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## **Chapter VIII**

# Dynamics of CIO Performance

The CIO can be defined as the highest-ranking IT executive who typically exhibits managerial roles requiring effective communication with top management, a broad corporate perspective in managing information resources, influence on organizational strategy, and responsibility for IT planning to cope with a firm's competitive environment. This definition is in line with research, which applied the following criteria when selecting CIOs for empirical observation: (1) highest-ranking information technology executive; (2) reports no more than two levels from the CEO, that is, either reports to the CEO or reports to one of the CEOs direct reports; (3) areas of responsibility include information systems, computer operations, telecommunications and networks, office automation, end-user computing, help desks, computer software, and applications; and (4) responsibility for strategic IS/IT planning.

According to Gartner (2005), only a few CEOs view CIOs as boardroom peers. Most CEOs view their CIOs as effective operational leaders. Yet only a few view them as full business leaders. There is an opportunity for CIOs to build their relationship with their CEO and other stakeholders, to increase their influence, and to enhance the contribution of information systems and information technology.

When applying to a resource-based theory of the firm, two perspectives emerge. First, the CIO represents a resource for the organization. Next, the CIO manages IT resources in the organization. Having a CIO who represents a strategic resource and develops IT resources into strategic resources will help the firm succeed.

When applying value configurations, more perspectives emerge. If the firm is a value chain, the CIO will be concerned with information systems in areas such as logistics and supply chains. If the firm is a value shop, the CIO will concentrate on knowledge management systems. If the firm is a value network, the CIO will work mainly on IT infrastructure and architecture that makes a difference to firm performance.

### The Chief Information Officer

The CIO position emerged in the 1970s as a result of increased importance of IT. In the early 1980s, the CIO was often portrayed as the corporate savior who was to align the worlds of business and technology. The CIOs were described as the new breed of information managers who were businessmen first, managers second, and technologists third (Grover, Jeong, Kettinger, & Lee, 1993). It was even postulated that in the 1990s, as information became a firm's critical resource, the CIO would become the logical choice for the chief executive officer (CEO) position.

As a manager of people, the CIO faces the usual human resource roles of recruiting, staff training, and retention, and the financial roles of budget determination, forecasting, and authorization. As the provider of technological services to user departments, there remains a significant amount of work in publicity, promotion, and internal relations with user management. As a manager of an often-virtual information organization, the CIO has to coordinate sources of information services spread throughout and beyond the boundaries of the firm. The CIO is thus concerned with a wider group of issues than are most managers.

While information systems executives share several similarities with the general manager, notable differences are apparent. The CIO is not only concerned with a wider group of issues than most managers, but as the chief information systems strategist also has a set of responsibilities that must

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