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WHAT IS A CHIEF PRIVACY OFFICER? AN ANALYSIS BASED ON MINTZBERG'S TAXONOMY OF MANAGERIAL ROLES

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ABSTRACT

Given the growing concern over information privacy abuse, potential lawsuits, and threats of increased government privacy legislation, an increasing number of firms are resorting to Chief Privacy Officers (CPOs) as a means to cope with information privacy. However, little is yet known about the job responsibilities and roles of this emerging corporate position. This study examines the critical managerial roles of CPOs. Drawing from in-depth interviews at three large firms and from secondary sources of data, this study uses Mintzberg's framework for managerial work to develop a taxonomy of key managerial roles for the emerging position of Chief Privacy Officer. From our analysis, we conclude that Chief Privacy Officers function with role responsibilities in four main areas: informational (monitor, disseminator, spokesperson), interpersonal (figurehead, liaison), conflict management (disturbance handler, negotiator), and strategic management (entrepreneur). Our analysis also suggests that no single managerial role is most important. Rather, multiple roles are required of CPOs. To meet these multiple role requirements, effective CPOs must possess strong business, communications, and technical skills. Our results suggest that Chief Privacy Officers tend to operate at high levels of organizational hierarchies as evidenced by the importance of their externally related job roles of figurehead, liaison, and spokesperson.

 Keywords: information privacy, chief privacy officer, managerial roles

I. INTRODUCTION

On March 10, 2005, the Lexis-Nexis' Seisint unit discovered the theft of 32,000 customer records containing such sensitive information as customer names, addresses, social security numbers, and driver's license numbers [Meredith, 2005]. This incident followed closely on the heels of ChoicePoint's disclosure of the theft of personally identifiable records from 145,000 of its customers and Bank of America's announcement it lost backup tapes containing information on 1.2 million customers [Meredith, 2005; Zeller, 2005].

Such events are not isolated and represent a disturbing trend that is synonymous with today's connected world of electronic business. Virtually any consumer's or employee's data that can be stored in an electronic format can also be sold or distributed to others for marketing purposes or worse; for criminal misuse. Increasingly, the public is becoming less tolerant of such privacy breaches and is demanding stricter measures to protect their security. Companies affected by major security breaches such as those described above may face staggering lawsuits [Cohen, 2001] and plummeting stock prices [Murphy, 2000][1] in addition to the public embarrassment and lost goodwill from existing and potential customers.

Given these high stakes, it is not surprising that the question of how firms may best safeguard their customer's and employees' sensitive data is increasingly a topic being discussed at the executive levels of the firm. However, at the same time information privacy is gaining increased attention, the privacy environment firms must operate in is becoming exceedingly complex [Fisher, 2001]. Vijayan [2004] attributes this complexity to a patchwork of regulatory requirements and a lack of legal precedent and unclear implementation guidelines. For example, in mid-2002, as many as 80 privacy laws were being considered by the U.S. Congress. Such highly publicized laws as HIPPA [Kolton, Costa, and Spanier, 2002], Sarbanes-Oxley [Lansing and Grgunch, 2004], and the Graham-Leach-Bliley Act [Carey, 2002] have profoundly changed the firm's responsibilities to protect the sensitive information of its key stakeholders. Vijayan [2004] also cites difficulty in implementing new technologies and business practices to monitor and ensure privacy compliance, difficulty in honoring customer privacy preferences, and difficulty in controlling the privacy practices of business partners (e.g. suppliers, vendors) as other factors adding to the complexity of the privacy environment. Adding to this complexity is the challenge faced by firms conducting business with European Union nations who must comply with the particular set of privacy standards outlined in the European Directive on Data Protection [Kurtin and Noveck, 2000].

From this discussion, we conclude that information privacy is a vital management issue for today's organizations, and that the privacy environment in which firms must operate is dynamic and constantly evolving, consisting of a complex web of political, social, and legal issues. Thus far, most firms address these challenges in a haphazard fashion. Recently, however, some organizations began to address the issue of privacy in a more systemic fashion through the creation of a new corporate-wide job function—that of Chief Privacy Officer (CPO) [Marshall, 2001; Pemberton, 2002; Thibodeau, 2000]. Pemberton [2002] attributes the emergence of this position to a public awareness of privacy.

> *"growing sensitivity to privacy aspects of customer and employee information has given rise to the creation of a position [CPO] to focus corporate attention on right and wrong approaches to the use of personal information. In fact, many firms are realizing that privacy is good business (p. 57).*" Pemberton [2002]

Awazu and Desouza [2004] report the first CPO being hired in 1999. Given the relative newness of this position, it is not surprising that the existing CPO literature is largely prescriptive, consisting of anecdotes about CPO roles and responsibilities from practitioner journals. We believe that both academics and practitioners could benefit from a more in-depth examination investigating the emerging roles and job responsibilities of the Chief Privacy Officer and also gain a better understanding of how this new position might help to facilitate more effective organizational privacy practices. Drawing from Earl and Scott's [1999], paper on Chief Knowledge Officers, we seek answers to the following research questions:

- What are the key job functions of Chief Privacy Officers?
- What capabilities and competencies do they require?

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[1] For example, the DoubleClick.com stock price dropped sharply from $110 to $75 per share on March 3, 2000 as a result of its highly publicized consumer privacy incident.

These research questions are addressed through presenting the results of three in-depth interviews with Chief Privacy Officers supplemented by secondary data[2]. In the next section, we discuss our research methodology. In Section III, we present our research findings. The paper concludes with a discussion of findings (Section IV), comments on research limitations, and directions for future research (Section V) .

II. RESEARCH METHODOLOGY AND DATA ANALYSIS

Given our aim to improve our understanding of the emerging role of the Chief Privacy Officer, we chose a case study methodology to explore our research questions. Case research is particularly useful when the phenomenon of interest is of a broad and complex nature and hence, is best studied within the context in which it occurs [Dubé and Paré, 2003; Yin, 1999].

Three in-depth interviews were conducted in face-to-face settings by one of the principal researchers with CPOs at three large, information intensive organizations. The first firm, Government Services (GS)[3] operates under the authority of the US Federal Government. A significant part of its business involves transacting business with individual consumers-- primarily US citizens. Company two, Unicredit, is a large credit reporting agency that collects, processes, stores, and disseminates detailed credit information for individual consumers. Our third site, Healthcare (HC), is a large health services provider located in the Southeastern portion of the US.

Given the nature of our research agenda, the three CPOs interviewed provided insights into the current and emerging roles of CPO's within organizations that face complex and challenging issues in information privacy. The responses from these three separate interviews enabled us to triangulate the results of our interview analysis. Two of the interviews were conducted via phone with the third in a face-to-face setting. Each of the interviews lasted between 45 to 60 minutes and was guided by a specific set of questions used by the interviewer (Appendix I). The same interviewer, using identical data collection protocols, conducted all the interviews for the three respondents. At the completion of each session, the interviewer carefully read the transcripts to ensure their accuracy and completeness.

These three in-depth interviews were then supplemented with publicly available secondary data. This secondary data included interviews with Chief Privacy Officers and other privacy related experts reported in the press and a privacy survey by Price-Waterhouse Coopers [Trombly, 2001]. Table 1 lists these secondary sources of data[4].

Based upon the transcribed interviews, one of the authors independently developed a profile for each of the informants[5]. These profiles describe the informants' perspectives of their roles and responsibilities as Chief Privacy Officer. Each profile was then compared with the other two and with secondary data sources to gain insights into CPO roles and responsibilities. The following section presents our case findings.

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[2] Secondary data consists of publicly available interviews and statements from current CPOs and information-privacy experts.
[3] Fictitious names are given to protect the anonymity of respondents and companies
[4] NOTE: When secondary sources are quoted, the quotations are excerpted from the references listed in Table 1.
[5] This author was not the one who conducted the interviews.

Table 1. Secondary Data Sources[6]

Respondent/Source	Company & Title	Reference
Ray Everett-Church	Alladvantage.com, CPO	Trager [2000]
Mike Gotta	META Analyst	Marshall [2000]
Rodney Gould	USPS, CPO	Jones [2000]
Shelley Harms	Verizon, CPO	Jones [2000]
Wally Hyer	ATT Wireless, CPO	Young [2001]
Michael Lamb	AT&T, CPO	Germer [2001]
Steve Lucas	Persona, CPO	Jones [2000]
Richard Purcell	Microsoft, CPO	Mogul [2000]
Harriet Pearson	IBM, CPO	Marshall [2001]
Jules Polonetsky	DoubleClick.com, CPO	Mogul [2000]
David Steer	Truste, Spokesperson	Mogul [2000]
Survey	Price Waterhouse-Coopers	Trombly [2000]
Thomas Warga	New York Life, CPO	Trombly [2000]
Alan Westin	President, Association of Corporate Privacy Officers (ACPO)	Cohen [2001]; Laughlin [2001]

NOTE: In the sections that follow, whenever one of the above is quoted, the quotation is obtained from the reference given in Table 1.

III. RESEARCH FINDINGS

CHIEF PRIVACY OFFICER ROLES

Given the emergent nature of the CPO job function, a basic question is, "what does a Chief Privacy Officer do?" That is, what are the primary job functions or roles of this emerging position? We address this first question using Mintzberg's [1971] classical framework of managerial roles. Mintzberg concluded that all managerial work can be classified according to ten basic roles consisting of:

- three interpersonal roles (figurehead, leader, and liaison),
- three informational roles (monitor, disseminator, and spokesperson), and
- four decisional roles (entrepreneur, disturbance handler, resource allocator, and negotiator).

Table 2 describes each of these roles.

In Mintzberg's view, different managerial roles may receive more or less emphasis depending on the particular job function and its hierarchical level. Therefore, interpersonal relationships would be more important to sales managers while staff managers perceive informational roles to be more important [Pavett and Lau, 1983]. Furthermore, higher level managers (e.g. CEOs) would place more importance on external roles (e.g. liaison, spokesperson, and figurehead) than would managers at lower levels in the hierarchy [Pavett and Lau, 1983]. Mintzberg's framework is used in the information systems literature to examine the managerial roles of Chief Information Officers [Grover, Jeong, Kettinger, and Lee, 1993; Gottschalk, 2002]. However, to our knowledge, no such a framework has been used to examine the managerial roles of Chief Privacy Officers. Therefore, we aim to examine the managerial roles of CPOs using Mintzberg's framework. Through this analysis, we hope to shed light on what appear to be the most critical roles of effective CPOs and how these roles might differ from other information-related managers such as CIOs.

Using our interview transcripts and secondary sources of data, we took each mention of a particular CPO role and mapped it to the specific management role that most closely fits from

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[6] This list of Chief Privacy officers represents individuals who were in this corporate position at the time each respective article was written.

Table 2. Mintzberg's Managerial Roles

Interpersonal Roles	
Figurehead	Performs certain ceremonial duties such as greeting a touring class of students or taking an important customer to lunch
Leader	Responsible for motivation of subordinates and for staffing and training.
Liaison	Develops and maintains relationships with those outside their immediate unit (e.g. peers in other units or with external stakeholders such as suppliers, customers, government agencies, or professional associations)
Informational Roles	
Monitor	Constantly scanning the environment and probing subordinates, bosses, and outside contacts for information
Disseminator	Distributes information to key internal people
Spokesperson	Provides information to external stakeholders
Decisional Roles	
Entrepreneur	Initiator and designer of many key projects involving organizational change
Disturbance Handler	Responsible for corrective action when the organization faces unexpected crisis
Resource Allocator	Responsible for allocation of human, financial, material, and other resources
Negotiator	Responsible for negotiating conflict between two or more parties

Adapted from Grover et al [1993] and Luthans [1981]

Mintzberg's taxonomy. Table 3 presents a summary of this data organized by management role (row) across the various respondents (column).

Interpersonal Roles

Of the three interpersonal roles, those of 'figurehead' and 'liaison' seem, a priori, most relevant to CPOs. The data indicates that one function of CPOs is to act as a figurehead in order to symbolize firms' ongoing commitment to the privacy protection of its constituents. The importance of this role was evident from our interview data. The CPO for Government Services stated that "[CPOs] help articulate a message for the organization and provide a figurehead." Ray Everett-Church, CPO at Alladvantage.com states that the CPO "projects an image to the industry of respect for privacy" [Trager, 2000]. Others argue that a CPO increases public credibility (CPO, Healthcare) and that "publicizing the position shows senior management's commitments to consumers, employees, and stockholders" [Trager, 2000]. Awuzu and Desouza [2004] state that a key role of the CPO is to serve as a public relations presence for organizations on privacy issues. This figurehead role is a particularly important role in light of recent privacy debacles and the ensuing public relations disasters that firms face. In one example, Minneapolis-based U.S. Bancorp appointed a CPO after paying $3 million to settle a lawsuit accusing the bank of selling customer data to telemarketers [Nash, 2000]. Others such as ChoicePoint and DoubleClick.com have also hired CPOs following negative publicity over consumer privacy.

While the 'figurehead' role appears to be important, some speculate that the CPO position for some firms may be entirely symbolic, lacking real 'teeth' or authority to actually develop and enforce privacy policies [Nash, 2000]. This argument may be true because a standard chain of command for CPOs is not yet evident in practice, the privacy function doesn't produce revenue, and CPOs typically don't operate with large staffs [Nash, 2000].

Table 3. Summary of Results

Managerial Role	Government Services CPO	Unicredit CPO	Healthcare CPO	Secondary Sources of Data
Figurehead	"Help articulate a message for the organization and provide a figurehead."	"What is important is that a company officer [CPO] be a focal point for ensuring that privacy functions are carried out."	"The name CPO increases [privacy] credibility."	"Publicizing the [CPO] position shows senior management's commitments to consumers, employees, and stockholders." "To project an image to the industry of respect for privacy"—Everett-Church
Leader				"It's my job to foster a culture of privacy throughout the organization."—Wally Hyer
Liaison	"Member of Privacy and American Business" "Regular interactions with other CPOs both in industry and government sector."	"Coordinate with and participate in privacy organizations and programs of which the company is a member." "Member of International Association of Privacy Officers and Association of Chief Privacy Officers." "Weekly interaction with other CPOs."	"Communicates with other CPOs a couple of times a month to touch base and try to help each other."	"Work with software and technology groups to insure that all parties adhere to IBM's privacy standards"—Harriet Pearson "They [CPOs] need to be able to talk with different types of people: the general counsel, the IS people, the PR and marketing people." – David Steer "I get directly involved in conversations with the retailers." --- Michael Lamb "I regularly talk with technology managers in each business unit." –Shelley Harms "Working closely with the Chief Information Security Officer who reports to the CIO"--- Thomas Warga
Monitor	"Insuring compliance"	"Monitor and assess privacy compliance and performance." "Prepare, revise, and monitor company privacy policies including those used on all corporate web sites." "Monitoring and surveillance tools that complement internal [privacy] policies.	"Yes, [we conduct] privacy assessments of all sites and compliance audits to see if they meet their requirements and laws.	"Keep close watch on public relations and marketing campaigns, reviewing proposed product and service launches, examining global protections, initiating privacy assessments"—Alan Westin "A CPOs main job is to keep the company out of harm's way." --- Steve Lucas "I am continually asking them [new product or service development] what happens to the customer data you collect?"—Roberta Lamb "Tracking pending legislation"—PWC Survey
Disseminator	"Explaining privacy policies to the organization at large" "Facilitates communication among various departments on the issue of privacy." "Establishing training programs"	"Report concerning [privacy] assessments periodically." "Consult with management, communications, legislative affairs, and attorneys as appropriate on privacy issues."	"I coordinate communication between teams." "Translate [privacy] policies into what they really mean."	"Educating employees about privacy protection policies." – Alan Westin "Producing educational [privacy] information for our internal staff"—Richard Purcell "Spends a great deal of time educating the marketing department [on privacy]--- Rodney Gould "Training employees about privacy"—ACPO "Informing senior executives on how the company deals with privacy issues"—ACPO

				"Internally, the [privacy] efforts translate to employee-awareness training. It also means conducting team meetings about privacy."—Wally Hyer
Spokesperson		"[CPO] is the chief privacy spokesperson for the global enterprise." "Coordination of all relevant public statements and promotion of company privacy and integrity themes."	"Lots of speaking and education."	"Develop educational [privacy] information externally for our partners and suppliers"—Richard Purcell "Oversee and educate the public about its privacy policies"—Jules Polenetsky "External public relations is another big part of the job." – Wally Hyer
Entrepreneur	"I help set a course for privacy in the organization through helping to set an effective focused [privacy] program." "Development of appropriate privacy policies taking into consideration the industry and legal concerns, best [privacy] practices, and consideration for mandatory vs. optional practices."	"Formulate and recommend privacy positions and best practices for the company, internally and externally."	"[Without CPO] would not be making the correct [privacy] decisions."	"We want to develop privacy practices for all our services—particularly for our new wireless and cable services."—Michael Lamb, "Develop policy"—Harriet Pearson "CPOs unify privacy practices and investments across the organization, ensuring privacy compliance with applicable laws and regulatory statutes become ingrained within everyday business operations." –Mike Gotta, META Analyst "To keep privacy on track internally"—Everett-Church "Ensuring that the company lives up to its privacy commitments in its business practice"—Jules Polonetsky "I have to take the lead on [privacy] policies." --- Shelley Harms
Disturbance Handler				"Establishes clear procedures for customers to resolve privacy disputes." – Alan Westin "Resolving privacy disputes." – Alan Westin "Faced with potential criticism suggesting that customer cell phone numbers were being passed to web sites they visited, AT&T made a change." – Roberta Lamb "Managing a customer privacy dispute"—ACPO "[My] primary function is preventing [privacy] incidents." --- Wally Hyer
Resource Allocator				
Negotiator	"The CPO provides a means to unify all fragmented internal views of privacy and to prevent any particular view [e.g. legal vs. IT] from dominating"			"[Maintaining] balance between privacy-related discretion and business goals"—Alan Westin "Even when a company has a formal privacy policy, employees may disagree about how to interpret it. That when the CPO must referee."—Shelley Harms

Another prominent role of CPOs appears to be that of 'liaison' to establish and maintain relationships with colleagues within other company units and with external stakeholders such as government regulators, commercial clients, and advocacy organizations [Mogul, 2000]. This role appears to be crucial for effective CPO functioning since privacy is a pervasive organizational issue and requires coordination with a wide spectrum of internal (public relations, legal counsel, information technology, and marketing) and external stakeholders (regulatory agencies, customers, vendors, business partners).

> *"they [CPOs] need to be able to talk with different types of people: the general counsel, the IS people, the PR and marketing people"* David Steer, Spokesperson for Truste as quoted in [Mogul, 2000].

> *"I regularly talk with technology managers in each business unit"* Shelley Harms--- CPO, Verizon as quoted in Jones [2000]*.*

> *"I get directly involved in conversations with retailers"* Michael Lamb—CPO, ATT as quoted in Young [2000].

> *"[I work] closely with the Chief Information Security Officer who reports to the CIO"* Thomas Warga—CPO, New York Life as quoted in Trombly [2000]*.*

One liaison relationship of particular importance to the CPO is that with his or her own IS department [Fisher, 2001].

> "*In the Information Age, it is clear that the relationship between a CPO and his IT organization is critical. Companies whose CPO has at least a dotted-line relationship to the CIO tend to have more effective privacy programs.*" Ufelder [2004].

In addition, our data suggests that maintenance of ties to other CPOs and to outside professional privacy organizations are also important liaison relationships. In our three primary interviews, all three CPOs indicated they maintain regular contact with other CPO colleagues, presumably to share best practices and to exchange ideas. Also, two of the three CPOs at the time of the interviews were members of professional organizations promoting effective privacy practices.

The role of 'leader' did not figure prominently into our findings. The primary reason is that CPOs typically are given little responsibility for hiring, training, motivating, and encouraging subordinates as defined by this particular role. This finding stands in contrast to Grover's et al. [1993] study rating the 'leader' role of CIOs as being important. This difference could be explained by the fact that most CIOs are responsible for numerous managers and support personnel under their direct authority.

Informational Roles

Our analysis suggests that Chief Privacy Officers engage in the three informational roles of monitor, disseminator, and spokesperson. Each of these roles involves the flow of information between the CPO and various stakeholders, both internal and external to the firm.

The first of these informational roles, 'monitoring', involves two key aspects.

1. CPOs are responsible for monitoring their organization's internal environments to help ensure they are in compliance with current privacy policies. This role was evident through respondent comments indicating that a primary objective of the CPO is to monitor existing privacy practices to insure compliance with current corporate policies and legal requirements.

> *"Yes, [we conduct] privacy assessments of all [web] sites to see if they meet their requirements and laws."* CPO at Healthcare

Our interview and secondary data suggests that internal monitoring involves much more than simply auditing company websites for privacy compliance. Rather, CPOs may also be heavily

involved in keeping a watchful eye over their company's public relations and marketing campaigns as well as being involved early in the launch of new products and services.   Westin states it is the job of CPOs to

> *"keep watch on public relations and marketing campaigns [as well as] reviewing proposed product and service launches."* Alan Westin, President, ACPO

Similarly, Lamb states,

> *"I am continually asking them [new product or service developments] what happens to the customer data you collect?"* Michael Lamb, CPO AT&T

Thus, it appears that to be effective, CPOs must be involved proactively in the inner workings of the business to help ensure that any new product or service launches will be compliant with privacy policies [Pemberton, 2002].

A second form of monitoring involves scanning the external environment. The Price-Waterhouse Coopers survey cited in Trombly [2001] showed that tracking pending legislation and staying up-to-date on new technologies were among some of the CPO's most important monitoring responsibilities. Likewise, others argue that CPOs should be involved in monitoring through interacting with government agencies [Pemberton, 2000], keeping abreast of changing international privacy regulations and guidelines [Kosan, 2000], and interpreting privacy laws [Radcliff, 2000].

Another informational role of CPOs is that of 'disseminator' of privacy information to educate the various internal constituents regarding the firm's privacy practices. For example, responsibilities include

> *"explaining privacy policies to the organization at large"* and

> *"facilitating communication among various departments on the issue of privacy."*
> CPO at Government Services

Also, the CPO at Unicredit indicated he was responsible for reporting the results of privacy assessments periodically and to

> *"consult with management, communications, legislative affairs, and attorneys as appropriate on privacy issues."*

Likewise, the CPO at Healthcare reported that she

> *"coordinates communication between teams and translates [privacy] policies into what they really mean."*

Strong evidence from our secondary data shows that a key function of CPOs is to train employees on privacy policies and to create heightened levels of corporate awareness about the importance of information privacy. The importance of such a role was reflected through numerous comments describing CPO responsibilities as:

> *"educating employees about privacy protection policies"* Alan Westin, President, ACPO,

> *"producing educational [privacy] information for our internal staff"* Rodney Gould— CPO, USPS,

> *"informing senior executives on how the company deals with privacy issues"* Alan Westin, President ACPO,

> *"conducting team meetings about privacy"* Wally Hyer—CPO, ATT Wireless, and

> *"spending a great deal of time educating the marketing department on privacy"* Rodney Gould – CPO, USPS.

While dissemination of privacy-related information was perceived as a vital CPO role, the role of public 'spokesperson' to enhance external public relations also appears to be another significant aspect of CPO functioning [Young, 2001]. For example, the CPO at Unicredit stated that one of his key responsibilities was to

> *"coordinate all public statements and to promote the company's privacy and integrity themes."* CPO at Unicredit

Likewise, others indicated the need for CPOs to

> *"convey privacy information to partners and suppliers"* Richard Purcell—CPO, Microsoft

and to

> *"oversee and educate the public about its privacy policies"* Jules Polenetsky—CPO, DoubleClick.com.

Decisional Roles

Our analysis suggests that CPOs tend to engage in several key decisional roles. First and foremost is that of 'entrepreneur' defined by Mintzberg as one who initiates and designs key projects involving organizational change. It is clear from our data that it is the CPO who both initiates and designs privacy policy and who is largely responsible for ensuring its implementation across the firm [Mogul, 2000; Thibodeau, 2000; Marshall, 2001; Kosan, 2000].

> *"I help set the course for privacy in the organization through helping set an effective focused [privacy] program."* Government Services' CPO

Other's comments reflect this entrepreneurial role:

> *"we want to develop privacy practices for all our services"* Michael Lamb—CPO AT&T

> *"[I] develop policy"* Harriet Pearson—CPO, IBM.

> *"CPOs unify privacy practices and investments across the organization"* Mike Gotta—Analyst, META, and

> *"I have to take the lead on [privacy] policies"* Shelley Harms--CPO, Verizon.

Two other decisional roles important to CPO functioning are that of 'disturbance handler' [Cohen, 2001; Laughlin, 2001] and 'negotiator'. The role of disturbance handler is noted by Alan Westin whose ACPO organization acknowledges a key role of CPOs as being able to manage or resolve privacy disputes between their own organizations and affected parties. This role of disturbance handler would be particularly important when firm's face privacy crises (Section I)

In addition to handling privacy crises, our data suggests that CPOs must also be effective at bringing internal parties together whose views or interpretations of privacy policies conflict..

> *"Even when a company has a formal privacy policy, employees may disagree about how to interpret in. That's when the CPO must step in."* Shelly Harms CPO--Verizon

In this 'negotiator' role, CPOs must

> *"provide a means to unify all [the] fragmented internal views of privacy and to prevent any particular view (e.g. legal vs. IT) from dominating"* CPO, Government Services.

Others maintain that CPOs must be able to maintain a

> *"balance between privacy related discretion and business goals"* Alan Westin, President ACPO.

Finally, the decisional role of 'resource allocator' did not appear to be prominent in our findings. We attribute this finding to the emerging nature of the CPO role and the minimal budgets and staff allocated to CPOs [Nash, 2000].

IV. DISCUSSION

Based on interview and secondary data, our analysis suggests that all but two of Mintzberg's managerial roles (leader and resource allocator) are perceived as important to Chief Privacy Officers. We illustrate these results in Figure 1. As this figure shows, we chose to collapse the roles of 'disturbance handler' and 'negotiator' into a new category identified as "Conflict Management". Secondly, we treat Mintzberg's 'entrepreneurial' role as its own separate category identified as "Strategic Management". Our decision to restructure these role categories is in no way intended as a critique of Mintzberg's [1971] original taxonomy. Rather, we made this adaptation to present a clear characterization of the managerial roles undertaken by Chief Privacy Officers.

Informational Role: CPOs must be effective information managers who are able to gather privacy related intelligence from both the internal and external environments, assess this information, and then integrate it into existing privacy policies. In addition to this monitoring activity, CPOs must
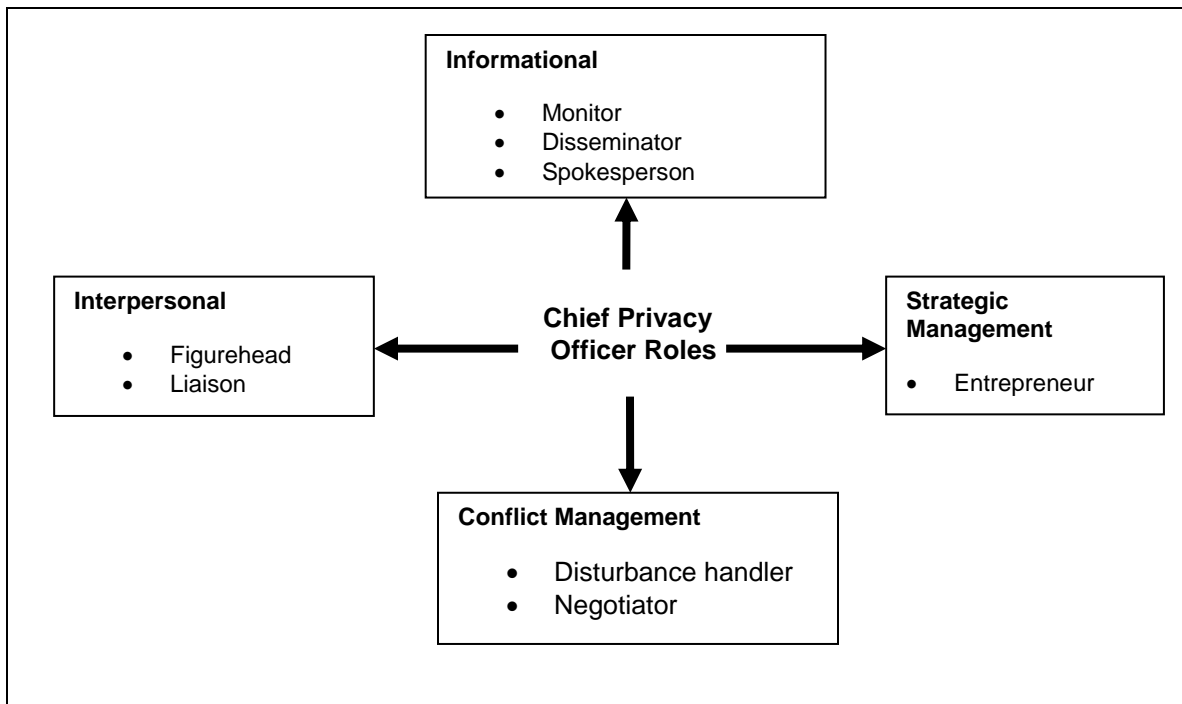
Adapted from Mintzberg [1971]

Figure 1. The Chief Privacy Officer's Management Roles

also be able to convey privacy-related policies and meanings effectively to internal stakeholders (disseminator role) as well as to public audiences to clearly articulate his or her firm's stance on privacy related issues (spokesperson role).

Relationship Management (interpersonal) CPOs must be effective at relationship management through their ability to develop close, working relationships with others within the firm and with external customers, suppliers, government agencies, and professional privacy organizations. The ability to develop and foster such relationships is important to the CPO successfully implementing his or her privacy agenda for the firm. At the same time, CPOs must be able to act in an 'official' position as figurehead to symbolize his or her firm's commitments to information privacy.

Conflict Management. Effective CPOs must be able to manage conflict from two different fronts.

> 1. To resolve conflict occurring from disputes over privacy with customers, employees, or other entities (disturbance handler) and

> 2. To act as a negotiator to navigate the internal conflict that may occur among different parties with entirely different views of information privacy.

One example of such conflict would be the inherent conflict of interests over privacy between corporate marketing and legal departments.

Strategic Management. In effect, the CPO is responsible for developing a corporate-wide privacy strategy (entrepreneur role) that must be in alignment with overall corporate strategy[7]. Furthermore, the CPO is charged with implementing the comprehensive privacy policy and monitoring to insure compliance.

THE CPO'S LEADERSHIP ROLE

Pavett and Lau [1983] indicate that some of Mintzberg's roles are more externally focused (e.g. spokesperson, figurehead, liaison) whereas others are more internally focused (e.g. negotiator, disturbance handler). Furthermore, they conclude along with others [e.g., Alexander, 1979; Paolillo, 1981] that the external roles will take on greater importance as the hierarchical level of the job position increases. For example, external managerial roles would generally be more important for someone like a CEO as opposed to an accounting manager. Given the importance of external CPO managerial roles observed from our data, our findings indicate that the CPOs tend to operate more at senior or executive level positions that typically require much more interaction with stakeholders external to the firm. Cohen [2001] echoes this belief arguing that "CPOs are high ranking executives (p. 9)."

Leadership Style. Given the evidence that CPOs operate in high level leadership positions, an important question is, "what type(s) of leadership styles are most conducive to effective CPO functioning?" Contingency leadership theory [Denison, Hooijberg, and Quinn, 1995] would hold that different management styles are more or less effective dependent on the particular circumstances. Thus, in situations requiring strong, quick, and decisive decisions, a CPO with an autocratic leadership style [Stogdill, 1974] might be more effective whereas a more democratic style would be more favorable in decision contexts requiring collaboration, negotiation, and stakeholder buy-in. Likewise, other leadership typologies such as Theory X vs. Theory Y [McGregor, 1960], transactional vs. transformational [Burns, 1978], or managers vs. leaders [Zalesnik, 1977] would suggest the appropriateness of different leadership styles for different sets of conditions. However, some believe this view of leadership to be rather simplistic particularly

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[7] Mis-alignment would occur when a firm pursues a corporate strategy (e.g. customer acquisition, increased revenues) at the expense of its privacy strategy. Alberstons [Claburn, 2004] and JetBlue [Singel, 2003] provide two examples of mis-alignment between corporate business and privacy strategy.

considering the complexities of today's organizations. Hooijberg, Hunt, and Dodge [1997] articulate an alternate view of leadership that truly reflects the complexities of the Chief Privacy Officer's leadership context.

> *"Most leaders interact almost simultaneously with a variety of stakeholders in multiple and rapidly changing settings covering a virtually endless variety of contingencies"* Hooijberg et al.(p. 376).

They go on to argue their case that the most effective leaders in complex organizational environments are those who are able to display multiple contrasting leadership styles simultaneously in any given situation. This behavioral complexity theory [Hooijberg et al, 1997] holds that there is no single leadership style most appropriate for a given situation. Rather, the manager's ability to bring multiple behavioral repertoires to bear on a particular situation might be the hallmark of leadership effectiveness.

Applying this perspective to the context of the CPO position, we argue that effective leadership in this new corporate position cannot be defined in terms of a discrete set of management or leadership styles. Rather, we argue that the most effective leaders will be those CPOs able to bring a variety of leadership behaviors to bear on the complex situations they encounter.

As previously noted, certain managerial roles may be more or less important depending on the particular job function. For example, both Alexander [1979] and McCall and Segrist [1980] found that sales managers will place more emphasis on interpersonal (e.g. relational) roles while others in staff positions (e.g. accounting and finance) will perceive informational roles to be more important. However, from our analysis, we see no such bias towards any particular managerial role for CPOs. In contrast, CPOs must excel at managing multiple roles both within and external to the firm. This argument suggests that the CPO position is not one requiring a single set of skills. Rather, it is a challenging position requiring numerous capabilities, skills, and background qualities needed to forge and maintain interpersonal relationships, to negotiate conflict, to gather and disseminate privacy-related information, and to set the strategic privacy directives of the firm. Therefore, it is not a coincidence that CPOs backgrounds include such diverse areas as law, customer relations, ethics technology and public affairs [Kosan, 2000; Jones, 2000; Pemberton, 2002; Cohen, 2001; Radcliff, 2000] which may help them to "bridge the communications gap between the technologists, lawyers, policy makers, and consumers [Mogul, 2000]."

V. RESEARCH LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

One of the main limitations of this study is our sample of only three CPO in-depth interviews. However, to some degree, this limitation is offset by these three respondents being in charge of the privacy function at large, information-intensive organizations. With the relatively low number of CPO positions, obtaining a larger sample would be quite difficult. Further, by the nature of the job and the individuals who occupy these positions, many CPOs do not want to discuss their position. Thus, the three in-depth interviews were supplemented with publicly available secondary data in the form of interviews in the professional press with Chief Privacy Officers and other privacy experts. We believe that this secondary data provides a broad sample from which to draw conclusions.

Since the companies included in the interviews were large, caution must be taken in interpreting the findings. In many smaller to medium-sized companies CPO managerial roles may be quite different from those of larger organizations as responsibilities may be much broader.

A follow-up or longitudinal study, following the development of the CPO position, may prove enlightening because the role may well change over time. For example, advances in technology could certainly broaden the scope of the position as these newer technologies evolve. In addition, changes in legislation could impact the position. Awareness of privacy considerations could

change the role of the CPO in the perception of the upper-level executives. Such perception changes, if positive, would likely providing the position with more resources and responsibilities.

VI. CONCLUSION

The appointment of a CPO is one way that companies deal with the ever-increasing security threats present in today's business environment. Appointment of a CPO is unlikely to prevent security breaches from occurring, but it does suggest that the company is taking privacy seriously and providing resources to that end. Based on the data we collected, it is evident that the new position of CPO is a challenging one requiring individuals to take on numerous managerial roles. No single role stands out as being most important. Rather, effective CPOs should be capable at gathering, assessing, and disseminating privacy-related information (informational role), negotiating and handling disturbances (conflict management role), developing and maintaining complex internal and external relationships (interpersonal role) and managing the strategic direction of firm's privacy initiatives (strategic management role). Given this complex set of role requirements, CPOs should possess strong business, communications, and technical skills to perform the necessary functions required of the job. Furthermore, CPOs should be able to apply multiple leadership behaviors to the complexities of their job.

Our results suggest that Chief Privacy Officers tend to operate at the higher levels of organizational hierarchies as evidenced by the importance of externally related job roles. These roles include those of figurehead, liaison, and spokesperson.

As new technologies and legislation are presented, the role of the CPO can be expected to become ever more complex. Thus, the CPO will require more executive level support from the firm in the form of human, financial, and other resources to develop and enforce an evolving privacy policy.

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EDITOR'S NOTE: The following reference list contains the address of World Wide Web pages. Readers who have the ability to access the Web directly from their computer or are reading the paper on the Web, can gain direct access to these references. Readers are warned, however, that

> 1. these links existed as of the date of publication but are not guaranteed to be working thereafter.

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APPENDIX 1. QUESTIONS USED IN IN-DEPTH CHIEF PRIVACY OFFICER INTERVIEWS

1. What would you consider to be the top five privacy issues that your company faces?
2. What kinds of privacy issues do you think that someone lower in the business hierarchy would face (i.e. – a secretary/clerk, or a customer service specialist)?
3. What do you believe are the consequences of not having a Chief Privacy Officer in today's business environment?
4. What value do you believe you provide to your organization?
5. What kinds of controls (such as policy or IT) do you have in place to protect your customers' privacy? Your employees' privacy?
6. Does your audit staff perform privacy-specific audits? How often?
7. What do the audits entail (i.e. – review policies, systems, etc.)?
8. Are you a member of any professional privacy organizations?
9. Do you believe that certification should be necessary in the future?
10. Do you communicate with other Chief Privacy Officers? How often?

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