

## CIO INSIDER

# Social intelligence: A differentiator for successful CIOs

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Invest in building influence, grooming talent, and articulating a clear vision

Virtually every company is becoming a technology company at its core. This puts chief information officers (CIOs) at a crossroads: They can step up to the challenge and become leaders who influence the business, or remain in the confines of the traditional CIO role, limited to influencing technology implementation and delivery. The direction each CIO takes will determine his or her future career trajectory and professional legacy. Some CIOs are embracing this challenge head-on, while others remain in the background, conceding technology leadership to those with titles such as chief innovation officer or chief digital officer.

Deloitte's CIO Program recently evaluated skills gaps and uncovered three specific gaps. Interestingly, all three gaps pointed to a bigger issue for CIOs—we call it "social intelligence". Social intelligence is a term used to describe the capacity to effectively navigate and negotiate complex social relationships and environments.<sup>1</sup>

We've modified this definition for CIOs as: **The ability of a technology leader to influence key business stakeholders, attract and motivate talent, and drive technology vision and leadership.**

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"These (skills) are some of the most important things... If there wasn't such a dearth of these attributes in the technology space they wouldn't be as important."

—CIO of a large national healthcare organization

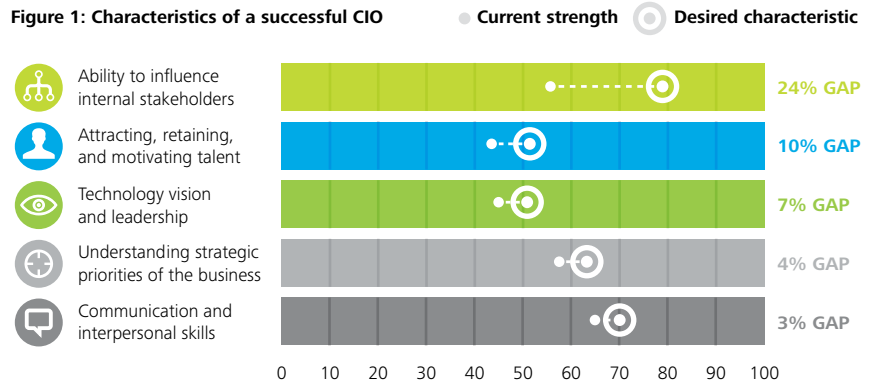
**The missing skills: Influence, talent, and tech vision**

When 1271 CIOs across the globe were asked to identify characteristics of a successful technology leader, they overwhelmingly chose five key characteristics (figure 1). They were then asked to rank their current strengths. Only 9 percent of respondents' self-assessment actually matched that skills profile with strength in all five characteristics. The "gaps" represent the desired attributes versus the actual CIO strengths.

More specifically, gaps were reported in CIOs' ability to:

- **Influence internal stakeholders.** The best CIOs influence internal stakeholders and establish credibility by consistently delivering: executing, building strong relationships, and effectively aligning IT investments across business functions. If technology leaders are not able to deliver consistently over time, they can never build credibility. Credibility does not come with the title. "If the CIO can't figure out business strategy and be effective in influencing the organization to change, then the chief digital officer, chief technology officer, or chief data officer will fill that role," says the CIO of a major airline.
- **Attract, retain, and motivate talent.** Creating the right culture is a big part of building a team and retaining talent and many CIOs struggle to do this well. To fill that gap, technology leaders need to develop their staff and be open and transparent. "Talent is huge," says the CIO of a global marketer and distributor of food service products. "It's about keeping people motivated, growing them, and keeping them excited—giving them different assignments and opportunities to grow."
- **Deliver technology vision and leadership.** While CIOs are typically adept at strategizing and implementing technology, many struggle with articulating a comprehensive vision what technology can achieve for their organization. To fill the gap, CIOs need to articulate their vision, communicate it, and inspire others to follow it. "You need clarity of vision that makes sense and that people can buy into," says an oil company CIO. "When your team feels connected to the value proposition of the company, they behave in different ways."

**Figure 1: Characteristics of a successful CIO**

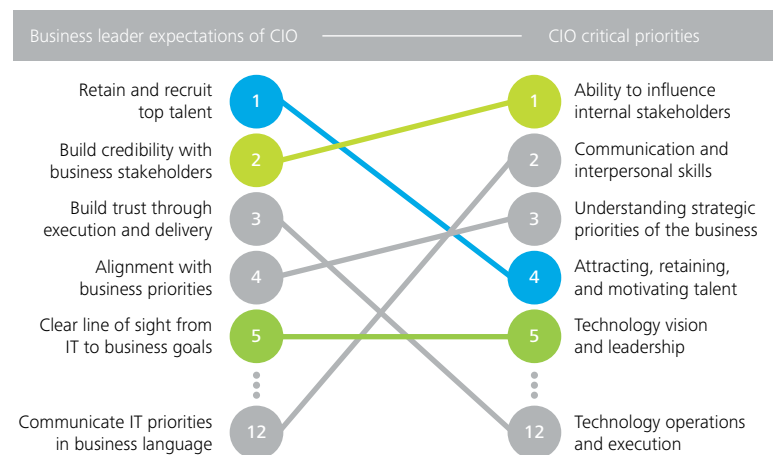


Source: Deloitte, 2015 global CIO survey, <http://www2.deloitte.com/uk/en/pages/technology/articles/cio-survey.html>, accessed March 23, 2016.

**Business leaders want CIOs to focus on social intelligence**

While working with newly transitioned CIOs, we asked more than 200 business stakeholders their expectations of the new CIOs. We then compared these result to CIOs' current strengths. There is fairly strong agreement about the priorities that should be addressed for CIOs to be successful (figure 2). Two of the top three business expectations and CIO priorities point to social intelligence. The two significant exceptions are CIOs' overconfidence in technology operations and execution—rated as the last priority for CIOs but the third highest expectation of business leaders—and the business leaders' expectations of CIOs ability to communicate IT priorities in business language. Business leaders rank this last as an expectation, while CIOs rank communication and interpersonal skills as their second highest priority.

**Figure 2: CIO and business views of important skills**



Source: Deloitte, 2015 global CIO survey, <http://www2.deloitte.com/uk/en/pages/technology/articles/cio-survey.html>, accessed March 23, 2016.

Despite a clear business mandate to address the social intelligence gaps, many CIOs lack a coherent plan to systemically address these gaps.

- Talent remains the Achilles heel for many CIOs. Some CIOs find it hard to recruit for skills in high demand. Often high performing talent gets bogged down due to cultural and political issues.
- CIOs and their leadership teams could lack credibility due to a history of not delivering to the business needs or failing to provide a reliable, consistent, and secure technology environment.
- Very few CIOs are expert storytellers. In order to develop and drive a coherent technology vision and get consensus inside and outside the IT organization, CIOs need to be articulate in their vision and influence others to follow.

### The Game Plan: Becoming a socially intelligent CIO

While business leaders and CIOs agree that CIOs need to enhance their social intelligence skills to meet business priorities, what does it take to actually achieve this? Three steps are critical.

#### 1. Go beyond alignment, Be politically savvy

Most successful CIOs are politically savvy. They have a comprehensive understanding of the implications of their actions. They are capable of analyzing the political culture and circumstances associated with an issue to quickly identify the political power and strategic relationships needed to attain their objectives. They build coalitions, mobilize talent, and find ways to overcome obstacles. They employ informal efforts to achieve their objectives and use organizational culture, personalities, and sensitivities to their advantage. Learning from this approach, there are two key steps to building political acumen:

- **Form coalitions and alliances to achieve your vision.** To succeed in any executive role, people need to have executive support; picking key alliances, stakeholders, and strong advocates is essential to ultimately get buy-in and support. One CIO uses the CFO and COO as a sounding board for all strategic investments, even before discussing them with her team—not just to get buy-in, but also to get early feedback and judge the appetite for risk. By the time she proposes the investment at the steering committee level, she has at least two strong supporters already behind it.
- **Overcome resistance (build influence).** Every business leader has his or her own agenda, priorities, and goals. Unless CIOs take the time to understand and acknowledge those, they will be met with resistance. One CIO tells all his newly hired direct reports to spend their first two weeks reaching out to 30 business stakeholders to understand their performance goals and success measures before discussing technology, then develop a plan to support their goals through technology.

#### 2. Build a brand, not just an organization

Branding is an important tool for building trust and credibility with business stakeholders and aligning technology resources under a set of common beliefs. Any IT culture is built from a set of beliefs, values, and purposes that define the organization. It dictates how people behave in different situations, how they dress and what they say. For CIOs, it is vital to make conscious choices and investments to build their brands. The first step in this process is to articulate a clear mission and vision for the IT organization, a collective conscience for their IT organization. There are two key steps to brand-building:

- **Carefully define the cultural norms and expectations.** Setting edicts is easy—building, nurturing, and reinforcing behaviors to align with the culture is hard. One CIO who encourages high performance as a cultural attribute challenges his staff with aggressive goals, and often the staff is able to achieve goals even beyond their personal expectations. But to do this, he also needs to have a healthy appetite for failure. He reinforces the message by celebrating failures and rewarding risk-takers even if the goals are not met or success is not achieved.
- **Fulfill your brand promise at every customer interaction.** Everyone is familiar with brand promises of successful brands such as Coca-Cola—“To inspire moments of optimism and uplift” and Virgin—“To be genuine, fun, contemporary, and different in everything we do at a reasonable price.” Having a brand promise serves as a way to stay in the hearts and minds of your stakeholders. Whether you promise reliability, security, resilience, agility, or innovation, the whole IT organization needs to be behind the brand promise and to exhibit behaviors that reinforce the brand.

#### 3. Forget alignment, focus on fusion

If there is a mismatch between business expectations and technology delivery, a technology leader is not going to be successful. It's necessary to calibrate where business value is, and expectations are, and how to drive technology to achieve the most business benefit. To do this effectively, CIOs need to meld their approach—align relationships, priorities, vision, and execution—with the business. In our research with CIOs on a range of topics related to their role, skills, relationships, investments, and potential legacy, one notable, recurring theme has come up: CIOs who solve business problems are respected as competent technology leaders, but CIOs who solve business problems proactively are revered as savvy business advisors. There are three key steps to achieving business fusion:

- **Drop your functional leader hat and wear a business leader hat.** Conventional wisdom suggests that strong relationships lead to higher influence. The global CIO survey, however, found that although CIOs generally reported strong relationships with business leaders, most were viewed as implementers rather than business peers. A strong relationship does not automatically translate into influence; a track record of delivery and personal trust is needed to gain influence and credibility.

A new CIO of a major transportation company approached every conversation with the CEO as an opportunity to inform the CEO about a new business opportunity or challenge—careful to frame the opportunity or challenge in business terms, linked to business outcomes. Over two years, the CIO built enough credibility to have a weekly one-on-one touchpoint with the CEO, who uses the meetings as a sounding board for his thoughts and ideas. Not surprisingly, technology is a core component of their business transformation plan and the CIO has become an influential business leader.

- **Be a Master storyteller.** To develop and execute on their technology visions, CIOs need to influence IT staff and business stakeholders, and to do that, they need to articulate the vision for technology as a master storyteller would. If story telling does not come naturally, technology leaders should enlist the help of communications experts. One CIO recruited two communications staff from corporate communications to work with him full-time on crafting the IT narrative.

In another example, the CIO of a cloud and virtualization company worked with his team and the CMO to think about the company’s technology story in a new way. Customers are no longer interested in just technology features and functions; they want to have a dialogue with, and learn from, the IT organization. The CIO characterized his role as a balance between technology leader and enterprise IT salesperson, sharing the vision of technology, along with lessons learned, and enabling others to do the same.<sup>2</sup>

- **Abandon technology strategy.** The lack of alignment between CIO priorities and business stakeholder priorities reflects the separation between technology strategy and business strategy. The bottom line is that CIOs should stop trying to align strategies; they should integrate them instead. IT strategy should be integrated with the business strategy (the notion that IT strategy is obsolete bears this out). It is the CIO’s job to determine where IT fits and focus on fusing the IT strategy with the business strategy.

To respond very quickly to a rapidly changing business model, the CIO of a satellite service and broadcast company implemented a “fail fast” strategy—make mistakes, learn quickly, and move along—for his team. Recognizing that with the digitization of the industry, there was not a single initiative the business could successfully undertake without IT involvement, the CIO melded technology and business strategies, and enabled a high-performance innovation organization fearlessly focused on failure.<sup>3</sup>

1 Social intelligence, Wikipedia [https://en.wikipedia.org/wiki/Social\\_intelligence](https://en.wikipedia.org/wiki/Social_intelligence)

2 Steven Norton, “CIO voices: VMware’s Bask Iyer straddles line between CIO, sales,” Wall Street Journal, October 15, 2015. <http://blogs.wsj.com/cio/2015/10/15/cio-voices-vmwares-bask-iyer-addresses-the-tech-vendor-cios-dual-role/>.

3 Gil Press, “DIRECTV CIO on getting IT to recover from fear of failure,” Forbes, July 30, 2013. <http://www.forbes.com/sites/gilpress/2013/07/30/directv-cio-on-getting-it-to-recover-from-fear-of-failure-2/#129149f0786c>.

For additional information, please contact:

**Ken Porrello**  
Principal  
Deloitte Consulting LLP  
[kporrello@deloitte.com](mailto:kporrello@deloitte.com)

**Khalid Kark**  
Research Director  
US CIO Program  
Deloitte LLP  
[kkark@deloitte.com](mailto:kkark@deloitte.com)

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[USCIOProgram@deloitte.com](mailto:USCIOProgram@deloitte.com)



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About this research

Deloitte CIO Insider articles are developed with the guidance of Khalid Kark, Research Director, CIO Program, Deloitte Services LP; Anjali Shaikh, Manager, CIO Program, Deloitte Consulting LLP; and Renee Boucher, Manager, CIO Program, Deloitte Services LP.

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