

TENG Newsletter, Vol. 5 No 3

About a year ago, TENG members were invited by David Preston to participate in an opinion survey that would answer key questions concerning the role of the CIO today. This newsletter is the first of a series of three that contain analysis of his findings and will run weekly. I am very grateful to him for asking our participation in his research and for his sharing of its outcome. If you wish to contact David, you will find his phone number and Email address at the end of the article. Ed

Dear TENG members, we have concluded our information systems (IS) strategy studies conducted at the University of Georgia (UGA) and Texas Christian University (TCU). Thanks to your participation and the coordination of Ed Pospesil, we were able to engage in this research. You will be able to review the results of these studies in three upcoming weekly TENG newsletters, which are as follows:

- 1) "Key Organizational Characteristics of the CIO and the Top Management Team"
- 2) "The Perception of the CIO's Ability in the Organization"
- 3) "The Link between CIO / Top Management Team Similarity and Networking"

In addition, we have published an additional study in the IS Control Journal titled "The Development of a Shared CIO/TMT Understanding and its Impact on Information Systems Strategic Alignment". This study investigated how the relationship between the Chief Information Officer (CIO) and top management team (TMT) influences the alignment of the firm's information systems (IS) strategy with its business strategy. We will ensure that this publication is made available to you one in publication in the next few months. I would like to personally thank you for your participation in this study. This study would not have been possible without your consideration. Please feel to contact me at (817) 257-6154 or d.preston@tcu.edu if you should have any questions regarding these studies or wish to be provided with any additional information.

We are currently involved in an additional study that will provide insight into how application developers can better design IT applications for end users within the organization to yield greater IS performance. Please feel free to contact me if this study may be of interest to you. Thank you again for your time and consideration.

David Preston

Biography and Contact Information are at the end of the article.

KEY ORGANIZATIONAL CHARACTERISTICS OF THE CIO AND THE TOP MANAGEMENT TEAM

The chief information officer (CIO) and top management team (TMT) members are within the upper echelons of the corporation. We define the CIO as the highest ranking information systems (IS) executive within the organization and the TMT as the chief executive officer (CEO) and top business executives within the organization who report directly to the CEO. We examine how the CIO differs from his/her organization's top business executives with respect to key demographic and organizational variables.

This study requested that both the CIO and TMT members from various companies take part in this research study by completing a mail or web-based survey. A total of 126 organizations returned the CIO survey and at least one corresponding TMT member survey. These organizations represent a wide range of industries and include a total of 123 American firms, two Canadian firms, and one European firm. The organizations within the sample also provide a wide range in size with annual sales ranging from \$43,000 to \$6.6 trillion and the total number of employees ranging from 14 to 16,300.

For both the CIO and the TMT members of each organization, we examine their age, organizational tenure, and tenure in their current executive-level position. Due to the respective "immaturity" of the IS field we expect that the CIO will tend to be younger than his/her TMT counterparts. This idea is also supported by the pervasive belief that CIOs generally need to have technical skills, which are more likely to be found in younger executives, in addition to business acumen. Furthermore, the CIO/TMT relationship has generally been troubled. In the past decade, studies have reported a higher than average corporate dismissal rate and shorter tenure for IS executives compared with other top business executives (Gupta 1991; Karimi and Gupta 1996). This would lead us to believe that CIO's organizational tenure and positional tenure will be shorter than that of his/her TMT counterparts. Based on this support, we develop the following three propositions:

- 1) CIOs are on average younger than TMT members;
- 2) CIOs have a shorter organizational tenure than TMT members; and
- 3) CIOs have a shorter positional tenure within their organization than TMT members;

We examine the validity of these aforementioned propositions utilizing survey data collected in the summer of 2004. The results of the sample data is summarized in Table 1.

	Mean	Significant Difference (t-test 0.05 level of significance)
CIO Age (years)	48.4	No
TMT Age (years)	49.9	
CIO Organizational Tenure (years)	7.1	No
TMT Organizational Tenure (years)	10.4	
CIO Positional Tenure (years)	4.6	No
TMT Positional Tenure (years)	6.6	

The average age of the CIOs and TMT members within the sample group is 48.4 and 49.9 years, respectively, indicating a negligible difference between the average ages of each group. The mean organizational tenure for CIOs and TMT members within the sample group is 7.1 and 10.4 years, respectively. In addition, the average tenure that the CIO and TMT members have spent in their current executive position is 4.6 and 6.6 years, respectively. The results indicate that there is not a significance difference between the CIO and TMT members with regard to age, organizational tenure, or positional tenure. These findings contradict the findings of earlier studies and previous assumptions that consistently indicate that CIOs tend to be younger than their business counterparts and that the CIO position is more volatile than other top executive positions. A potential limitation of this study was that the majority of the organizations are from the healthcare industry. We conducted additional analysis via t-tests to control for the following variables: industry, educational level, and gender. Again the results indicate that there is not a significance difference between the CIO and TMT members with regard to age, organizational tenure, or positional tenure.

To provide additional insight into the current demographics of CIOs and TMT members, we also report the educational level and gender of the CIO and TMT members, even though we do not expect that there would logically be any differences between the CIO and TMT members with regard to these variables.

Table 2: CIO/TMT Educational Background and Gender	N (Valid %)
<u>CIO Educational Background</u> (Valid N = 123 of 126)	
PhD, MD, JD	4 (3.3%)
Masters Degree	50 (40.7%)
Bachelors Degree	61 (49.6%)
Associates Degree	6 (4.8%)
High School Degree	2 (1.6%)
<u>TMT Educational Background</u> (Valid N = 160 of 161 - including duplicates)	
PhD, MD, JD	24 (15.0%)
Masters Degree	93 (58.1%)
Bachelors Degree	40 (25.0%)
Associates Degree	0 (0.0%)
High School Degree	3 (1.9%)
<u>CIO Gender</u> (Valid N = 125 of 126)	
Male	95 (76%)
Female	30 (24%)
<u>TMT Member Gender</u> (Valid N = 160 of 161 - including duplicates)	
Male	125 (78.1%)
Female	35 (21.9%)

As a terminal level of education, the CIOs within the sample most frequently hold bachelor degrees (49.6%) and an additional 40.7% hold masters degrees. As a terminal level of education, the majority (58.1%) of the TMT respondents hold masters degrees while an additional 25% hold bachelors degrees and 15% hold a PhD, law degree, or medical degree. The gender ratio for both the CIO and TMT respondents is approximately the same. Males comprise approximately 76% of the CIOs and 78.1% of the TMT members.

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BIOGRAPHY

David Preston, PhD is an Assistant Professor of Information Systems at Texas Christian University, located in Fort Worth, Texas. His research interests include IS leadership, CIO research, IS strategy and alignment, and IS outsourcing. He has work experience as an engineer, project manager, and management consultant. His work has been published in the Journal of Logistics Information Management and the Journal of Information Science and Technology. Please feel to contact David Preston at d.preston@tcu.edu or (817) 257-6154

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