

## IDC PERSPECTIVE

# The Future Enterprise: The CIO's Role in Creating a Positive Workplace Culture

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## EXECUTIVE SNAPSHOT

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### FIGURE 1

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#### Executive Snapshot: New CIO Leadership Tactics

The demand for talent with the right skill set for digital transformation drives the focus on employee experience. Maintaining a culture where employees love to work is a discriminator for talent acquisition and retention. CIOs play a crucial role within this culture through their own leadership. This IDC Perspective shares practices that successful CIOs use to demonstrate a genuine and caring leadership approach.

#### Key Takeaways

- Improving the employee experience improves productivity and profitability.
- The CIO's personal leadership style has a major impact on employee retention.
- Many small actions and practices contribute to the perception of the CIO as a leader who cares about his/her team members as individuals.

#### Recommended Actions

- CIOs should reflect on their leadership styles and seek feedback on where their practices might be modified to demonstrate more empathetic leadership.
- CIOs should review their schedules; how they spend their time sends a message to the IT organization on where their priorities lie. Is there enough time for human-to-human interactions?
- CIOs should create opportunities to listen to their employees, both in groups and individually.
- Review organization practices around meetings and email usage for changes, maximizing the value of time spent.

Source: IDC, 2019

## SITUATION OVERVIEW

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By 2023, driven by the mandate to deliver engaging, agile, continuous learning-fueled workspaces, 60% of CIOs will implement formal employee experience programs (see *IDC FutureScape: Worldwide CIO Agenda 2020 Predictions*, IDC #US45578619, October 2019). Many experts, including those at IDC and elsewhere, describe three environments providing the employee experience: culture, workspace, and technology. This IDC Perspective explores the impact of the CIO's personal leadership and presence in creating a positive employee experience. The power of loyalty in your workforce is one of the most powerful tools to retain talent given the scarcity of available candidates currently and in the future. The best CIOs have developed practices that increase trust; they project compassion, understanding, and responsiveness. They lead with empathy.

### The Business Case for Positive Employee Experience

A positive employee experience leads to greater employee engagement, which leads to higher productivity and profitability. Many studies, including the Forbes "Best Places to Work" report and surveys from the Society for Human Resource Management (SHRM), show a correlation between employee engagement and revenue growth and performance on the stock market (available at [www.forbes.com/sites/blakemorgan/2019/11/07/10-examples-of-how-employee-experience-impacted-business-performance/#3dbbc53a7c91](http://www.forbes.com/sites/blakemorgan/2019/11/07/10-examples-of-how-employee-experience-impacted-business-performance/#3dbbc53a7c91)). Higher, or rapidly increasing, voluntary turnover can negatively impact employee morale as people lose their friends and wonder what's wrong with their employer. This in turn erodes productivity and profitability. When an employee leaves, that person's customer knowledge walks out with them; this is particularly difficult when you lose employees who have had direct interactions and ongoing relationships with your customers. There are many studies providing estimated costs to replace a departing employee; depending on the study, the cost can range anywhere from 20% to 200% of an individual's annual salary. The more specialized the knowledge, the more experience, and the more senior the employee is: the more it will cost you in time and money to fill the position and get back to the previous competency level.

What does it mean to lead with empathy? Empathetic leaders show in words, presence, and actions the consideration and respect that they feel for their teams. This IDC study discusses a small set of practices that are representative of leading with empathy, certainly not an exhaustive list. Adjust these practices to your style or to the style you would like to be known for. Make them your own; set aside practices that you don't think you can currently execute in a way that projects sincerity. If a CIO is just going through the motions, that's not lost on your team.

Candidates prefer a company with a purpose they can get behind and a leader who actively lives the shared values. Successful companies work to continuously improve their cultures. A workplace with a charismatic culture is where employees are drawn to, are inspired at when they work, and feel like they are a valuable part of a higher mission.

It is commonly said that people don't leave companies; they leave managers. To build the organizational culture that that no one wants to leave, the CIO must first be the leader that no one wants to leave.

### Create Opportunities to Listen

"Communicate, communicate, communicate" – a familiar mantra. As much as IT leaders need to rely on consistent and persistent modes of outbound communication, the CIO needs to create specific opportunities to listen to the team. Brown-bag lunches with no formal presentations is one example. In

a global organization, these events should be part of CIO site visits. Your presence and your willingness to listen sends a powerful message about how you perceive the team; stellar leaders project that this event, this moment, is the most important thing they can do with their time. Your goal is not to dominate the conversation with your talking; if need be, prompt conversation with open-ended questions (more on the value of small talk in the Banter for Points of Alignment section). Tell the attendees that you are comfortable with long moments of silence and practice this; some leaders are so uncomfortable with this kind of silence that they feel the need to fill the silence with words, any words.

You want to promote open dialogue; beware of "group think." Do people tell you what they think you want to hear? Examine your reactions, verbal and nonverbal; project that you want to hear disagreements with your decisions and priorities. This is an opportunity to further explain your rationale or change your position. It is a sign of strength in emotional intelligence to take negative feedback and grow from it. Openness is one of the four core values that *MIT Sloan Management Review* recognizes as necessary to build a digital culture. Check your own comprehension as you listen, and repeat back what you understand; this is a practice often called "reflective listening" (listen, summarize, reflect back, and probe for understanding) as a way of ensuring engagement.

Take note: any time you have interactions with humans, or a possible opportunity to interact, you should put away your mobile phone; checking email instead of total involvement (including eye contact) sends a message that whatever is on your phone is more important than conversation. Many times, we listen with the intent to reply, diluting our focus – practice listening to understand. Although it may be difficult to overcome years of listening while simultaneously composing our response, reflective listening will underscore your presence in the moment.

Make it a point to welcome anyone who wants to schedule a one-on-one meeting with you. Regardless of the topic, your willingness to take any meeting shows you believe in the value of everyone on your team. Listen, take notes (that, in and of itself, sends a message), and keep private communications private. Follow up as appropriate.

## A Practice of Feedback and Candor

It is essential that both positive and negative feedback be given; if you only share the negative as you point out areas for improvement, individual self-esteem suffers, and you are missing the opportunity to motivate. Don't wait until annual reviews to share constructive feedback; if you see something, say something. This is also an opportunity for you to ask what the organization can be doing to help the individual, which shows you care enough to work together to improve.

Similarly, honest sharing about current company situations is better than letting team members stress and overinflate negative thoughts about their own job security. Along these lines, never proclaim that "layoffs are done"; it is impossible to know that with certainty, and if there is another round, your credibility regarding the team's job security is virtually destroyed, leaving a continual shadow and expectation that they will be next.

## Meetings and Emails

"We don't have enough meetings around here" or "our meetings are too short" has never been said. Agreed-upon rules can help make meetings more meaningful and less of a nuisance. Keep interruptions to a minimum, let everyone speak (you might need to draw out the quiet ones), no phones or email, and publish the purpose and agenda (and a time allocation for each agenda item) ahead of

time; take the phrase "let's take this offline" to heart if an agenda item exceeds your planned time or if an unplanned topic surfaces. Keep attendance to the required participants; there are other ways to keep nonessential attendees informed. Articulate the decisions or next steps; recap and check agreement as to the decisions or next steps. Nail down the purpose and time frame of the next meeting on a given situation or issue.

It's an unfortunate side effect of electronic scheduling systems, such as Outlook or Google calendaring, that our meetings are generally scheduled to end at the exact moment the next one begins, regardless of travel time between meetings or bio breaks. Get in the habit of scheduling meetings to start at 5 or 10 minutes past the hour and ending 5 or 10 minutes before the hour. There is also a general tendency to believe that an hour is the minimum length of time that a meeting should last; meeting efficiency practices can make 30 minutes just as impactful.

Why? This is a big sign of respect for the team's time. Be aware that meeting attendees are observing you during the entire meeting – are you looking at the phone or looking at the speaker? Avoid projecting an attitude that your interests are more important than theirs.

Much the same as meetings, no one really thinks they aren't getting enough email. "Drowning in email" is a familiar complaint. Practice good email habits; avoid responding "all" if that is not called for, don't cc people who don't need to receive an email, and title your emails so people can easily discern the topic and the necessary action. Try to keep every email brief and to the point: recipients might not read the whole thing, especially on a mobile device, and if the email has multiple actions or points, some will likely get lost. Never communicate negative emotion or try to resolve a tension-charged issue in email. Any complaint from a customer should be addressed right away: don't wait until you have an answer; acknowledge their pain and tell them you'll investigate, including on your response anyone within IT who has responsibility.

Meetings and emails take up a huge percentage of the CIO's (and everyone else's) time, so set a good personal example and work with your teams to spread these practices.

## Employee Career Growth

A key role of a CIO is personal involvement in developing the capabilities of his or her team members. Empathetic leaders find satisfaction in influencing or even transforming someone's life or career.

If people are developing their skills, and the quality of IT delivery is consistently maintained at a high level, then there are people ready and able to take on delegated responsibilities; this frees the CIO and direct reports for broader organizational roles. Autonomy is one of the four core values that *MIT Sloan Management Review* recognizes as necessary to build a digital culture. Asking your team members to do challenging tasks that they've not performed before shows that the CIO trusts in a successful outcome. This shows trust in each team member, as does delegating important decisions where possible.

You need to be on top of where the budding talent lies and nurture it. Do you value experience over credentials? In addition to hiring events on college campuses, consider candidates who have certifications and associate degrees, and not just four-year degrees, those returning to the workforce after military service, or those who have taken career breaks for parenting or elder care. This signals that you value the whole person and the experiences that have shaped their skill and character. That diversity in life experience can create an environment of thinking that goes wider than a homogenous

culture of college grads. This includes looking a talent coming from outside your industry for a different angle than "business as usual."

Believe in the unlimited potential of your team; allow for the possibility that they are in the wrong assignment before you conclude that they are the wrong person for a position.

## Celebrate Success

Public praise and providing avenues for peer-given kudos help grow more of the kind of behaviors and accomplishments that are praiseworthy. Be sensitive to different preferences; introverted IT engineers may appreciate the appreciation, if not too prolonged or in an uncomfortable forum. Make your praise detailed and specific; translate what the actions mean in the grand scheme of things and how they contribute to a successful enterprise mission. Make recognition timely, don't wait until an annual review or summary of the year's achievements.

Recognize recognition; when you get an email praising a member or members of your team, respond promptly with gratitude to the sender, add the target of the praise and their management chain (if they are not a direct report). This sends a message to all concerned that gratitude and appreciation are important enough for a swift response.

## The CIO Is a Part of a Bigger Team

Are you still considered an order taker in the enterprise as a whole? The "order taker" status demonstrates a lack of teamwork and mutual respect in top management and a lack of understanding as to how IT satisfies business requirements. Your standing is not overlooked by your team, who may doubt the value of their own contributions to the enterprise mission. In general, the services and systems that IT provide are the most mission critical to any enterprise; the team, however, is usually the least recognized and appreciated. One of the kindest things you can do for your team is to raise their standing in the eyes of the business: generate genuine appreciation for the work of the IT team.

Can you let go of your talent for advancement in another part of the organization? Do you actively assist in this kind of growth? The inability of CIOs and IT directors to support advancement outside their own teams but within their own enterprises causes employees' belief that it is easier to get a better job at a different company.

Digital transformation has brought about radical growth in operational technology and different approaches to deliver on the needs of the enterprise. Teams with a mix of IT subject matter experts and line-of-business (LOB) experts may work closely together on one rapid deployment, while on the very next project, the team composition will be different. By building empathetic leadership into organizational culture, leaders can better deliver on business initiatives that require rapid workforce reconfiguration, skills development, and integration of new and existing workers (see *IDC FutureScope: Worldwide Future of Work 2020 Predictions*, IDC #US44752319, October 2019).

## Banter for Points of Alignment

A leader's authenticity comes out strongly in his or her ability to make small talk and share on topics that have nothing to do with work. This projects an approachable leader with a balanced view of life in the workplace. A leader who is "all business" doesn't get insight into what is genuinely important or what is going on in employees' lives that might alter their worldview. Take opportunities to understand what value each employee gets from his or her work experience. Asking relevant questions (or exercising "appreciative inquiry") demonstrates that you are present in the moment.

Consider the five minutes before a web conference starts or a few minutes before a meeting as short opportunities for small talk; take opportunities on elevator rides, lines in the cafeteria, and so on. The CIO's goal is not to dominate the conversation but to provide all with an opportunity to be seen and heard. This practice is significantly improved when you know and call people by name. Saying "I'm bad with names" sounds like an excuse not to try, implying your employees are just not worth getting to know. That might sound like a stretch, but if the CIO interacts with a member of the board, it's much more satisfying when the board member actually knows the CIO's name. Needless to say, this kind of conversation is even more crucial in interviews and when you are meeting a new team member for the first time.

Self-awareness is an essential part of making banter work; talking about the lifestyle that your greater compensation and perks allow will not strengthen employee relationships; flying to India in business class while your team is relegated to coach is an uncomfortable situation to talk about, especially if you did not have the self-awareness to consider these kind of differences that vary with career elevation. The more you practice banter, the more you will find points of alignment with each person, and the closer team grows.

## The CIO as a Role Model

The CIO is a visible role model at all times; walking down the hall, perpetually at a brisk speed and a harried expression instead of a relaxed gait, a smile and eye contact, will make your team continually wonder where the crisis du jour is, and they may actually feel uncomfortable about appearing relaxed and enjoying work.

Are you a "lifelong learner"? Do you display passion for learning new things? It is much harder to reskill a workforce that is influenced by a leader who doesn't take the time to learn or use disruptive technologies. Business acumen is expected of a CIO; that enhances their credibility in the eyes of the business – but a passion for and understanding of the technological aspects of digital transformation will provide a credible role model for the IT workforce.




Do you project teamwork when you talk to your team about those you serve outside of the IT organization? If you talk bad about the other functions/LOB managers or the quality of their work, your team might wonder what you say about them behind their back. If you continually talk about yourself in negative terms, it shows a lack of confidence, even if you think you are making a joke. No negative talk in general is a good practice to follow; this is not the same as constructive corrective feedback delivered with a positive orientation.

## ADVICE FOR THE TECHNOLOGY LEADER

Figure 2 provides advice for technology leaders seeking to lead and inspire their teams with a more personalized and empathic management approach.

**FIGURE 2**

### Advice for Technology Leaders

| Role(s)  | Actions   | Outcomes    |
|---|--|--|
| CIO   | Using one of a variety of feedback models (leadership inventories, 360 feedback, etc.), collect perceptions of the CIO's leadership style.                       | Develop a view of the perceptions of the CIO's current leadership style.   |
| CIO and direct reports  | The CIO shares the perceptions collected, the team brainstorms countermeasures.  | The senior IT team grows closer through the process; the impact of leadership style gets visibility with the CIO's directs.                            |
| CIO and direct reports  | Start dialogue and concrete actions around employee growth; identify high potential and deep reach candidates for CIO mentoring.                                 | Skip-level mentoring provides an opportunity to listen and provides visible signs of career growth prioritization on the CIO's agenda.                 |
| CIO and direct reports  | Fashion an employee-based team (spirit team) to own and propose activities for IT team engagement — mentoring groups, brown-bag lunches, methods of recognition. | This empowers IT organization to own and spread a wider approach to leading with empathy; all IT employees can follow empathetic leadership practices. |
| Spirit team   | Review and propose improvements to meeting and email practices.  | Time and frustration are reduced due to employee-centric practices — a unity of intent.  |
| CIO   | Periodically reflect on own leadership style; assess what to start, stop, and keep doing within leadership practices.  | Outcome is growth of CIO self-awareness and improvement of empathetic leadership style.  |

Source: IDC, 2019

## LEARN MORE

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### Related Research

- *IDC FutureScape: Worldwide Future of Work 2020 Predictions* (IDC #US44752319, October 2019)
- *IDC FutureScape: Worldwide CIO Agenda 2020 Predictions* (IDC #US45578619, October 2019)
- *IDC PeerScape: CIO Strategies for Improving Enterprise Employee Experience* (IDC #US45585019, October 2019)
- *Building an Engaging IT Culture to Retain High-Value Talent* (IDC #US44938719, March 2019)
- Jacob Morgan, *The Three Environments That Create Every Employee Experience*, December 2015
- James M. Kouzes and Barry Z. Posner, *The Leadership Challenge*
- T. Clifton Green, Ruoyan Huang, Quan Wen, and Dexin Zhou, Crowdsourced Employer Reviews and Stock Returns, *Journal of Financial Economics*, April 1, 2018
- Patrick Lencioni, *The Five Dysfunctions of a Team: A Leadership Fable*
- Building Digital-Ready Culture in Traditional Organizations, *MIT Sloan Management Review*, Summer, 2019
- Jacob Morgan, *The Employee Experience Advantage: How to Win the War for Talent by Giving Employees the Workspaces They Want, the Tools They Need, and a Culture They Can Celebrate*, 2017

### Synopsis

This IDC Perspective explores the impact of the CIO's personal leadership style and presence on a positive employee experience. Leading with empathy is vital for employee engagement; employees don't leave companies, they leave leaders. The importance of employee experience is growing along with the increasing importance of enterprise digital transformation. The existence of loyalty in your workforce is one of the most powerful tools to retain talent given the scarcity of available candidates currently and in the future. The best CIOs have developed practices that increase trust; they project compassion, understanding, and responsiveness. They lead with empathy.

"It starts with you," IDC's Adjunct Research Advisor Cora Carmody advises CIOs. "Individual leaders don't always understand that their own behavior provides a powerful starting point for cultural transformation. Overnight transformation is not necessary; change can be seen in the adoption of small practices."



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