

# Report Analyzes Link Between Revenue Growth and Digital Technology Leadership

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*CIOs and IT Leaders Who Foster a Culture of Digital Learning and Shared Accountability Generate Greater Business Outcomes, a Harvard Business Review Analytic Services Survey Sponsored by Red Hat Shows*

RALEIGH, N.C.--(BUSINESS WIRE)-- In order for organizations to compete and succeed in today's digital world, leaders across the business - not just those in IT - must prioritize their understanding of technology trends. The payoff for educating business leaders on digital trends can be compelling. Companies that excel in digital leadership were found to be significantly more likely to have experienced revenue growth of 10 percent or more over the last two years, according to the results of a Harvard Business Review Analytic Services survey of 436 global business professionals, commissioned by Red Hat, Inc. (NYSE:RHT), the world's leading provider of open source solutions.

The report, "Driving Digital Transformation: New Skills for Leaders; New Role for the CIO," explores whether business leaders have the digital acumen to transform their organizations for today's digital economy. The report revealed a gap between the knowledge and skills needed to drive digital transformation and the reality within the walls of most organizations. Less than a quarter (23 percent) of all survey participants are confident their organizations have the knowledge and skills to succeed in the digital aspects of their business.

The silver lining comes in the form of what the report calls Digital Leaders: companies that employees rated highly in both digital leadership and management. The report showcases that companies that have a clear vision and strategy for digital transformation coming from the top, as well as the people, processes and technology needed to execute against that vision, were significantly more likely to see tangible business results, such as revenue growth. While only a fifth of respondents (19 percent) fell into the Digital Leaders category, these employees were considerably more confident (67 percent) in their company's ability to succeed in the digital age compared to the average (23 percent).

The survey results reveal an overwhelming eagerness for digital knowledge among business leaders - especially when it comes to data - with close to three-quarters (73 percent) rating analytics extremely important to their area of the business. Only a fifth (20 percent) rate their own analytics knowledge and skills highly. Nearly half (45 percent) of survey respondents cite the lack of an appropriate forum the biggest barrier keeping them from learning about new technology from IT leaders. More than a third (34 percent) say their IT leaders are too busy.

A significant percentage (46 percent) of survey respondents are looking to their CIO to learn about digital trends. CIOs within companies that the report calls Digital Leaders were more likely to be characterized by their colleagues as digital coaches or masters (45 percent). Further, 60 percent of respondents within Digital Leader companies - triple the percentage of respondents who rated their companies low in both digital leadership and management - believe their CIOs seek to educate and empower line of business leaders, and 67 percent have IT leaders who understand what is relevant to each business area. The majority (70 percent) of respondents within Digital Leader companies also have IT departments that provide useful knowledge to employees about technology, compared to only a quarter (25 percent) in companies lagging behind in digital leadership.

## Supporting Quote

*Lee Congdon, CIO, Red Hat*

"It's clear that the role of the CIO and IT leaders is evolving. The report demonstrates how imperative open collaboration and shared accountability are for the entire enterprise. The results are a call to arms for CIOs to get ahead of the industry shift and drastically increase transparency between IT and other business leaders now, before their competitors leave them behind."

## Methodology and Demographics

Harvard Business Review Analytic Services conducted an online survey on behalf of Red Hat to examine the link between digital acumen, business transformation, and the role of the CIO. The survey polled 436 individuals in executive management, senior management or board-level positions in companies with 500 or more employees. Forty-seven percent (47 percent) of respondents were from organizations of 10,000 or more employees, and a third (33 percent) of companies had 2013 revenues of \$5 billion or more. Respondents represented major sectors, including technology, financial, and manufacturing. Respondents were from North America (35 percent), Europe (26 percent), and Asia (24 percent). Fifteen percent (15 percent) were from the rest of the world.

## Additional Resources

See these and additional results of the Driving Digital Transformation: New skills for leaders; New role for the CIO study in an [infographic](#)

Download the Harvard Business Review Analytic Services [report](#)

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