1. Executive summary 7
2. Diversity CIO 10
3. Global results* 14
4. Country and regional profiles
   4.1. Australia 24
   4.2. Germany 26
   4.3. Ireland 28
   4.4. Netherlands 30
   4.5. Scotland 32
   4.6. United Kingdom 34
   4.7. United States 36
5. Conclusions by TelectyGroup 38

* Key areas covered by this survey
Job roles, reporting lines and board presence, geography and industry,
budget responsibility, key issues, skills, innovation and collaboration,
IT budgets, outsourcing and offshoring, career and compensation

The 2012 CIO Survey from Harvey Nash is global in nature and was undertaken
across many different countries, languages and currencies. For ease of
production the currency used is the US Dollar. At the launch of the survey the
conversion rate of US Dollar to UK £ Sterling and Euro was $1 = £0.63 and €0.74
Foreword

As I read the findings from this year’s survey I am hit by the sheer scale of change we have witnessed since our first edition hit desks in 1998.

For 14 years Harvey Nash has brought together CIOs from around the world to understand the trends impacting their role and their organisation. Over the period, the role has developed almost as fast as the technology the CIO utilises.

Last year we evidenced the different speed at which certain industries and CIOs were emerging from the tumult of the global recession. This year the focus is on growth, but where to find it?

Here are a few of the trends that convinced me the CIO is a central figure in the search for growth:

- 56 percent of CIOs are now focused on projects that make money rather than save money
- 60 percent have responsibilities beyond their national borders
- 68 percent see the role of the CIO becoming more strategic in future
- Digital media and social media are dominating CIO innovation projects
- Outsourcing key development skills will be a priority for 46 percent of CIOs this year
- CIOs are looking for ambitious employers. Almost a third of CIOs moved job in the last two years. 34 percent said the reason was for a bigger challenge

I would like to thank TelecityGroup for sponsoring the 2012 Harvey Nash CIO Survey.

As usual you will find analysis on regular topics like the CIO career, remuneration, skills demand and CIO priorities, as well as a new section exploring CIO diversity and the role of women in IT.

I hope you enjoy reading the 2012 survey results as much as I did.

Albert Ellis,
Chief Executive,
Harvey Nash plc
What keeps me up at night? Protecting the network from hackers. We take security very seriously, but I worry it won’t be enough.

Lorraine Cichowski,
Senior Vice President & CIO, Associated Press

The ever-increasing complexity of our systems architecture! We add new channels, new components, new cloud services in response to great new opportunities, but rarely get the space to simplify and ensure architectural elegance.

Trevor Didcock,
CIO, Easyjet

We know more about the consumer than we can handle with legacy processes. Making technology truly relevant to marketing unleashes innovation that keeps up with the digital age.

Dr Hagen Wenzek,
Global CTO, IPG Mediabrands

Everyone in today’s digitally enabled world understands that applying data is fundamental to future success. What is more critical is being clear on what data sets are key to your business decisions and then accessing this data in a structured, cleansed way. What is often surprising is we race to build smart analytics engines and cannot even access our sales data, customer data or ad spend data in a timely accurate form.

Sue Fennessy,
Global CEO, Standard Media Index

The biggest challenge is to enable collaboration between our employees, customers and stakeholders in global projects in an IT framework of social on-premises media and the constraints of security in the Internet.

Dr Andreas Rebetzky,
Member of the executive board, Sto Group, CIO, Sto AG, Stühlingen, Germany
Digital fragmentation of channels is driving complexity and change within Media. It is resulting in clients demanding greater real time insight (Big Data) across traditional and digital channels and closer integration between media owners and client data.

Rob Wilson,
Group IT Director, Havas Media

In a consumer driven world, where global competition has removed the old constraints of geographic boundaries, attracting, developing and retaining world class talent with a global mindset is by far our biggest challenge.

Adam Gerrard,
Chief Technology Officer, The LateRooms Group

For my team, great service means delivering innovative solutions that are aligned and developed in partnership with the business. As the market evolves and converges, driving commercial value through continuous process improvement, governance, and cost control are vital to Viacom’s overall success.

David Kline,
CIO, Viacom

The single biggest challenge is finding front line IT leaders and managers who can not only hit the ground running and make an impact on an enormously challenging global systems and technology transformation, but can also play a catalytic leadership role in the business transformation.

David Morgan,
Group CIO, Germanischer Lloyd SE

Our biggest challenge is to continue bringing new innovative solutions to meet the increasing expectations of our customers (e.g. our mobile banking usage grew 1000% in 12 months) while implementing in parallel the increasing amount of rules and regulations that address the banking sector.

René Steenvoorden,
CIO, Rabobank and Chairman, CIO Platform
Now in its 14th year, the Harvey Nash CIO Survey is one of the largest and longest established reports of its kind. Representing the views of more than 2,000 IT leaders across 20 countries it is a unique insight into the shape of IT and the evolving role of the CIO.

**Role of Digital Media**

71% of CIOs believe their organisation needs to embrace new technology otherwise they will lose market share.

Ownership of digital media innovation is shared between IT and Marketing depts.

Digital media and social media are dominating CIO innovation projects.

**Outsourcing & Budgets**

CIOs who saw a budget increase:

- 2012: 44%
- 2011: 39%
- 2010: 28%

Outsourcing key development skills will be a priority for 46 percent of CIOs this year.

The use of multi sourcing will increase this year for 43 percent of CIOs.

**Strategic Growth Focus**

- 56% of CIOs are focused on projects that make money rather than save money.
- 68% see the role of the CIO becoming more strategic in future.
- 60% have responsibilities beyond their national borders.

**CIO Career**

CIOs are looking for ambitious employers.

- Almost a third of CIOs moved job in the last two years.
- 34% said the reason was for a new/bigger challenge.
- 14% of CIOs are aiming for the CEO job as their next role.

**Women in IT**

- Of CIOs think relationships between IT and the business improve by hiring more women.
- 51%
- However, over a third of CIOs confirm there are no women in management IT roles in their organisation.
- 35%
- Almost a quarter of CIOs have no women in their technical teams.
- 24%

**CIO Remuneration**

- 61% of CIOs are experiencing a salary freeze this year (compared to 50 percent in 2011).
- 2012: 44%
- 2011: 39%
- 2010: 28%

Expectations of salary growth in 2012 remain subdued.

- Location does have an impact on CIO remuneration, with US salaries trending roughly 15% above the global average.

**Human Capital Management**

- CIOs retain a significant flexible contingent to their workforce.
- 75% of CIOs have at least a quarter of their workforce made up from flexible labour.

- 2012: 56%
- 2011: 46%
- 2010: 35%
1. Executive summary

The 2012 Harvey Nash CIO Survey has provided a glimpse into the fast changing landscape that CIOs are operating in. From the dramatic emergence of social media as a high demand skill set, to the accelerating shift from consolidation into growth priorities, and the impact of women on relationships between IT and the wider business, there are many fast moving components in the life of today’s CIO.

Dig out the passport, the CIO is going for growth

More than half of CIOs in 2012 (56 percent) say projects that make money from technology rather than save money are the priority for their CEO. The search for growth is on, and organisations are increasingly looking to emerging markets to pursue it. And with almost two thirds of this year’s respondents having a global or multi-national focus (60 percent), the CIO is going to be key to unlocking this growth potential. This year’s survey covered a wide geography with Australia becoming a major contributor to the survey for the first time and with responses being recorded from a diverse range of emerging markets including China, Croatia, Dubai, Greece, India, Israel, Japan, Lebanon, the Philippines, Qatar, Russia and Singapore. As organisations continue to search for growth in emerging markets CIOs need to be prepared for the challenges of operating in unfamiliar environments.

An evermore strategic outlook

The strategic influence of the CIO continues to grow in line with the increased global responsibility they are being asked to take on; 52 percent of respondents now sit on their organisation’s operational board, up from 50 percent in 2011 and 42 percent in 2010. Over two thirds of respondents (68 percent) say the role of the CIO is becoming more strategic in 2012 and this is reflected in the dominance of the CEO as the most likely reporting line for the CIO.

Strategic priorities now focus on improving time to market for new products and services (a priority for 24 percent of CIOs versus only 17 percent in 2011); supporting mergers and acquisitions (15 percent, up from 12 percent in 2011); and investing time, focus and resources in mobile commerce, which is up from 17 percent in 2011 to 22 percent in 2012.

CIOs are hot for mobile

Demand for skills is returning with a particular emphasis on mobile solutions. In a long running trend analysis the report highlights an expected uptick in demand for skills that support innovation, however, the intensity in demand for mobile skills was greater than expected. There has been a leap in demand for skills associated with mobile solutions (21 percent this year versus 14 percent in 2011), and given the rapidly expanding range of mobile platforms, security and resilience skills have also increased in demand (17 percent in 2012 versus 13 percent in 2011). Skills associated with the rise of social media are another group to have seen growth this year (15 percent in 2012 versus 11 percent in 2011).

"Digital media is firmly on the CIO’s agenda”

Digital media is firmly on the CIO’s agenda with almost two thirds of global CIOs actively promoting the development of mobile phone and tablet applications for their organisation. The IT department and the Marketing department share responsibility for digital media; 43 percent of CIOs claim this to be the case compared to ten percent of global CIOs who have full control over the role of digital in their organisation. A further 37 percent of CIOs state that the Marketing department probably has more influence in the digital media strategy than the IT department. This shared responsibility presents a big challenge for some CIOs and CMOs; where IT and marketing strategies were once developed in isolation they must now be integrated, and executed in synchronisation.

Some CIOs confirmed that the newer the technology, the more likely the CIO will be to actively promote it. As the technology matures and the CIO has determined the most secure / profitable route to utilising the platform the challenge becomes more about what to deliver via the channel. This often then becomes the responsibility of the content providers in the Marketing team.
1. Executive summary

Budgets rebound
There are positive signs that IT budgets are less restricted in 2012 as organisations pursue growth: 44 percent of global CIOs saw a budget increase this year compared to 39 percent in 2011 and 28 percent in 2010. CIOs are also regaining control over more of their budget. In 2011 more than one in ten (11 percent) of global CIOs didn’t control the majority of their IT spend; in 2012 this has dropped to seven percent.

"There are positive signs that IT budgets are less restricted in 2012"

Innovate or die
Last year’s Harvey Nash CIO Survey highlighted the vital importance technology innovation had played in bringing many organisations safely, and efficiently, through the recession.

Today, consolidation is being replaced by growth strategies, and innovation still has a crucial role to play. For example, 71 percent of CIOs believe their organisation needs to embrace new technology otherwise they will lose market share, up from 67 percent in 2011. CIOs recognise there is still a significant gap in the expectations between the innovation ambition of their organisation and the innovation reality in their IT department.

Outsourcing demand linked to economic stability and skills gap
Data gathered and analysed by Harvey Nash over the last ten years, including two economic downturns, shows that – counter to what many commentators might think – outsourcing decreases during economic downturns and returns to prominence when stability and growth ease the pressure on IT budgets.

Looking ahead, almost half of the respondents (46 percent) plan to increase their spend on outsourcing this year. This compares to 45 percent in 2011, but is 10 percent up on 2010 figures (36 percent) when IT budgets were more tightly constrained and economic uncertainty was more acute.

Software development (63 percent in 2012 and 62 percent in 2011) still accounts for the vast majority of outsourcing activity. Software maintenance and data centres, both outsourced by 49 percent of CIOs, are the next most outsourced activity.

There is a clear link between the higher value outsourced activity, like software development and data centre management, and the skills shortage experienced by CIOs. As organisations, and more importantly the CEO, demand their teams prepare for growth, CIOs have to find the skilled resources to meet the demand from the business and the wider market. During these times there is a clear link between the skills demanded by CIOs and the type of work outsourced by CIOs. Those who want to retain their competitive advantage have engaged reliable outsourcing partners who can step into the breach to ensure projects add value and are delivered within time / budget expectations.

Career and development
CIOs have been looking for new career opportunities over the last two years, and almost one third of CIOs (29 percent) have moved roles within this time. A fresh challenge is still the top reason for looking at new job roles (by 34 percent of CIOs in 2012); more involvement in business strategy is the second most popular reason given for job seeking among senior IT leaders (28 percent).

Despite the volume of CIOs looking to change role this year, 82 percent of CIOs are still fulfilled by their current role (83 percent in 2011); this still remains higher than two years ago (76 percent satisfaction in 2010). However, this does not stop inquisitive CIOs from considering their career options. One in five CIOs (20 percent) are actively seeking and applying for new roles. And a portion of the CIO community are looking beyond their next technology role: 14 percent are aiming for the CEO’s job in their next role.
Caution surrounds executive pay in IT

The executive pay debate that is raging in the media and a nervousness to push salary inflation in the current economic climate, especially in Europe, seem to be having an impact on CIO remuneration.

The average salary for CIOs globally has increased by 2.9 percent in the last year; it is currently $203,986 USD, up from $198,031 USD in 2011. However, expectations of salary growth in 2012 remain subdued; 61 percent of CIOs are experiencing a salary freeze this year (compared to 50 percent in 2011).

Beyond the executive pay debate there are a number of factors that influence CIO salaries. The most significant factor is the size of the IT budget. Big budgets and the responsibility that comes with them command bigger salaries. Another factor that has an impact, although less marked, is which industry the CIO works in. For example, Information or eCommerce based industries tend to have higher salaries, not for profit and product based industries less high. Location does have an influence on CIO remuneration, with US salaries trending roughly 15 percent above the global average. Another factor that influences salary is length of service. CIOs moving into a new role or company can expect a slightly higher salary than the global average. Gender is also a part of the CIO salary equation as evidenced in the ‘Diversity CIO’ section of this year’s report.

Women in IT

In this new section of the Harvey Nash CIO Survey the role of women in IT departments and the view of the CIO to gender challenges in technology are explored.

The male to female ratio in IT leadership remains highly unrepresentative of the population at large – 93 percent of CIOs responding to the survey this year are male – this compares to 92 percent male in the survey population from 2010. Over a third of CIOs (35 percent) confirm there are no women in IT management roles in their organisation. For 46 percent of CIOs less than a quarter of their IT management roles are populated by women. The split of male to female workers is also significantly skewed in technical functions. Almost a quarter of CIOs (24 percent) have no women in their technical teams; for 45 percent of CIOs women only make up about one quarter of their technical team, while for 20 percent of CIOs half their technical team are women.

Non-technical roles such as business analysis and training do have more women represented in IT departments. Six percent of CIOs have non technical teams that are almost exclusively made up of women; 12 percent of CIOs have non technical teams with women in 75 percent of the roles; 35 percent of CIOs have up to half their non technical roles filled by women.

Over half of CIOs (51 percent) think relationships between IT and the business improve by hiring more women, and 48 percent believe it enhances team cohesion and morale. However, the vast majority of CIOs think there is no impact on strategy (82 percent) and technical nous (86 percent) from hiring more women into IT.

There is a massive 30 percent gap between women CIOs and their male counterparts regarding their view of women ‘getting the job done’ at various levels of the IT team.

However, both male and female CIOs recognise that in the current fast moving environment, where it is very clear that IT departments are increasingly focused on managing business relationships to pursue growth and less on sweating technology assets to deliver efficiency, increasing the proportion of women in the IT team will improve relationships between IT and the rest of the business.
**2. Diversity CIO**

**Where are all the women CIOs?**
The issues associated with women in IT drive many business decisions as well as generating significant media coverage around diversity in the workforce. The 2012 Harvey Nash CIO Survey asks some searching questions about the role women play in IT: what are the differences between a male and female CIO outlook? What do women bring to the top table? Is there a male / female pay gap?

These questions are not idle musings, nor are they a crusade for women’s rights; this issue goes to the heart of building a competitive and responsive organisation in the 21st century. It is very clear that as IT departments become increasingly focused on managing business relationships and less on sweating technology assets, the DNA of the IT department needs to evolve too.

**A lopsided demographic**
When it comes to the number of women CIOs around the world compared to men, it doesn’t take much research to realise that women are vastly outnumbered in the top technology job. From 592 global CIOs who participated only 45 were women. For every woman Harvey Nash recruits into a CIO role there are nine men placed in similar positions. Progress in redressing this imbalance is being made in some countries quicker than others, but as Figure 1 shows there is a long way to go to redress the balance.

**Diverse, but still similar**
There can be no argument about the competency of women CIOs compared to men, partly because they are actually quite alike. In their outlook and their career path to get to the top technology job women CIOs have a lot in common with their male peers. For example 34 percent of women CIOs have global responsibility in their organisation, in line with 36 percent of CIOs who are men. Two thirds (66 percent) of women CIOs are members of their operational board or management team, this is exactly the same percentage as their male counterparts. However, women CIOs are less likely to report to the CEO (41 percent do, compared to 48 percent of men) and 34 percent of women CIOs report to the CFO compared to 29 percent of men.

**The CIO outlook**
Saving costs remains important for both men and women CIOs this year, although more women make this a higher priority. And 38 percent of women CIOs are focused on risk and compliance issues compared to only 23 percent of men. It is unlikely that organisations with male CIOs would have less of a regulatory burden than firms with women CIOs; by spending less time on compliance issues male CIOs could be exposing their organisation to more risk.

Women CIOs are also pursuing more change programmes than their male counterparts, they are improving the success rate of projects and using technology to engage better with customers, while men focus more on delivering consistent and stable IT performance for the organisation and increasing operational efficiencies.

**CIO career development**
There have been significantly more women CIOs moving jobs in the past two years compared to men, in fact 16 percent more women changed their role than men in the past 24 months.

Slightly more women CIOs than men would move job for a seat on the board (13 percent over 11 percent), and 11 percent of men were more interested in working for a new CIO than their current one.

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**Figure 1: Percentage of women respondents by country**

<table>
<thead>
<tr>
<th>Country</th>
<th>Women Respondents %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>5%</td>
</tr>
<tr>
<td>Australia</td>
<td>6%</td>
</tr>
<tr>
<td>US</td>
<td>2%</td>
</tr>
<tr>
<td>UK</td>
<td>5%</td>
</tr>
<tr>
<td>Holland</td>
<td>3%</td>
</tr>
<tr>
<td>Germany</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Figure 2: Women CIO priorities versus men**

- **Saving costs**: Female CIO 77%, Male CIO 38%
- **Managing operational risk**: Female CIO 58%, Male CIO 24%
- **Enhancing customer engagement**: Female CIO 29%, Male CIO 18%
- **Improving project success**: Female CIO 23%, Male CIO 18%
- **Social media experimentation**: Female CIO 21%, Male CIO 18%

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“This issue goes to the heart of building a competitive and responsive organisation”
percent would move to seek a better work/life balance compared to only six percent of men. The financial stability of an employer is significantly more important to women CIOs (nine percent) than men (two percent). However, men want more involvement in strategic decision making (29 percent) compared to women CIOs (24 percent).

**Remuneration**
When it comes to pay and benefits, the commonly held view is that women are paid less for undertaking the same or similar roles to their male counterparts. The 2012 Harvey Nash CIO Survey finds this to be the case. However, the gap between the average base salary for a woman CIO compared to a man is slight. The global average base salary for a woman CIO is $201,944 USD while the same for a man is $204,854 USD, a difference of $2,910 or 1.42 percent.

The bigger disparity comes when exploring salary inflation. In the last 12 months, 73 percent of women CIOs have been working with a salary freeze compared to 61 percent of men in similar roles. A third of male CIOs (33 percent) enjoyed a pay rise of some description this year compared to only 17 percent of women. Fewer women CIOs receive a bonus (71 percent compared to 80 percent of men).

**Promoting the next generation women CIOs**
Women CIOs are experiencing the same difficulties as male CIOs in recruiting the next generation of women into the IT function. For 27 percent of women CIOs there are no women in technical roles on their team, and for 18 percent there are no women in business facing roles like training or business analysis. Without women being promoted through the technology ranks it will prove difficult to develop the next generation of women CIOs.

Over three quarters of women CIOs (78 percent) believe women are under-represented in their IT team (compared to 65 percent of men), and 75 percent agree there is a lack of qualified women candidates available (88 percent of men share this view). However, almost one in five women CIOs (19 percent) believe there is an unintentional bias against women during the selection process compared to only six percent of men who think this is the case.

When it comes to the positive impact that women can make as part of a diverse IT team there is a distinct gap in every category between the value women CIOs place on promoting more women through the IT team compared to the view of men in the CIO role.

For example, there is a 30 percent gap between women CIOs and men regarding the positive impact of women ‘getting the job done’ at various levels of the IT team. While 49 percent of women CIOs say women have a positive impact on efficient decision making (and 51 percent say it has a positive or negative impact), only 18 percent of male CIOs say women contribute positively to efficient decision making (77 percent say it has no impact and five percent say women have a negative impact on decision making).

When it comes to technical nous only 24 percent of women CIOs say increasing the proportion of women in the IT department will have a positive effect. And while male CIOs agree, they are far more sceptical: only nine percent said having more women in IT would have a positive impact on technical capability of the organisation. Both male and female CIOs recognise that increasing the proportion of women will benefit relationships between IT and the rest of the business (57 percent of women CIOs and 54 percent of men).

**Figure 3: Positive impact more women throughout IT function will deliver**
Join the conversation...

- DOWNLOAD THE FULL SURVEY
- REGISTER FOR ONE OF 15 EVENTS ACROSS THE WORLD
- VIEW VIDEOS, BLOGS, PHOTOS

www.harveynash.com/ciosurvey
3. Global results

In 2012 Harvey Nash engaged with over 2,400 CIOs and IT leaders from around the world. Australia is now a major contributor to the survey while responses were also recorded from a diverse list of regions including China, Croatia, Dubai, Greece, India, Israel, Japan, Lebanon, the Philippines, Qatar, Russia and Singapore. As organisations continue to search for growth in emerging markets, CIOs need to be prepared for the challenges, and the opportunities, of operating globally.

Job roles
The level of seniority in respondents to the survey increased in 2012 with 44 percent describing themselves as C-level executives versus 42 percent in 2011 and 37 percent in 2010. A further 43 percent of 2011 respondents are Vice Presidents of technology or Senior IT Directors. Ultimately 87 percent of the respondent base occupies the top two levels of management in the technology function, up two percent on 2011.

Reporting lines
The CEO remains the reporting line for almost one third of CIOs (32 percent) which is unchanged from 2011. The role of the CFO in reporting lines for CIOs is weakening slightly with 17 percent of CIOs reporting into the finance function this year compared to 18 percent in 2011.

Geography
Almost two thirds of CIOs have a global or multi-national focus (60 percent), which is unchanged from 2011 but five percent up from 2010 figures. As can be seen in Figure 1 below, an international outlook remains the norm for the majority of CIOs.

Industry
The sectors represented in the 2012 survey are broadly in line with previous years. Financial Services remains the most significant contributor with almost one in five CIOs responding to the survey (17 percent) working in the sector. Fifteen percent of respondents operate from the technology sector, while there is a growing community of CIOs in the retail and leisure sector who participate in the survey (nine percent 2012, seven percent 2011, and six percent 2010). Professional Services CIOs are also participating in higher numbers (eight percent 2012 and four percent 2011).

Strategic responsibility
The strategic influence of the CIO continues to grow; 52 percent of respondents now sit on their organisation’s operational board, up from 50 percent in 2011 and 42 percent in 2010, a significant ten percent increase in two years. Over two thirds of respondents (68 percent) say the role of the CIO is becoming strategic in 2012.

Key issues for the CIO to address
In line with their growing strategic importance CIOs globally are being asked to shift their priorities away from the business-as-usual and into growth activities. Whereas in 2010 and 2011 CIOs were driven almost exclusively by controlling

Figure 1: Global – International focus of the CIO function 2010-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>61%</td>
</tr>
<tr>
<td>2011</td>
<td>58%</td>
</tr>
<tr>
<td>2010</td>
<td>55%</td>
</tr>
</tbody>
</table>

Table 1: Global - Top ten sectors, percentage of respondents

<table>
<thead>
<tr>
<th>Sector</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services</td>
<td>17%</td>
</tr>
<tr>
<td>Technology / Telecoms</td>
<td>15%</td>
</tr>
<tr>
<td>Retail / Leisure</td>
<td>9%</td>
</tr>
<tr>
<td>Business / Professional Services</td>
<td>8%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8%</td>
</tr>
<tr>
<td>Broadcast / Media</td>
<td>5%</td>
</tr>
<tr>
<td>Government</td>
<td>5%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>4%</td>
</tr>
<tr>
<td>Construction / Engineering</td>
<td>3%</td>
</tr>
<tr>
<td>Education</td>
<td>3%</td>
</tr>
</tbody>
</table>
costs and maximising efficiencies, today the change in priorities focuses on improving time to market for products and services (priority for 24 percent of CIOs versus only 17 percent in 2011), supporting mergers and acquisition (15 percent, up from 12 percent in 2011); and prioritising time, focus and resources in mobile commerce, which is up from 17 percent in 2011 to 22 percent in 2012.

This shift is at the expense of the consolidation priorities that, while still essential to CIO respondents, are waning. For example, saving costs was a priority for 67 percent of global CIOs in 2011 and is down to 63 percent today; consolidating business processes was a main concern for 63 percent of CIOs in 2011 and is down to 54 percent in 2012; and achieving operational efficiencies took precedence for 65 percent of respondents in 2011 and drops to 59 percent today.

Global CIOs believe they have most influence over IT strategy (63 percent) and outsourcing (62 percent) in their organisation. However, more than half (56 percent) of CIO respondents say it is projects that make money from technology that are more interesting, both for themselves and their CEOs. However, there is also a note of caution that business integration is being left behind in the rush for growth and profit; only 45 percent of CIOs now believe they have achieved significant technology integration with the business, down from 51 percent in 2011 and 52 percent in 2010.

Budget responsibility
There are positive signs that IT budgets are less restricted in 2012 as organisations pursue growth; 44 percent of global CIOs saw a budget increase this year compared to 39 percent in 2011 and 28 percent in 2010. While 38 percent expect further increases next year this is slightly less bullish than last year when 40 percent expected increases. CIOs are also regaining control over more of their budget. In 2011 more than one in ten (11 percent) of global CIOs didn’t control the majority of their IT spend; in 2012 this has dropped to seven percent.

Human capital management
In 2012 a human capital management issue from the pre-recession era is making a reappearance: almost half of global CIOs (48 percent) are concerned that a shortage of key skills is preventing their organisation from keeping up with pace of change; this is up six percent from 2011. The table below shows how the demand for technology skills has ebbed and flowed during the past five years.

Figure 2: Global – Shift in CIO priorities

Figure 3: Global – Percentage of CIOs who say organisation suffers a skills shortage

"Projects that make money from technology are more interesting"
3. Global results

The current skills demand is likely driven by an improving economy in the US and some parts of Europe for new digital technologies. Although enterprise architecture (35 percent in 2012, 34 percent in 2011) and business analysis (34 percent in 2012, 35 percent in 2011) are the most in demand skills for a third year running the urgency in those skills remains almost static. In comparison, there has been a leap in demand for skills associated with mobile solutions (21 percent this year versus 14 percent in 2011), security and resilience skills (17 percent in 2012 versus 13 percent in 2011) and skills associated with social media (15 percent in 2012 versus 11 percent in 2011).

CIOs retain a significant flexible contingent to their workforce; 75 percent of global CIOs have at least a quarter of their workforce made up from flexible labour, compared to 76 percent last year. CIO planning for the use of flexible labour next year is also stable with 41 percent of CIOs planning to increase their use of flexible staff this year, while 42 percent said they would do so in 2011.

CIOs are more concerned with retention of key employees this year, 35 percent of respondents make this a top human capital priority in 2012 compared to 30 percent in 2011. This indicates CIOs recognise that the IT job market is warming up and want to hold onto their best people.

Digital media

Given the increasing impact mobile channels and digital media are having on organisations, and particularly the technology function, this new section explores some of the key trends that global CIOs are experiencing in the fast moving digital environment.

Almost two thirds of global CIOs are actively promoting the development of mobile phone and tablet applications for their organisation; 58 percent say they are ‘active’ while 20 percent are ‘very’ active in mobile. Similarly, 57 percent of CIOs are ‘active’ in developing applications for tablet devices with 19 percent ‘very’ active. More than one in ten global CIOs (11 percent) are also ‘very’ active in promoting social media and search engine optimisation strategies.

The IT department and the Marketing department share responsibility for digital media; 43 percent of CIOs claim this to be the case compared to ten percent of global CIOs who have full control over the role of digital in their organisation. A further 37 percent of CIOs state that the Marketing department probably has more influence in the digital media strategy.

This shared responsibility can be a big challenge for some CIOs and CMOs as traditionally the IT and marketing strategies are often developed in isolation from each other.

### Table 2: Global – Shifting demand for technology skills in 2012

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile solutions</td>
<td>21%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>Security and resilience</td>
<td>17%</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>Social media and consumer interaction</td>
<td>15%</td>
<td>11%</td>
<td>4%</td>
</tr>
<tr>
<td>Business relationship management</td>
<td>22%</td>
<td>21%</td>
<td>1%</td>
</tr>
<tr>
<td>Development</td>
<td>20%</td>
<td>19%</td>
<td>1%</td>
</tr>
<tr>
<td>IT strategy</td>
<td>20%</td>
<td>19%</td>
<td>1%</td>
</tr>
<tr>
<td>Compliance</td>
<td>8%</td>
<td>7%</td>
<td>1%</td>
</tr>
<tr>
<td>ERP</td>
<td>11%</td>
<td>10%</td>
<td>1%</td>
</tr>
<tr>
<td>Technical architecture</td>
<td>29%</td>
<td>28%</td>
<td>1%</td>
</tr>
<tr>
<td>Enterprise architecture</td>
<td>35%</td>
<td>34%</td>
<td>1%</td>
</tr>
<tr>
<td>Service management</td>
<td>12%</td>
<td>12%</td>
<td>0%</td>
</tr>
<tr>
<td>Testing</td>
<td>17%</td>
<td>17%</td>
<td>0%</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>8%</td>
<td>8%</td>
<td>0%</td>
</tr>
<tr>
<td>Business analysis</td>
<td>34%</td>
<td>35%</td>
<td>-1%</td>
</tr>
<tr>
<td>Project management</td>
<td>29%</td>
<td>30%</td>
<td>-1%</td>
</tr>
<tr>
<td>Change management</td>
<td>20%</td>
<td>22%</td>
<td>-2%</td>
</tr>
</tbody>
</table>
3. Global results

Social media has saturated the corporate world; 82 percent of global CIOs allow access to Facebook, Twitter, YouTube and LinkedIn via their networks, and 78 percent of CIOs are content that they have a degree of control over commentary about their brand via social media channels.

It certainly appears that the newer the technology, the more likely the CIO will be in actively promoting it. As the technology matures and the CIO has determined the best route to utilising the platform the challenge becomes more about what to deliver via the channel. This often becomes the responsibility of the content providers such as the Marketing team.

"Innovation still has a crucial role to play"

Social media has saturated the corporate world; 82 percent of global CIOs allow access to Facebook, Twitter, YouTube and LinkedIn via their networks, and 78 percent of CIOs are content that they have a degree of control over commentary about their brand via social media channels.

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**Innovation**

Last year’s Harvey Nash CIO Survey highlighted the vital importance technology innovation had played in bringing many organisations safely, and efficiently, through the recession. Today, consolidation is slowly being replaced by growth strategies, but innovation still has a crucial role to play. For example, 71 percent of CIOs believe their organisation needs to embrace new technology otherwise they will lose market share, up from 67 percent in 2011.

However, there is a gap in the expectations between the innovation ambition and the innovation reality. In a positive development, slightly more CIOs think their organisation is achieving their innovation potential (33 percent this year compared to 31 percent in 2011), but that still leaves two thirds of organisations falling short on their potential for technology innovation.

When it comes to who is responsible for technology innovation, the CIO is being asked to lead from the front; 37 percent of respondents believe it is the CIO’s responsibility to drive innovation which is up two percent from 2011. A further 28 percent of respondents believe the pursuit of technology innovation is a team effort with responsibility shared among a number of people.

The CEO continues to influence technology innovation; almost three quarters of survey respondents (73 percent) say reporting to the top executive drives innovation in their organisation, up from 71 percent in 2011.

However, creating the most effective environment to foster innovation has to come from the wider culture of the organisation, it cannot be manufactured. Over half of CIOs
(56 percent) believe any office that is designed purposefully to look ‘fun’ or ‘innovative’ is a gimmick and has little value. It is worth noting that in a separate Harvey Nash Group survey* which was conducted in the UK from a respondent pool of people typically two levels or more below the CIO, fewer (only 38 percent) thought that fostering innovation by designing an office to look fun or innovative was a ‘gimmick’. It appears that technology employees see the impact of the office environment on innovation quite differently from their boss.

**Cyber security**

Many of the new technology channels that foster innovative behaviour also have the potential to expose the organisation to security challenges. However, 92 percent of CIOs say they are well positioned to identify and deal with current and near future IT security / cyber attack. When looking internally, 86 percent of CIOs say they are well positioned to identify and deal with an IT security or data misuse incident from their employees.

**“Compliance is becoming a greater burden for CIOs”**

Compliance is becoming a greater burden for CIOs with 16 percent of respondents saying their organisation is not well positioned to manage current and future regulations that are placed on them. This figure is up five percent from 2011 when 11 percent of CIOs said they were struggling with the challenge of keeping up with legislation.

**Outsourcing**

Outsourcing remains a mainstream strategy for CIOs looking to drive efficiencies and add value. Trends remain broadly in line with previous years with a slight increase in outsourcing dependency; 47 percent of CIOs will dedicate up to a tenth of their entire budget on outsourced activity this year, up two percent from 45 percent last year.

This is in line with expectations, and when considered alongside data gathered by Harvey Nash over ten years, and two economic downturns, it shows that – counter to what many commentators might think – outsourcing actually goes down in downturns.

**Figure 6: Global – Outsourcing investment in good times and bad**

<table>
<thead>
<tr>
<th>Year</th>
<th>Outsourcing Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>48%</td>
</tr>
<tr>
<td>02</td>
<td>44%</td>
</tr>
<tr>
<td>03</td>
<td>39%</td>
</tr>
<tr>
<td>04</td>
<td>32%</td>
</tr>
<tr>
<td>05</td>
<td>27%</td>
</tr>
<tr>
<td>06</td>
<td>43%</td>
</tr>
<tr>
<td>07</td>
<td>48%</td>
</tr>
<tr>
<td>08</td>
<td>53%</td>
</tr>
<tr>
<td>09</td>
<td>33%</td>
</tr>
<tr>
<td>10</td>
<td>36%</td>
</tr>
<tr>
<td>11</td>
<td>45%</td>
</tr>
<tr>
<td>12</td>
<td>47%</td>
</tr>
</tbody>
</table>

**Table 3: Global – Functions outsourced**

<table>
<thead>
<tr>
<th>Function</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Application Development</td>
<td>63%</td>
</tr>
<tr>
<td>Software Application Maintenance</td>
<td>49%</td>
</tr>
<tr>
<td>Data Centres</td>
<td>49%</td>
</tr>
<tr>
<td>Networks</td>
<td>43%</td>
</tr>
<tr>
<td>IT Infrastructure</td>
<td>37%</td>
</tr>
<tr>
<td>Service Desk / Help Desk</td>
<td>36%</td>
</tr>
<tr>
<td>Systems Integration</td>
<td>22%</td>
</tr>
<tr>
<td>HR BPO</td>
<td>8%</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>8%</td>
</tr>
<tr>
<td>IT BPO</td>
<td>6%</td>
</tr>
<tr>
<td>IT Department</td>
<td>5%</td>
</tr>
<tr>
<td>KPO</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Mortimer Spinks Technology Survey 2011/12
One reason for this trend is likely to be that increasing spend on outsourcing introduces further risk, and often an upfront cost, both of which are not attractive when organisations are preparing for tough times. It is often when economies begin to return to growth that outsourcing investment begins to pick up.

In some organisations outsourcing has become so prevalent that more than half the IT budget is dedicated to it; this is the case for one in ten CIOs (11 percent), which is the same percentage as 2011 and one percent up on 2010.

Looking ahead, almost half of the respondents (46 percent) plan to increase their spend on outsourcing this year. This compares to 45 percent in 2011, however, it is ten percent up on 2010 figures (36 percent) when IT budgets were more tightly constrained.

Software development (63 percent in 2012 and 62 percent in 2011) still accounts for the vast majority of outsourcing activity. Software maintenance and data centres, both outsourced by 49 percent of CIOs, are the next most outsourced activity.

The use of multisourcing will increase this year for 43 percent of CIOs, up from 39 percent last year. However, more of this work may be done onshore compared to offshore. In 2011 exactly half of CIOs planned to increase their investment in offshore activity; this is down five percentage points to 45 percent this year. In addition to not increasing their offshore spend, more than one in ten CIOs (12 percent) actually expect to reduce offshore activity this year; this compares to nine percent in 2011. This is partly due to a growing discontent with offshore providers and expectations from offshore activity not being met. Over one third of respondents (36 percent) claim their expectations are not being met, up from 32 percent in 2011.

India continues to dominate the preferred offshore destinations for IT outsourcing with 74 percent of CIOs doing work there. Eastern Europe is second with 14 percent (down two percent on 2011) and China has established itself as the third most popular place for global CIOs to outsource their activity, opening clear ground between the other international hubs competing for work.

Career and development
There is more movement in the CIO job market this year compared to last year. Almost one third of CIOs (29 percent) have been in the job less than two years (up from 28 percent in 2011). However, a further 25 percent of CIOs hope to move jobs this year (up from 23 percent in 2011) suggesting a degree of restlessness within the senior IT leadership community.

Over half of all CIOs (51 percent) have a tangible view of what they want to achieve in their career during the next ten years and clear goals to achieve them. For the significant majority of respondents (58 percent) the ambition remains the CIO job role. However, 14 percent of CIOs are aiming for the CEO job (up from 12 percent in 2011) and 15 percent of respondents aspire to be the COO (14 percent in 2011).

Table 4: Global – Offshore destinations for IT sourcing, by preference

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>% change 2010-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>74%</td>
<td>74%</td>
<td>66%</td>
<td>8%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>14%</td>
<td>16%</td>
<td>11%</td>
<td>3%</td>
</tr>
<tr>
<td>China</td>
<td>8%</td>
<td>8%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Philippines</td>
<td>5%</td>
<td>6%</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>UK</td>
<td>5%</td>
<td>6%</td>
<td>10%</td>
<td>-5%</td>
</tr>
<tr>
<td>USA</td>
<td>4%</td>
<td>3%</td>
<td>5%</td>
<td>-1%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3%</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Russia</td>
<td>3%</td>
<td>5%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

"25 percent of CIOs hope to move jobs this year"
Despite the volume of CIOs looking to change role this year, 82 percent of CIOs are still fulfilled by their current role (83 percent in 2011); this still remains higher than two years ago (76 percent satisfaction in 2010). This does not stop inquisitive CIOs looking at their career options. One in five CIOs are actively seeking and applying for new roles (same as last year).

A fresh challenge (34 percent 2012, 36 percent 2011, 35 percent 2010) is still the top reason for looking at new job roles. More involvement in business strategy is the second most popular reason given for job seeking among senior IT leaders (28 percent 2012, 27 percent 2011 and 24 percent in 2010).

Remuneration
The average salary for CIOs globally has increased by 2.9 percent in the last year; it is currently $203,986 USD, up from $198,031 USD in 2011.

Expectations of salary growth in 2012 are more subdued; 61 percent of CIOs are experiencing a salary freeze this year (compared to 50 percent in 2011). Despite this, almost a third of CIOs (31 percent) expect to benefit from a salary increase this year. However, this is down from 39 percent in 2011.

The executive pay debate that is raging in the media and a nervousness to push salary inflation in the current economic climate seem to be having an impact on CIO remuneration.

A bonus and a contributory pension remain the most received benefits by CIOs. However, possibly another consequence of the executive pay rhetoric, the annual bonus benefit, seems to be waning. 78 percent of CIOs are eligible for a bonus this year, down one percent from 79 percent in 2011, which in turn was down two percent from 81 percent in 2010.

For those who still receive a bonus in 2012 the size of the package was larger than in previous years. Almost a quarter of CIOs (23 percent) reported a higher bonus this year compared to nine percent in 2011 and six percent in 2010. It appears then that in the current environment remuneration growth is being achieved through means that give employers at least some room for flexibility.

CIOs appear satisfied with their remuneration: 72 percent are satisfied or very satisfied with their pay and benefits. This is the same percentage as last year but down three percent on 2010 (75 percent).

There are a number of factors influencing salary. The most significant factor that influences CIO salary, perhaps not surprisingly, is the size of the IT budget. Big budgets and the
responsibility that comes with them command big salaries. Another factor that has an impact, although less marked, is which industry the CIO works in. For example Information or eCommerce based industries tend to have higher salaries, not for profit and product based industries less high.

While the above two factors are the two main drivers in CIO remuneration there are other factors that influence CIO salaries, although often only under special circumstances. For instance location does have an influence, with US salaries trending roughly 15 percent above the global average. Another factor that influences salary is length of service; often CIOs moving into a new role or company can expect a salary slightly higher than the global average. Gender is also a part of the CIO salary equation as evidenced in the Diversity CIO section of this year’s Harvey Nash CIO Survey report.

**Women in IT**

In this new section of the Harvey Nash CIO Survey the role of women in IT departments and the view of the CIO to gender challenges in technology are explored.

The male to female ratio in IT leadership remains highly unrepresentative of the population at large – 93 percent of CIOs responding to the survey this year are male – this compares to 92 percent male survey population in 2010.

Over a third of CIOs (35 percent) confirm there are no women in management IT roles in their organisation. For 46 percent of CIOs less than a quarter of their IT management roles are populated by women.

The split of male to female workers is also significantly skewed in technical functions. Almost a quarter of CIOs (24 percent) have no women in their technical teams; for 45 percent of CIOs women only make up about one quarter of their technical team population; for 20 percent of CIOs half their technical team are women; for six percent of CIOs women make up three quarters of their technical team; and for five percent of CIOs their technical team is almost completely staffed by women.

Non technical roles such as business analysis and training do have more women represented in IT departments. Six percent of CIOs have non technical teams that are almost exclusively made up of women; 12 percent of CIOs have non technical teams with women in 75 percent of the roles; 35 percent of CIOs have up to half their non technical roles filled by women; 32 percent of CIOs have up to a quarter of their non technical staff who are women. However, for 15 percent of CIOs there are no women in their non technical teams.

CIOs were asked to give an opinion on the positive effect that women in IT bring to the operations of the technology function. In the figure overleaf the percentage of CIOs (overwhelmingly male) outline which deliverables they believe benefit most from having more women in IT.
3. Global results

It is interesting to note that over half (51 percent) of CIOs think relationships between IT and the business improve by hiring more women, and 48 percent believe it enhances team cohesion and morale. However, the vast majority of CIOs think there is no impact on strategy (82 percent) and technical nous (86 percent) from hiring more women into IT.

Over one quarter (27 percent) of respondents who have no women in IT management roles believe women are fairly represented in their department!

“Two thirds (66 percent) of CIOs want more women in their IT teams”

And yet almost half (47 percent) of this same group believe women bring greater creativity to the IT team. 54 percent believe women will foster better business relationships and 51 percent say women in IT improve team cohesion.

Despite these concerning trends, two thirds (66 percent) of CIOs want more women in their IT teams. However, even more CIOs (82 percent), bemoan a lack of qualified women candidates for the roles they would like to hire them into.

Figure 9: Global – CIO perceptions of effect from women in IT
4. COUNTRY PROFILES
4. Country profiles

Australia

About the respondents
In the first year that the Harvey Nash CIO survey has been undertaken in Australia there has been a strong response from CIOs and other IT leaders. Sixty one percent of respondents were CIOs or other C-level executives, while a further 27 percent were Senior VP or Directors of IT. The sectors most represented were: Financial Services (22 percent), Broadcast/Media (13 percent), Technology/Telecoms (12 percent), Construction/Engineering and Professional Services (ten percent). Australian CIOs have less international responsibility than their peers in other countries; 42 percent have a global or multi national role compared to the global average of 60 percent.

Human capital management
Australian CIOs have more direct access to their CEO with 41 percent reporting to the Chief Executive, compared to 32 percent globally. Also, 59 percent of Australian CIOs sit on the operational board or management team of their organisation, seven percent higher than the global average. And 71 percent of Australian respondents see the CIO role becoming more strategic in future, compared to 68 percent globally. The skills shortage that is affecting 48 percent of CIOs around the world is less pronounced in Australia where only 39 percent of local respondents believe a technology skills shortage is preventing their organisation from keeping up with the pace of change.

Innovation and perception of IT
Twenty seven percent of Australian CIOs see ‘great potential’ in their organisation’s ability to innovate, however, only three percent believe innovation potential has been fully achieved and 22 percent say it has been partially successful. There remains much to do. Both digital media and social networking tools present opportunities for innovation which Australian CIOs are taking a leadership role in exploring.

IT budgets, outsourcing and offshoring
Almost half of Australian CIOs (44 percent) are experiencing budget growth this year which is in line with global trends. A further 18 percent of Australian respondents were operating with frozen IT budgets and 17 percent experienced budget cuts. Looking forward, 35 percent of Australian CIOs expect further budget increases.

Outsourcing remains a critical component of the Australian CIO’s toolkit; 34 percent plan to increase their investment in outsourced activity in the next 12 months. Two thirds (66 percent) outsource their software development and 27 percent currently outsource their data centre activity. Despite their geographic proximity, only five percent of Australian CIOs outsource IT work to China, seven percent outsource to Vietnam, but 22 percent outsource to India.

Figure 1: Australia – Percentage of respondents with international responsibility
Career and compensation
More Australian CIOs are planning to move jobs in the next 12 months than their peers around the world; over one third (34 percent) of local CIOs expect to be in a new role next year compared to a quarter (25 percent) of global CIOs. See Figure 2.

The average CIO salary in Australia is $260,000 USD which makes them some of the best paid CIOs in the world. However, there are more Australian CIOs (46 percent) working within a pay freeze than experiencing pay inflation (37 percent), and while 17 percent are dissatisfied with their remuneration, the vast majority are content.

Women in IT
Nine percent of Australian respondents were women; this is slightly above the global average of seven percent. However, there is some cause for concern on the technology gender imbalance; 27 percent of Australian CIOs have no women in IT management roles, 21 percent have no women in technical roles, and 16 percent have no women in business facing roles such as training or business analysis. Over three quarters (76 percent) of Australian CIOs recognise the need to encourage more women into their IT departments but almost half (46 percent) believe there is a lack of qualified women candidates.

"Outsourcing remains a critical component of the Australian CIO’s toolkit"
4. Country profiles

Germany

About the respondents
The German CIO community has responded in greater numbers than ever; this year 40 percent of all responses are from CIOs and other C-level executives (up from 37 percent in 2011) and a further 42 percent are from VP and Senior Directors of IT. Participants were mainly drawn from the Technology/Telecoms sector (19 percent), the Manufacturing sector (17 percent) and the Financial Services sector (13 percent). Many more German CIOs have global responsibility (46 percent) compared to last year (35 percent) and a further 30 percent have a multi national outlook. This correlates with a greater strategic role for German CIOs in their organisation; 37 percent now report directly to the CEO compared to 26 percent last year. And while 45 percent sit on the operational board (down from 49 percent last year), more German respondents see the role of the CIO becoming more strategic (69 percent) compared to last year (67 percent).

Human capital management
Almost two thirds (63 percent) of German CIOs believe a technology skills shortage prevents their organisation from keeping up with the pace of change, up one percent on last year. Project management skills remain most in demand (46 percent) but the fastest growing demand is in mobile solutions (25 percent up from 13 percent last year) and ERP (21 percent up from 12 percent last year). German CIOs continue to invest in flexible labour solutions to provide added capacity and responsiveness with 47 percent planning to increase their flexible workforce this year and a further 40 percent maintaining their current flexible staffing levels; only 13 percent of German CIOs are planning cuts to their contingent workforce.

Innovation and perception of IT
German CIOs have long embraced the potential of technology innovation to transform the competitive advantage of their organisation; this year 70 percent of CIOs believe their team has great potential to deliver that innovation. German CIOs are also more advanced than their global peers in achieving that innovation potential with 46 percent confirming it is already achieved compared to 30 percent globally.

IT budgets, outsourcing and offshoring
IT budgets in Germany are stable; 36 percent of German CIOs say their budgets have not increased or decreased this year, compared with only 18 percent who saw no movement in 2011. Budget growth (45 percent) still outweighs budget cuts (18 percent) but the number of German CIOs who look forward to budget inflation is lower. Despite these restraints, more than half German CIOs (54 percent) plan to increase their investment in outsourcing, up from 41 percent last year. German CIOs lead the way in outsourcing to Eastern Europe with 61 percent sending IT work to the region, compared to 14 percent globally.

Figure 1: Germany – Technology innovation potential achieved
Career and compensation
There was significant movement in the German IT leadership job market last year; 16 percent of German CIOs moved jobs, up significantly from four percent the previous year. Looking forward, one in five German CIOs (20 percent) are keen to change job. Primarily this is to secure more involvement in business strategy (29 percent) but also for a fresh challenge (28 percent). Two thirds (66 percent) are content to hold the top technology job (CIO), while nine percent aspire to the CEO’s role. Very few German CIOs experienced a salary cut in the last 12 months, however, 63 percent have a salary freeze and a smaller group (33 percent) had an increase in remuneration of some description. This is broadly in line with global trends, particularly in Europe.

Women in IT
German responses to the Harvey Nash CIO Survey were dominated by men; 97 percent compared to 93 percent globally. Forty one percent of German CIOs have no women in IT management roles in their organisation; this compares to 35 percent globally. Twenty nine percent of German CIOs have no women in technical roles; again this is above the global average (24 percent). However, despite these statistics, German CIOs remain very positive about the impact women can make in their technology team – see Table 1 – which compares opinion on gender in IT in Germany to the global average.

There is clearly a demand by German CIOs for more women in IT roles (81 percent say women are under-represented) but 90 percent claim there is a lack of qualified candidates.

Table 1: Percentage of CIOs seeing positive impact of more women in IT roles

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship with the business</td>
<td>64%</td>
<td>51%</td>
</tr>
<tr>
<td>Creativity and innovation</td>
<td>63%</td>
<td>46%</td>
</tr>
<tr>
<td>Team cohesion and morale</td>
<td>58%</td>
<td>48%</td>
</tr>
<tr>
<td>Consensus decision making</td>
<td>53%</td>
<td>32%</td>
</tr>
<tr>
<td>Getting the job done</td>
<td>43%</td>
<td>32%</td>
</tr>
<tr>
<td>Strategy making</td>
<td>25%</td>
<td>16%</td>
</tr>
<tr>
<td>Quick and efficient decision making</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Technical nous</td>
<td>9%</td>
<td>11%</td>
</tr>
</tbody>
</table>
4. Country profiles

Ireland

About the respondents
In Ireland, 41 percent of the respondent population were CIOs or other C-level executives, up two percent in seniority from 2011. A further 38 percent were Senior Vice Presidents or Directors of IT. CIOs and IT leaders from the Telecoms and Technology sector dominated the survey, contributing 32 percent of responses. Financial Services provided 27 percent and Government added another ten percent. A majority of Irish respondents (57 percent) have an international or global outlook.

Human capital management
The strategic influence of Irish CIOs has fallen slightly this year; 47 percent sit on the operational board of their organisation, down from 51 percent last year. However, 31 percent report into the CEO giving them a voice in strategic decision making, and 59 percent still see the role of the CIO as strategic (down from 61 percent in 2011).

Given the delicate state of the Irish and European economies it is perhaps unsurprising that a skills shortage is less prevalent in Ireland than in other parts of the world. In 2011, 56 percent of Irish respondents to the survey indicated a technology skills shortage would prevent their organisation from keeping up with the pace of change; today it has dropped to 52 percent. However, the demand for skills around mobile solutions has doubled in the last year from nine percent to 18 percent. There is also a greater dependence on the need for flexible labour with 15 percent of Irish CIOs saying they plan to increase their proportion of contingent staff by more than a fifth this year (only eight percent planned this in 2011).

Innovation and perception of IT
Irish CIOs remain bullish about the role technology innovation can play in driving business success; 72 percent see ‘great potential’ in line with a global average of 71 percent. There is still a long way to go for Irish CIOs to achieve their technology innovation ambitions; almost one in ten (nine percent) say they have not even begun to achieve their potential, up from four percent in 2011.

IT budgets, outsourcing and offshoring
IT budgets in Ireland continue to suffer as the economic outlook remains uncertain; 37 percent of Irish CIOs saw IT budget cuts this year compared to 34 percent in 2011 and 31 percent in 2010. Over a quarter of Irish CIOs, 28 percent, expect further cuts next year.

Despite budget cuts, 52 percent of Irish CIOs will focus their investment in outsourced IT activity, with 69 percent doing more software development, 45 percent doing software maintenance and 40 percent utilising data centres more.

Figure 1: Ireland – Organisation achieving its innovation potential (2012 vs. 2011)
4. Country profiles

Career and compensation
One in ten Irish CIOs (11 percent) have moved jobs in the last 12 months, however, more than double that number (23 percent) want to move jobs within the next year.

Part of this desire to move roles could be related to ongoing salary pressure; 61 percent of Irish CIOs are operating within a pay freeze. However, satisfaction with their roles and their remuneration package remains relatively upbeat with 72 percent either satisfied or extremely satisfied with their role and their pay, although this is down from 77 percent last year.

Women in IT
One in ten Irish CIOs are women (ten percent) which is significantly better than the global average of three percent. However, almost a third of Irish organisations surveyed (31 percent) had no women in IT management, 14 percent had no women in any technical IT roles, and 13 percent had no women in any business facing technology roles (such as training or business analysis).

There is a realisation that this situation presents a talent drought for their organisation; 63 percent of Irish CIOs recognise that women are under-represented in their department, but 82 percent blame a lack of qualified women candidates for the absence of women in senior or technical roles rather than hiring procedures.

"One in ten Irish CIOs are women"
About the respondents
The seniority of respondents from the Netherlands has increased again and closely mirrors the global trend; 45 percent of Dutch respondents are CIOs or other C-level executives; this is up from 41 percent in 2011. A majority of Dutch CIOs (58 percent) have an international or global outlook. However, the strategic influence of CIOs from the Netherlands may be weakening. Across three separate metrics the strategic role of the CIO is slightly lower this year than last year. Thirty percent of CIOs report to the CEO, down from 34 percent in 2011; 56 percent of CIOs sit on the operational board of their organisation, down from 57 percent in 2011; and finally, 75 percent of CIOs from the Netherlands believe the role of the CIO is strategic (still a very positive majority but which is down from 77 percent last year).

Human capital management
Marginally more CIOs from the Netherlands believe their organisation will suffer from a skills shortage in 2012 (43 percent) compared to last year (41 percent). However, this is still below the global average where 48 percent of CIOs expect to face a skills shortage this year. The most in demand skills for 2012 can be seen in Table 1 opposite. The greatest surge in demand in the last 12 months is for mobile solutions and social media skills, up eight percent since 2011. Enterprise architecture is significantly more in demand in the Netherlands, by 45 percent of CIOs compared to 35 percent globally.

Innovation and perception of IT
The Dutch CIO has been the driver of innovation in their organisation for longer than most other global CIOs; 39 percent are still seen as the key individual for pursuing innovation compared to a global average of 37 percent. The progress in achieving the potential for technology innovation is also rising for CIOs from the Netherlands; one third (33 percent) have ‘mostly achieved’ their potential compared to 27 percent last year.

IT budgets, outsourcing and offshoring
IT budgets in the Netherlands are enjoying growth again. In the past 12 months, 41 percent of CIOs have seen budget increases compared to 35 percent last year. Looking ahead, Dutch CIOs are a little more bearish but 31 percent expect further budget growth.

Outsourcing spend is expected to increase for 48 percent of Dutch CIOs this year, the same figure as last year. More than two thirds of local CIOs (68 percent) outsource their data centre activity, almost 20 percent higher than the global average for the same activity (49 percent), and 60 percent outsource network activity, compared to 43 percent globally.

Figure 1: Netherlands – IT budget growth 2011 to 2012 and beyond

- 41% stayed the same
- 27% increased
- 32% decreased
Career and compensation
One in five (21 percent) of CIOs from the Netherlands hopes to move into a new role this year, marginally lower than the sentiment expressed last year (25 percent wanted to move on). More Dutch CIOs are content in their current role (67 percent compared to 58 percent globally) and don’t aspire to move into the CEO role (nine percent) compared to their global peers (14 percent). Twenty seven percent of CIOs from the Netherlands have received a pay rise in the last year (compared to 31 percent globally) and 66 percent are working under a pay freeze, however, 81 percent are satisfied with their remuneration.

Women in IT
More than half of CIOs in the Netherlands (55 percent) have no women in management roles within the IT function, 51 percent have no women in technical roles, while 16 percent have no women in business facing roles such as training or business analysis.

However, many Dutch CIOs see significant positive effects from recruiting more women into IT: 77 percent believe reducing the gender imbalance will improve team cohesion and morale; 75 percent see benefits to the relationship between IT and the business with more women on the team; and 69 percent would anticipate more creativity and innovation. An overwhelming 90 percent of CIOs from the Netherlands believe there is a lack of qualified women candidates applying for technical and management roles in IT.

Table 1: Netherlands – Top ten skills in demand by CIOs

<table>
<thead>
<tr>
<th>Skill</th>
<th>NL 2012</th>
<th>NL 2011</th>
<th>% change</th>
<th>Global 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise architecture</td>
<td>45%</td>
<td>41%</td>
<td>4%</td>
<td>35%</td>
</tr>
<tr>
<td>Business analysis</td>
<td>29%</td>
<td>29%</td>
<td>0%</td>
<td>34%</td>
</tr>
<tr>
<td>Technical architecture</td>
<td>27%</td>
<td>31%</td>
<td>-4%</td>
<td>29%</td>
</tr>
<tr>
<td>Project management</td>
<td>27%</td>
<td>32%</td>
<td>-5%</td>
<td>29%</td>
</tr>
<tr>
<td>Social media and consumer</td>
<td>22%</td>
<td>14%</td>
<td>8%</td>
<td>15%</td>
</tr>
<tr>
<td>Business relationship management</td>
<td>20%</td>
<td>20%</td>
<td>0%</td>
<td>22%</td>
</tr>
<tr>
<td>Change management</td>
<td>20%</td>
<td>26%</td>
<td>-6%</td>
<td>20%</td>
</tr>
<tr>
<td>Mobile solutions</td>
<td>19%</td>
<td>11%</td>
<td>8%</td>
<td>21%</td>
</tr>
<tr>
<td>IT strategy</td>
<td>18%</td>
<td>17%</td>
<td>1%</td>
<td>20%</td>
</tr>
<tr>
<td>Security and resilience</td>
<td>18%</td>
<td>15%</td>
<td>3%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Scotland

About the respondents
Scotland has generated a record number of senior respondents to the Harvey Nash CIO Survey; over three quarters (76 percent) were CIOs or IT Directors. As such it has been possible to analyse trends that reveal the uniqueness of IT leaders in this region of the UK. A greater emphasis of government respondents (11 percent) and education (nine percent) are both higher than the UK average (five percent and three percent respectively) reflecting the dominant role of the public sector in the Scottish economy. The focus on financial services in the London led UK economy is absent in the Scottish data (15 percent of CIOs work in financial services compared to 19 percent across the UK). Scottish CIOs are also more nationally focused (42 percent compared to 31 percent UK average and 29 percent global average), and are less global in outlook (20 percent compared to 33 percent of UK CIOs who have international responsibilities).

Human capital management
Scottish CIOs are seeking different technology skills compared to their peers across the UK and beyond. Only 22 percent of Scottish CIOs need Enterprise Architecture talent compared to 31 percent of CIOs in the UK and 35 percent globally. However, over a quarter of Scottish CIOs have a demand for additional mobile skills (26 percent) compared to only 20 percent across the UK and global demand of 21 percent. Scottish CIOs are also more confident that their country has the right technology skills to help it succeed in the global market; 62 percent agree with the statement compared to only 54 percent of their UK peers.

Innovation and perception of IT
Over three quarters (76 percent) of Scottish CIOs agree that their organisation needs to embrace new technology otherwise they will lose market share. However, they are more pessimistic than UK and global peers about their ability to achieve innovation success. Twelve percent of Scottish CIOs admit to innovation failure, compared to seven percent globally, and 51 percent of Scottish CIOs have achieved only partial innovation success, compared to 60 percent globally. Yet with the emergence of social media there appears to be a renewed desire for digital innovation with 27 percent of Scottish CIOs experimenting with mobile app technology, compared to 20 percent of CIOs globally.

IT budgets, outsourcing and offshoring
IT budgets in Scotland appear to trend lower than the wider UK and globally; 20 percent of respondents have an IT budget of less than $1m compared to only ten percent across the UK and 13 percent globally. There is also more caution from Scottish CIOs about future budget growth with 36 percent expecting budget cuts in the next 12 months; this compares to similar views from 26 percent of CIOs globally and 30 percent across the UK. However, a greater reliance on outsourcing to reduce costs suggests Scottish CIOs are adapting to an austerity environment; 56 percent expect to increase investment in outsourced activity compared to 46 percent globally. Dependence on offshore providers is also expected to increase for Scottish CIOs with 60 percent planning to deliver more technology services via offshore partners, compared to 45 percent of global CIOs and 49 percent UK average.

Table 1: Top ten demanded technology skills

<table>
<thead>
<tr>
<th></th>
<th>Scotland</th>
<th>UK Av</th>
<th>Global Av</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Business analysis</td>
<td>39%</td>
<td>37%</td>
<td>34%</td>
</tr>
<tr>
<td>2 Technical architecture</td>
<td>30%</td>
<td>31%</td>
<td>29%</td>
</tr>
<tr>
<td>3 Business relationship management</td>
<td>28%</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>4 Change management</td>
<td>28%</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>5 Project management</td>
<td>26%</td>
<td>28%</td>
<td>29%</td>
</tr>
<tr>
<td>6 Mobile solutions</td>
<td>26%</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>7 Enterprise architecture</td>
<td>22%</td>
<td>31%</td>
<td>35%</td>
</tr>
<tr>
<td>8 IT strategy</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>9 Development</td>
<td>17%</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>10 Security and resilience</td>
<td>17%</td>
<td>16%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Career and compensation
Scottish CIOs are also remunerated at a lower level than their UK peers. The average CIO salary in Scotland is $155,469 compared to a UK average of £199,712. Despite this salary gap 46 percent of Scottish CIOs are ‘very fulfilled’ with their current role, compared to 34 percent of UK CIOs and 32 percent of global CIOs. Scottish CIOs also appear to be more settled; 19 percent plan to stay in their role for the next ten years, compared to only five percent of UK CIOs and seven percent globally.

Women in IT
One of the greatest differences between Scottish CIOs and their UK and global peers is the percentage of women represented in senior technology roles. In fact, 17 percent of respondents to the 2012 CIO survey from Scotland were women compared to only seven percent across the UK and globally. While Scotland still have a distance to travel to achieve full gender parity in senior technology roles, they are making significantly better progress compared to other parts of the UK and the international regions studied, see Figure 1 below.

Figure 1: Percentage of organisations with no women in technology roles
United Kingdom

About the respondents
The UK continues to produce a significant number of senior respondents to the Harvey Nash CIO Survey; in 2012 43 percent of these were C-level executives and a further 45 percent were VP / Director / Senior Manager in the IT function. CIOs from the Financial Services sector were best represented with 19 percent of respondents working in the industry. Retail and Leisure CIOs were also well represented with 12 percent of the respondent population. Almost two thirds of UK CIOs (59 percent) have international responsibility and 68 percent see the role of the CIO becoming more strategic in 2012 as the search for growth goes global and requires technology innovation to succeed.

Human capital management
Managing up is as important as managing down for UK CIOs; over three quarters (76 percent) feel they have positive relationships with their CEO and can influence strategy and budgets for IT. The skills shortage that is re-emerging globally is less acute in the UK; 42 percent of local CIOs think a technology skills shortage will prevent their organisation from keeping up with the pace of change this year, compared to 48 percent globally. The role of flexible labour is expected to grow this year with 40 percent of UK CIOs planning to use more temporary, contract and contingency employees.

Innovation and perception of IT
Seventy two percent of UK CIOs believe their organisation needs to embrace new technology innovation to avoid losing market share. However, only 29 percent of UK CIOs believe their organisation is achieving its technology innovation potential (33 percent globally). Almost half of UK CIOs (44 percent) believe IT is seen as fundamental to competitiveness in their organisation, which is above the global average of 40 percent. More than one in five UK CIOs (22 percent) are personally active in driving digital application development in their organisation, for both mobile and tablet devices. The use of social media and networking sites to drive innovation is less prevalent in the UK than elsewhere; despite 78 percent of UK CIOs allowing some access to social networks, it is lower than the global average and there are more controls in place to manage access.

IT budgets, outsourcing and offshoring
IT budgets for 71 percent of UK CIOs have increased or remained stable in the past 12 months, yet the mood going forward is cautious; 37 percent of UK CIOs expect a better budget position next year. UK CIOs are marginally more dependent on outsourced services than their global CIO peers; one in five UK CIOs will outsource up to 25 percent of their activity this year, slightly above the global average, and 12 percent will outsource up to half of their technology functions.

Figure 1: UK – Access to social media and networking to drive technology innovation

- Great extent: 41%
- Some extent: 37%
- No access: 22%
The most outsourced activities include software application development (65 percent of UK CIOs), software application maintenance (52 percent), data centres (by 50 percent) and network activity (50 percent). Investment in offshore outsourced activity will increase for almost half (49 percent) of UK CIOs this year, above the global average of 45 percent. India is heavily dominant as the preferred destination for outsourced activity; 78 percent of UK CIOs offshore some activity there. However, UK CIOs are also more likely to offshore nearer to home; 16 percent send work to Eastern Europe which is higher than the global average (14 percent), and seven percent of UK CIOs outsource activity within the UK.

Career and compensation
UK CIOs remain more restless than their international peers with 31 percent keen to move to a new role in the next 12 months. Job fulfilment is stable and in line with global trends; 83 percent of UK CIOs are very or mostly satisfied with their current role, the same as last year and the global average. The majority of UK CIOs (61 percent) saw a salary freeze in the last 12 months while 32 percent saw an increase in remuneration of some sort. Benefits appear to be more widely available for UK CIOs than their global peers, see Table 1.

Table 1: UK – Benefits available to CIOs UK vs. Global

<table>
<thead>
<tr>
<th>Benefit</th>
<th>UK</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributory Pension</td>
<td>75%</td>
<td>66%</td>
</tr>
<tr>
<td>Non-Contributory Pension</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Share Options / Equity</td>
<td>37%</td>
<td>38%</td>
</tr>
<tr>
<td>Company Car / Car Allowance</td>
<td>55%</td>
<td>47%</td>
</tr>
<tr>
<td>Bonus</td>
<td>80%</td>
<td>78%</td>
</tr>
</tbody>
</table>

Women in IT
The UK respondent pool was split 93 percent male to seven percent female. A third of UK respondents (33 percent) had no women in IT management roles in their organisation and 23 percent had no women in technical roles.

While two thirds of UK CIOs believe women are under-represented in the IT workplace, an overwhelming 81 percent do not see the gender imbalance changing any time soon because of a perceived lack of qualified women candidates.
4. Country profiles

United States

About the respondents
Forty two percent of the US respondent population are CIOs or other C-level executives and a further 39 percent are Senior Vice Presidents or Directors of IT. The 2012 survey had a particularly strong representation in Technology & Telecoms (24 percent), Financial Services (12 percent), Business / Professional Services (eight percent); Healthcare (eight percent) and Manufacturing (also provide eight percent). More US CIOs than ever before report to the Chief Executive (31 percent) which reflects the mounting importance of IT to the growth plans of many businesses.

Human capital management
In line with global trends, US CIOs are experiencing a re-emergence of the technology skills shortage. This year 56 percent of respondents to the survey revealed a concern that their organisation would be prevented from keeping up with the pace of change as a result of a technology skills shortage, up from 49 percent in 2011. The top five skills in demand can be seen in Table 1, below.

Innovation and perception of IT
The intensity with which CIOs address operational issues has reduced this year. While cost saving remains the top priority for most US CIOs (62 percent) this is down from 66 percent in 2011. In contrast, 57 percent of US CIOs are active in promoting the development and use of mobile phone apps in their organisation, 55 percent are actively developing tablet apps, and 45 percent are promoting strategies that maximise the growth and reach of social media.

US CIOs remain confident of the potential for technology innovation in their organisation to enhance competitive advantage; 73 percent of respondents believe they need to embrace new technology otherwise they will lose market share. However, the majority of US CIOs (57 percent) believe their organisation is only partly achieving its potential on innovation projects.

IT budgets, outsourcing and offshoring
There are less billion dollar IT budgets in the post global recession era; six percent of US CIOs managed a $1bn+ IT budget in 2010; this was down to three percent last year, and fell further in 2012, to one percent.

Budgets are increasingly being spent on outsourced IT activity; 43 percent of US CIOs plan to increase their investment in outsourcing next year, up from 41 percent last year and 38 percent in 2010. US based outsourcing has jumped to ten percent this year from four percent last year. China is beginning to capture more sophisticated IT outsourcing work from US CIOs (13 percent of US CIOs will outsource to China this year compared to 11 percent last year). This is at the expense of India who delivered 73 percent of the outsourcing commissioned by US CIOs in 2012 compared to 77 percent last year.

Table 1: US – Top five skills in demand

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise architecture</td>
<td>37%</td>
<td>32%</td>
<td>5%</td>
</tr>
<tr>
<td>Business analysis</td>
<td>31%</td>
<td>32%</td>
<td>-1%</td>
</tr>
<tr>
<td>Technical architecture</td>
<td>28%</td>
<td>29%</td>
<td>-1%</td>
</tr>
<tr>
<td>Project management</td>
<td>27%</td>
<td>29%</td>
<td>-2%</td>
</tr>
<tr>
<td>Mobile solutions</td>
<td>26%</td>
<td>17%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Career and compensation
One in five US CIOs have moved jobs in the last two years and a further 19 percent are planning a career change in the next 12 months; this is broadly in line with 2011 and 2010. Almost two thirds (60 percent) of US CIOs are working with a pay freeze as many organisations continue to maintain stringent control over salaries. The average CIO salary in the US for 2012 is $225,810 which is $1,713 lower than the average salary in 2011 ($227,523).

Women in IT
The US respondent population to the survey is more gender balanced than the global average. Globally 97 percent of all respondents are male; the US survey population is 91 percent male and nine percent female. While this is positive, it is actually part of a US trend that is reversing. In 2010, 88 percent of US respondents were male, 12 percent were female; in 2011 it was 89 percent male and 11 percent female. The table below shows that 30 percent of US CIOs have no women in a management role, 22 percent have no women in technical roles, and 18 percent have no women in business facing roles.

In the case of four percent of US CIOs, three quarters of their management team are women and similarly populate the technical team. However, despite almost a third of US CIOs having no women in management roles only 52 percent believe women are under-represented in their IT department.

Table 2: US – Proportion of women in IT roles

<table>
<thead>
<tr>
<th>Approximate proportion of women in team</th>
<th>0</th>
<th>1/4</th>
<th>1/2</th>
<th>3/4</th>
<th>all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>30%</td>
<td>49%</td>
<td>14%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Technical (development, infrastructure etc)</td>
<td>22%</td>
<td>47%</td>
<td>20%</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Business facing (business analyses, training etc)</td>
<td>18%</td>
<td>33%</td>
<td>33%</td>
<td>12%</td>
<td>5%</td>
</tr>
</tbody>
</table>
In our first year partnering with Harvey Nash on the Global CIO Survey, we have been fascinated by the diversity of the CIOs and senior IT leaders who have participated in the research, and the complexity of the environment in which they are operating.

Without doubt, it is a challenging and fast-moving time to be a CIO but, as the survey shows, it is also a rewarding time.

There is a collective message that emerges from the CIO community in 2012, and that message is around growth. As CIOs, and the IT departments they are responsible for, look beyond the recession they are increasingly putting aside their operational concerns, and focusing on the board-led priorities of growth and innovation.

At the same time we have seen an explosion in the demand for data; not just in absolute numbers but also where it is demanded, how it is used and how it is delivered. The growth in demand for increasingly rich and complex media, such as social networking, mobile computing, IP telephony, video or cloud computing, is creating an ‘always on’ expectation in businesses and consumers alike.

High expectations indeed. And no small task for a CIO to deal with.

Complex choices
So CIOs are faced with an increasingly complex business and technology environment, and they need to respond accordingly. Growth and innovation requires new skills, new investment and the infrastructure and operations that can support IT in an increasingly complex and data rich environment.

Outsourcing, of course, has been one tool available to CIOs for some time to help IT departments deal with their growth agenda. But successful outsourcing requires careful planning. Some CIOs look to outsource activity they feel is non core so they can focus on growth; others outsource activity that is vital to growth because it is only through outsourcing that they attain the appropriate skills. Both outcomes require CIOs who are expert at relationship building and working as part of a coalition to achieve success.

It is therefore pleasing to note the outcome of Harvey Nash’s decade long research that confirms outsourcing is best utilised as a value added partner, working together to achieve strategic objectives, rather than as a low cost solution where non core activities are simply dumped overseas.

Given the growth environment within which CIOs are operating, and the need to maximise return on investment,
reliable outsourcing partners who can quickly understand a client’s mission and then deliver value to help realise their ambition are key.

"Outsourcing is best utilised as a value added partner"

The future CIO and the IT department they lead

CIOs, of course, have been making complex choices for years. Perhaps more than any other business function, the IT department has undergone radical change in the last decade.

And what this report shows is that the change continues. The recession has forced many IT departments to become leaner, but now as CEOs and CIOs alike search for growth, the challenge will be to stay both lean, and keen. It’s interesting then to see from the report that it’s actually in the period of recovery immediately after the apex of a recession that outsourcing spend tends to increase. And as a data centre services provider it’s certainly something that we are experiencing first hand at TelecityGroup: CIOs and CEOs tend to come to us with a growth strategy in one hand, and a cost management strategy in the other, and we work hard to help enable them to meet these strategic objectives.

There’s also something more subtle that emerges from the Survey. As IT departments evolve, so too do the people. Much has been made of IT departments becoming ‘closer to the business’ and it is evident from the report that business analyses and liaison skills have become increasingly important. But it’s even more than that. The DNA of the IT department is changing, and increasingly the need for the IT department to become more representative of the internal and external customers it serves is becoming key. With only seven percent of CIOs being female, there is some way to go.

Final thought

As boards look beyond the recession seeking new ways to grow and innovate in an increasingly complex, data rich world, the role of the CIO has never been more important. There is, of course, no ‘rule book’ about exactly how the CIO should respond, but one thing is for sure: the role of the suppliers to partner with the CIO to provide cost effective, responsive solutions will continue to remain key.

It’s an exciting place to be.

Michael Tobin  
Chief Executive Office  
TelecityGroup