TO DRIVE RESULTS

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HARVARD BUSINESS REVIEW PRESS

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Boston, Massachusetts

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INTRODUCTION

SOFT SKILLS YIELD HARD RESULTS

LET'S BEGIN WITH THE GOOD NEWS. There has never been a more energizing time to be a chief information officer, or CIO. Technology is the single most powerful enabling force available in business today—a tool executives and boards of directors increasingly recognize for its potential.

But be careful what you wish for! We now must meet those heightened expectations. Answering the question, “How can CIOs best deliver on the promise of IT?” is what this book is all about, and we begin by building on what you already know.

CIOs understand they need to manage IT processes in order to deliver results and to meet key expectations. They also understand the need to lead people in order to deliver on those goals. However, what many don't understand—and indeed what we didn't fully understand ourselves before we started our research—is the incredibly important interplay between the two.

Focusing on leadership and people skills—the “soft” things that many CIOs tend to minimize in their quest to keep up with their day-to-day responsibilities of managing IT—is in fact the biggest determinate of their success, or failure.

In the pages ahead, we will not only identify which specific skills are the most important but also explain: (1) how you can develop them and (2) why there is a huge payoff—both professionally *and personally*—if you do.

Soft skills yield hard results. We kept returning to this observation throughout our careers. Whether we were implementing IT-enabled projects, heading a CIO practice, coaching CIOs, or working with CEOs and boards on CIO hiring and talent development, this thought kept coming back to us. It seemed that those five words—soft skills yield hard results—always explained why a project succeeded. Conversely, the absence of those soft skills invariably was the reason it failed.

It didn't matter whether the company was introducing new hardware, implementing a major business initiative, or trying to turn around an IT organization; the harbinger of success was always the same. If the CIO had a good working relationship with everyone involved, from the business sponsors to vendors to colleagues organizationwide, the project invariably worked. Those soft people skills carried the day. If there was discord, strained relationships, or personal or professional opposition going in, you might as well have called off the whole thing before it began. There was never going to be a happy ending. Time after time, it was clear that soft skills yielded hard results.

When we observed success, it was not that the smartest people or the best technologists were promoted first. Instead, the IT executives who had the best relationships and could earn “followership”—not only with their employees, but more importantly with their business partners within and outside the organization—rose through the ranks the fastest. Most importantly, they were *perceived*—particularly by their business peers

All CIOs must deliver results. What distinguishes the best is how they do it: through people, by people, and with people.

throughout the enterprise—as successful leaders. That’s no small thing, as you know.

In contrast, good CIOs often complete their projects on time and on budget. Networks are available when needed. Data is valid and secure. And yet, the *perceived* view of IT isn’t great within the CIOs’ companies. Executives outside the department point to business process changes that weren’t supported or claim that all the discussions with IT are about cost when the focus should be business enablement. The net takeaway, despite a CIO’s accomplishments, is that the IT department in general, and the CIO in particular, is frequently perceived as being out of sync with the rest of the organization. And all too often, perception is reality.

But we observed the CIOs with the best people skills did not suffer from this perception, because they used their soft skills to influence expectations well ahead of when priorities were set or a project began. Before a dime was budgeted, or staff time allocated, they were meeting with their colleagues, engaging in candid two-way conversations that defined what success would look like. Then they delivered against the expectations they helped set. As a result, the organization felt the investment of time and money in IT was worth it.

Soft skills produced hard results. This observation gave us an almost sixth sense that allowed us to predict whether a new project would succeed or flame out—and whether someone newly minted in the CIO role was destined for superstardom or soon would be looking for work. But for the longest time, we never really realized the full power of this insight as a way to help CIOs develop, improve, and ultimately excel in their role.

Then we got to talking during a break in a conference where we were presenting separately. After catching up, the conversation turned to questions that had been troubling us. If the successful application of IT is critical to an organization’s success—and just about everyone believes it is—then why are so many CIOs still held in low esteem by CXOs (senior executives with *chief* in their title)? Why does the rest of the organization

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all too often remain skeptical about the performance of its IT department in general and the CIO specifically? In short, if there's been so much written about IT best practices, why are so few CIOs perceived by colleagues, boards, and CEOs as great leaders in their own right, continuously delivering great value to the business?

We didn't come up with an answer then and there. But we promised to spend a great deal of time working on an answer in order to help CIOs (and aspiring CIOs) better deliver on the immense promise of IT, something that is a passion of all three of us. Three years and countless hours of research, in-depth interviews, and collaboration later, the result is what you hold in your hands.

THE RESEARCH STARTED HERE

We began by asking the most basic question of all: How do we describe a superior chief information officer? Our answer was that great CIOs are inspirational leaders, consistently deliver results, exceed expectations of key stakeholders, and maximize the business value delivered via technology. Having agreed on the definition, we then asked the same question you would: What skills must a CIO have to do those four things?

When the question was asked that way, we thought of the CIOs who, we knew, fit the definition. What set them apart from the average executive? We noticed a clear pattern of people orientation, collaboration, and inclusiveness, but can excelling at soft skills mean excelling at being a high-performing CIO? We felt that the best CIOs employed soft skills to produce hard results. But could that really be the best explanation for their success? It felt right. But if we applied science to the problem, would we arrive at the same answer?

To find out, your authors joined forces. Karen and George brought the full resources of Korn/Ferry International (KFI), the world's premier provider of executive talent management

solutions, to the problem. Graham harnessed the power of Gartner, Inc., the global leader in CIO and information technology research and advice. The melding of KFI's deep empirical data on leadership competencies (over one million executives studied) with Gartner's research on IT trends and the evolution of the CIO role would give us a unique and data-driven insight into the makeup of a high-performing CIO.

Once we had established a data-based profile for CIO success, we then set out to interview the best CIOs. Some of the high-performing CIOs were identified according to their results from KFI's leadership assessment tool; others we identified through recommendations from respected leaders throughout our global networks. We nominated still others on the basis of personal knowledge. Throughout, we cross-checked all of the above with the best available research from outside sources and through speaking with their peers and subordinates—we needed to make sure we were not drinking our own Kool-Aid. As we described in the appendix, we didn't prejudge anything. We simply asked all the CIOs about themselves, their leadership style, how they saw their priorities, how they got work done, and where they spent their time. There was nothing special about our questions, but there was surely something special in their answers. In the person's own way, each of these high performers told us that the key is people leadership.

As P&G's Filippo Passerini (president, global business services, and CIO) put it, "No amount of technology can replace the power of motivated and energized people. That's particularly true if your mission is to make a real difference as CIO, to create value via applying IT, to becoming a true strategic partner for the company versus having IT be relegated to a 'commodity' function. If that's your goal—and it is mine—people are central to transforming the way we do business. IT becomes more of a people business than a technology one. That's why my first focus is on people."¹

Again, this makes sense. We all share increasingly similar core technology and best management practices. What varies

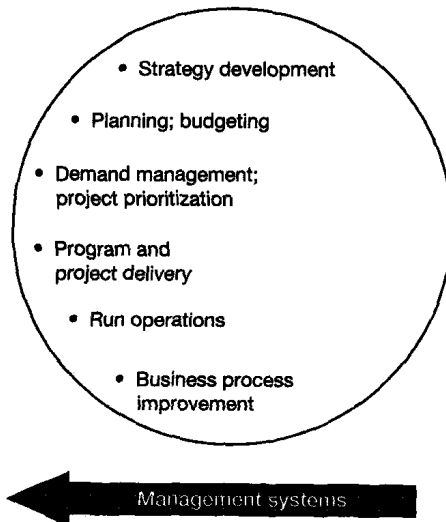
most from CIO to CIO is how they lead, influence, inspire, and work with the people all around them. It follows, then, that this variable would be the biggest determinate of success. The simple diagrams in the figures help illuminate why that is the case.

THE PROBLEM: A LEADERSHIP VOID

In executing his or her day-to-day responsibilities, every CIO runs the IT organization via an increasingly common set of management systems (figure I-1). Even though it is not the most exciting aspect of the role, disciplined IT management practices are the very foundation for having the IT house in order and are consequently a prerequisite for any CIO's success in today's world. Couple that with the need to leverage IT to improve business processes and business performance, and you have a fairly good idea of the foundational aspects of the CIO role.²

FIGURE I-1

The management side of the CIO role



Beyond managing IT and applying business acumen, there is hardly a CIO who does not agree—at least intellectually—that providing leadership is a responsibility central to the CIO role. Leadership is about change and doing things differently; it requires setting a vision and inspiring others to follow. Core leadership characteristics are depicted in figure I-2.

As we said earlier in this chapter, however, there is a great interplay between management systems and leading people—the intersection where superior results are created, or not. Indeed, the dependence of CIO success on people leadership is often poorly understood and underappreciated.

Unfortunately, we all too often see CIOs giving extremely short shrift to the people-leadership part of the job. Whether it's due to the relentless management pressures of the position, unwitting undervaluing of the merits of “the people thing,” or a lack of the requisite skills, the results are painfully clear. We observe the frustration of CIOs who feel neither heard nor

FIGURE I-2

The people side of the CIO leadership role

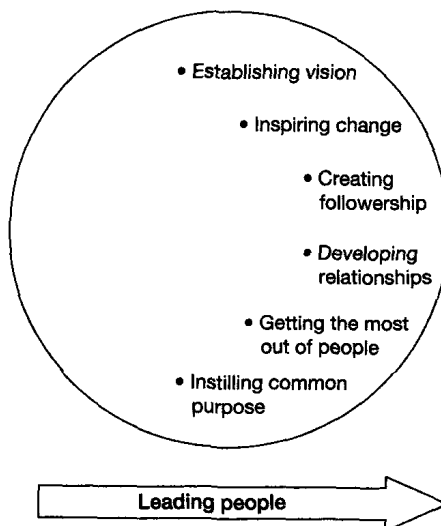
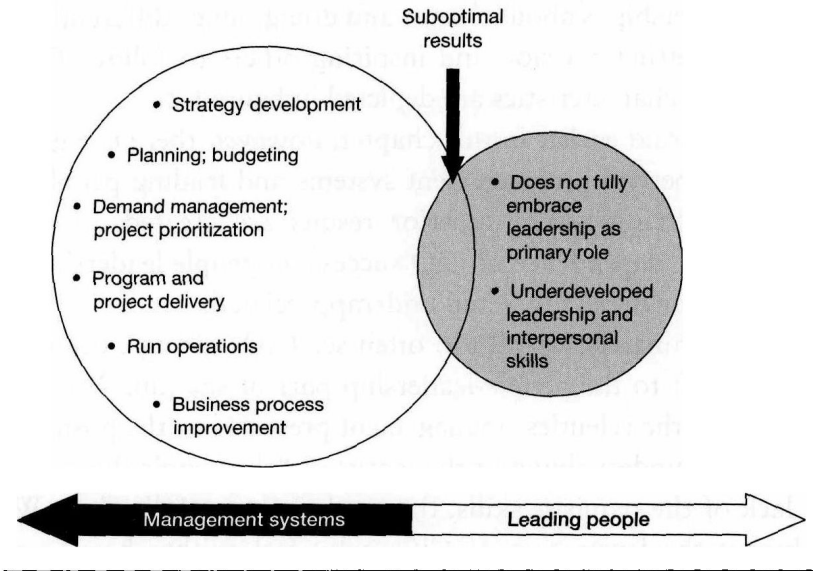


FIGURE I-3

Underdeveloped people leadership constrains results

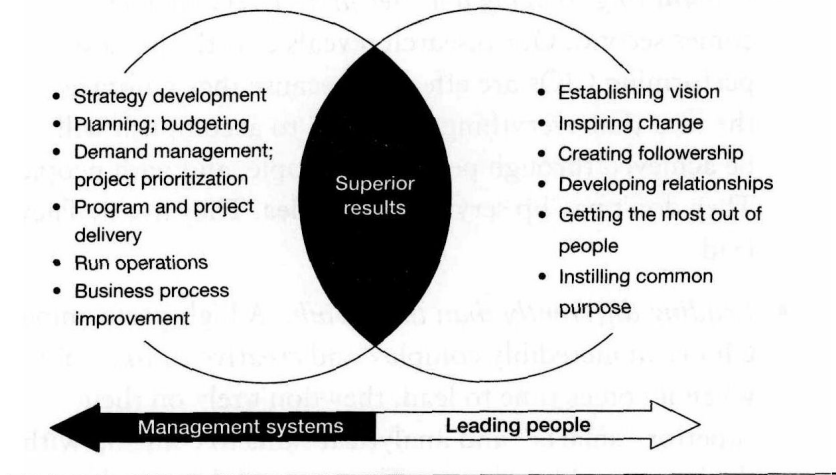


understood, who work tirelessly and sacrifice much personally but receive little thanks in return, and who struggle to meet the rising expectations of demanding business partners. As depicted in figure I-3, an underdeveloped leadership capability undermines the capacity to optimize critical relationships and IT management processes alike and ultimately constrains or totally impedes CIOs' ability to deliver results.

Our research revealed that while a void in leadership is often a fatal flaw, it does not have to be the case. A CIO today must excel in two roles. *Only when you master the two halves of the job—the management system and associated business acumen on the one hand, and people leadership and the associated interpersonal skills on the other—can you deliver high performance and superior results* (see figure I-4).

Indeed, it is the ability to astutely leverage interpersonal leadership at the intersection of these disciplines that distinguishes high-performing CIOs. For example, while all CIOs create a

FIGURE I-4

Maximizing people leadership maximizes results

strategy, it is the high performers who have a vision that truly compels the desired actions. While all CIOs implement systems, it is the high performers who collaboratively partner to drive all the business process and cultural changes needed to maximize the business value of those systems. In short, leadership and interpersonal skills applied on the right act as a force enabling and amplifying the results of the processes and business knowledge on the left.

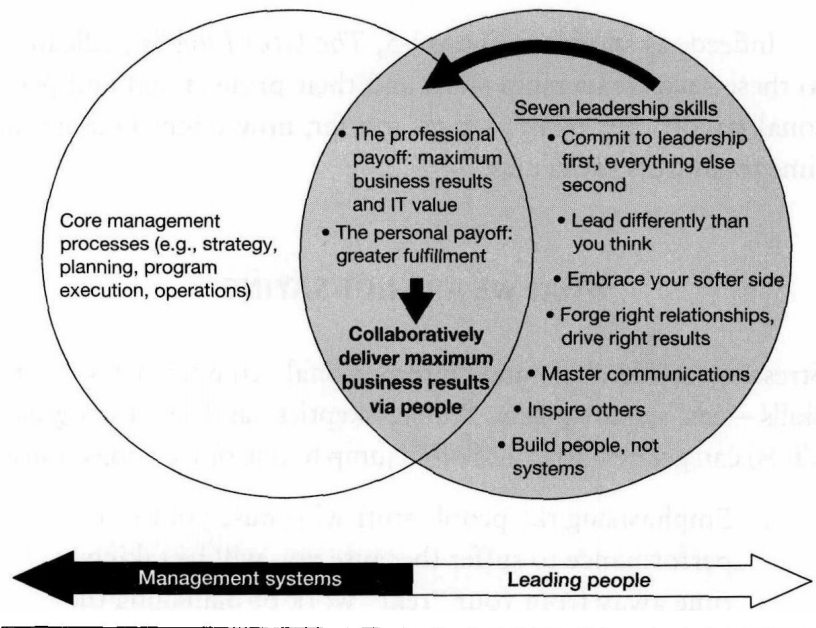
THE ANSWER: THE CIO EDGE

While saying the best CIOs excel at people leadership is a necessary starting point, that statement is insufficient to help you know what to do or how to do it. As our three years of data-driven research and field work came to a close, we distilled it down to the behavioral patterns and key skills we believe are the most critical to your success. The data (for an overview of the supporting research, see the appendix) and our interviews reveal that the best CIOs approach the role in a specific and

predictable way. Specifically, high-performing CIOs distinguish themselves by mastering the following seven skills:

- *Committing to being a leader first.* Everything else comes second. Our research reveals that the highest-performing CIOs are effective because they embrace the idea that everything they need to accomplish will be achieved through people, by people, and with people. They don't pay lip service to that idea. They live it. They lead.
- *Leading differently than they think.* A high-performing CIO is an incredibly complex and creative thinker. Yet when it comes time to lead, they don't rely on their superior "smarts" and analytical skills to come up with the best possible solution. They act collaboratively.
- *Embracing their softer side.* Effective CIOs manage the paradox of gaining more influence by letting go of control and allowing themselves to be vulnerable. In turn, that vulnerability enables them to create deep, personal connections—connections that provide the ability to inspire people both inside and outside their organization.
- *Forging the right relationships to drive the right results.* This skill may not be surprising. But the following observation may be. Great CIOs spend a greater percentage of their time and energy managing relationships that exist sideways: with internal peers, external suppliers, and customers.
- *Practicing communication mastery.* All ways and always. The best CIOs know that their colleagues—especially the people who work for them—are always watching. These executives understand they are always on stage. They take advantage of that situation by constantly reiterating core messages and

FIGURE I-5

The CIO edge

values. Through their focus on clarity, consistency, authenticity, and passion, they make sure their message is not only understood but also felt. They want to communicate a feeling that compels people to take the right actions.

- *Inspiring others.* In exchange for a regular paycheck, most people will give you an adequate performance. But they will only give you their best work if they believe they are involved in something greater than themselves. The best CIOs make it clear that their employees are involved in a greater good and that their contributions are meaningful and valued.
- *Building people, not systems.* By developing people all around them, these CIOs increase their capability and capacity to deliver results. They also know that

leaving behind the next generation of leaders is the best thing they can do for the organization—it will be their lasting legacy.

Indeed, as shown in figure I-5, *The CIO Edge* is dedicated to these seven leadership skills and their professional and personal payoff. But before we go too far, now might be a good time to address the cynics.

WHAT WE ARE NOT SAYING

Stressing leadership and interpersonal competencies—soft skills—can seem squishy. Worse, skeptics (and less-than-great CIOs) can get defensive and often jump to one of two objections:

1. Emphasizing the people stuff will cause your job performance to suffer (because you will be taking time away from your “real” work of managing the technology investment).
2. Any decision to concentrate on soft skills will result in you being branded “soft” yourself.

In light of all the research we have done, we fervently believe that none of this is true. Indeed, a clear pattern from our interviews showed that the best CIOs, the ones who excel at people leadership, also set the most aggressive goals and hold their people accountable to the highest performance standards.

And even though the best CIOs are open and caring and relate well, they have no reluctance to fire people who underperform. These leaders recognize that not only is it best for the employee involved—if things aren’t working out, it does not help either party to prolong the misery—but it is also unfair to the rest of the team to carry someone who can’t contribute.

Even more pronounced is their zero tolerance for those who do not exhibit the key values and behaviors such as teamwork, integrity, and accountability—behaviors deemed central

to the culture being fostered. Effective CIOs fully understand the toxic effect that just one bad apple can have when it comes to these core values. By allowing such behaviors to continue, they give tacit approval, hence undermining their very leadership credibility.

Intriguingly, because the best leaders excel at the people-related issues, they can move quickly when it is time to make a change. They have the absolute belief, conviction, and fortitude that they must make the hard people decisions for the organization to reach its full potential.

So the first misconception we need to clear up is that people with great soft skills are soft themselves. *The data shows the exact opposite.* Great CIOs take on the toughest challenges, are accountable, and do not tolerate a victim mentality (e.g., “no one knows how hard we work”; “we would be successful, if only *they* would let us”).

Here’s the second potential misunderstanding we want to address. We are not saying that people skills are all you need. First and foremost, you need to be able to *deliver* (i.e., stable operations and projects on time and on budget). You must understand your company’s business model and the levers that drive growth and profitability within the competitive landscape. And, of course, you need to know what’s on the technological horizon. But those are all the price of entry in the same way that an understanding of how to balance a budget and make financial trade-offs are things the CFO is assumed to know how to do.

Mastering the soft skills isn’t a replacement for the core requirements of your job. It is instead a powerful enabler and an amplifying force that allows you to exceed expectations and maximize the value from IT.

The best CIOs embrace their soft side—without being
soft themselves.
