State of the CIO Survey 2025

CIOs strategize for AI-driven business

IT leaders continue to play a central role defining business strategy,
this time for an era defined by AI-driven transformation.

CIO

Foundry an IDG, Inc. company

A**fter years of IT modernization** work book-ending the pandemic period, CIOs are moving into a chapter of strategic business transformation as they try to translate the early frenzy of AI excitement and experimentation into enterprise initiatives that yield measurable results.

CIOs continue to drive digital innovation efforts and are widely recognized as core business leaders by the C-suite and their line of business (LOB) counterparts. Still straddling both the business and technology camps, CIOs move between essential functional IT responsibilities such as cybersecurity and business process modernization and non-traditional roles, including as change makers championing the culture shifts required for successful and strategic embrace of AI.

Three quarters of respondents to this year's 2025 State of the CIO research confirmed the CIO is collaborating closely with line of business on AI applications while 71% said the IT department is driving AI adoption efforts with business units aligning their strategies accordingly. Three quarters

of IT leaders expect to become more involved with AI and machine learning over the next year, and for good reason. The CEO's top priority for IT leaders in 2025: Researching and implementing AI products and projects, cited by 26% of respondents to this year's survey, which canvassed 906 IT leaders and 250 LOB professionals.

While the majority of last year's survey respondents characterized their role as transformational, this year's crop of IT leaders identified as strategic, at 41%, higher among financial services (50%) and high-tech sector respondents (47%) and six points above the 35% staking claim to that mantle in 2024. Looking out over the three-to-five year horizon, the majority of 2025 survey respondents expect to sustain this strategic orientation, at 52%,

77%

of CIOs say they have a strong educational partnership with the CEO/board of directors

with 32% anticipating a transformational role and only 16% planning to focus on traditional, functional IT duties.

Given their strategic remit, the CIO role continues to gain ground. Three quarters of IT respondents and 69% of LOB said the combination of economic factors and growing enterprise visibility continue to elevate CIO stature. CIOs are also getting more comfortable with multi-title roles and responsibilities—on average, CIOs are fielding 1.8 positions. The vast majority of CIOs (77%) now have a strong educational partnership with the CEO and board of directors.

Along with a growing emphasis on AI, the CIO charter continues to be more digital and innovation focused, a directive cited by 82% of IT respondents and 76% of LOB participants. Eighty-two percent of these year's survey participants confirmed CIOs are taking the lead on digital transformation initiatives, more so than their business counterparts. This is a more

common scenario in healthcare (94%), in companies with between 1,000 and 5,000 employees (87%), and in the North America and APAC regions, both at 85%.

More than a third (34%) of CIOs are driving digital transformation with limited involvement from other executives, although this power structure is less entrenched among APAC respondents, at 28%. In roughly a quarter of companies (26%), the CIO holds sole responsibility for all digital transformation decisions and initiatives, higher among those in the financial services industry (39%) and at firms with under 100 employees (30%). At 29% of responding companies, ownership of the digital transformation agenda is distributed among all leaders.

The more things change, the more some things stay the same. The CIO role continues to be heavily male dominated—74% of IT leaders are men with only 24% female representation. The exceptions are the financial services and healthcare industries where respectively, 46% and 41% of CIOs are women. As in prior years, CIOs are well positioned as changemakers (81% this year compared to 85% in 2024) as they champion both business and technology initiatives. Given the duality of their charter, more than three quarters of this year's respondents (76%) say that striking the right balance between business innovation and operational

excellent is an on-going challenge. This is another area where the needle hasn't much moved compared to prior survey periods.

Top technology investments and business initiatives

While last year's IT investments were aimed at optimizing and transforming operations, 2025 technology spend is being directed to more strategic business initiatives aimed at revenue growth and nurturing customers. Monetizing company data was the top business imperative for 38% of 2025 respondents followed up by improving the customer experience (35%) and developing new digital revenue streams (32%). Meeting compliance requirements also topped the list, cited by 35% of respondents. In comparison, increasing cybersecurity protections and operational efficiency headlined the list of business initiatives in 2024; both did not rank among the top 5 priorities this year.

LOB respondents have a slightly different agenda for 2025 business initiatives compared to IT leaders. Improving customer experience is a shared goal, cited by 30% of LOB respondents. However, increasing cybersecurity protections (29%) and accelerating AI-driven innovation and applications (28%) is much higher on their wish lists compared to IT respondents. Companies in the manufacturing sector gravitated

Business initiatives in 2025

1. Monetizing company data **(38%)**
2. Meeting compliance requirements **(35%)**
3. Improving the customer experience **(35%)**

to monetization of company data (48%) more so than the majority of respondents while those in financial services placed a premium on transforming existing business processes through automation and integration (24% compared to 16% overall).

AI/ML was by far and away the most high-profile area of technology investment this year, at 42% and similar to 2024 (44%). Forty-five percent of respondents cite AI/ML investments as the most strategically important. Not surprisingly, companies in the high-tech sector (53%) and half of larger companies (with between 1,000 and 5,000 employees) are more predisposed to allocating spend to AI/ML technologies. APAC respondents also place a higher priority on AI/ML investment, at 46%.

Outside of AI/ML, companies were directing IT budgets to security and risk management technologies (34%) and data/business

Technology initiatives in 2025:

1. Machine learning/AI **(42%)**
2. Security/risk management **(34%)**
3. Data/business analytics **(31%)**

analytics (31%). Both of these areas were deemed strategically important, although far less so than AI/ML given the near 10-point swing. Services businesses were more likely to view AI/ML as a strategic investment (54%) while healthcare players emphasized security and risk management technologies, at 48%. Healthcare companies were also heavily invested in customer experience technologies, 35% compared to only a quarter overall.

While CEOs are pressing IT leaders to advance AI/ML innovation, they have their sights set on other objectives for the upcoming year. Improving customer experience is a top 3 goal, according to 23% of this year's respondents, trailed by strengthening IT and business collaboration (22%) and leading digital business and digital transformation initiatives (22%). Upgrading IT and data security to reduce corporate risk fell down the ladder of CEO priorities this year, at

20% compared to 27% last year. CEOs in high tech (36%) and education (35%) put a higher emphasis on AI projects this year while retail and healthcare CEOs elevated IT and data security upgrades more so than other industries.

IT leaders are championing a range of technologies given the renewed attention on customer experience. Data and analytics are being leveraged to analyze customer needs and behaviors, cited by 43% of respondents and much higher among retail (56%) and high tech (54%) respondents. AI/ML and automation are another major enabler, with 41% tapping the technologies to streamline support and customer service interactions—a trend more prevalent in education (56%) and high tech and healthcare, both at 46%. Also popular for upleveling customer interactions: Adapting products and services to meet changing demands, cited by 39% of 2025 State of the CIO respondents.

AI adoption and implementation

All the attention to AI-related technologies and business initiatives is starting to have impact. More than two-thirds (68%) of this year's IT leader respondents contend that AI has already—or is beginning—to reshape operations, a sentiment much higher among high tech (77%) and financial services (75%) respondents.

80%

of IT leaders say they are tasked with researching and evlauating possible AI additions to the tech stack

For now, AI adoption is more directly connected to automating internal processes (69%), especially in the financial services (79%) sector where such efforts can have a big impact on streamlining operations and creating efficiencies. Embrace of AI for customer-facing applications is also gaining traction, but slightly less so, at 62% of respondents. Healthcare (74%), financial services (72%), and high-tech (70%) players are more likely to take an external view of AI adoption as are LOB respondents (69%) and companies in the APAC region, at 69%.

CIOs are leading the AI charge--80% of IT leaders and three quarters of LOB respondents said IT leaders are tasked with researching and evaluating possible AI additions to the tech stack. That said, LOB is taking a very active role in driving adoption of AI-enabled products and solutions, according to 69% of IT leader and 72% of LOB respondents. That number edges higher among financial services (80%) and high tech (79%) companies.

IT/LOB alignment, perennially a challenge, is less of an issue when it comes to AI technology investments and initiatives. Sixty-eight percent of IT leader and 69% of LOB respondents confirmed IT and LOB were in sync on Generative AI adoption trends and use cases. There's an even greater propensity for IT/LOB alignment on Generative AI in the APAC region, cited by nearly three quarters (74%) of respondents.

Where CIOs spend their time

Even with a growing strategic focus, CIOs are still devoting a considerable amount of energy to dealing with what many consider traditional housekeeping and "keeping the lights on" IT activities. Functional duties remain a big part of the job, according to 80% of respondents, higher among retail (88%) and manufacturing IT leaders (86%). Managing security and improving IT operations and systems performance is the most prominent functional activity on the CIO plate, cited by 38% of respondents. At larger companies with between 1,000 and 5,000 employees, security management is a bigger part of the CIO remit, cited by nearly half (48%) of respondents.

Cost control and expense management remains part of the CIO charter (30%) as is managing IT crises and negotiating with IT vendors—both called out by 24% of respondents. North American CIOs were more likely to

be involved with efforts to ramp up IT operations and systems performance compared to those in other regions.

The CIO agenda is also flush with transformational activities, cited by 77% of respondents. In this capacity, CIOs spent time mapping out modernization strategies for infrastructure and applications (32%), ensuring IT initiatives are aligned with key business goals (31%), and redesigning business processes (26%). Given their change maker status, leading change efforts was another significant responsibility, cited by a quarter of respondents.

Strategy work consumed a fair amount of time this year, including driving business innovation (27%), developing and refining business strategy (27%), and studying market trends and customer needs to identify and flesh out new market opportunities (22%). Looking ahead over the next three years, respondents expect to be spending even more time on business strategy (71% compared 66% currently). Even with strategy work commanding more of their time, 27% of respondents expect the need to oversee security management will continue to be a high priority along with many other functional duties.

Over the next year, CIOs will spend more time on AI/ML related initiatives, at 75%, followed by cybersecurity (65%), product

Compared to last year, CIOs are spending more time on:

- Security management
- Improving IT operations
- Modernizing infrastructure and apps

And less time on:

- Negotiating with IT vendors
- Managing IT crises
- Cost control

development and innovation (56%), and data analysis (56%). IT leaders in the healthcare sector anticipate being much more involved with AI/ML efforts, at 89%, while those in the manufacturing and high-tech sectors expect cybersecurity matters to take up more of their time. Product development and innovation tasks are a heavier lift for CIOs in the financial services sector over the next year. On the flip side, CIOs expect to spend less time in 2025 on diversity, equity, and inclusion (DEI) (24%), multi-cloud management tasks (20%), and cloud migration (19%).

With attention directed to a wide range of strategic and non-strategic tasks, CIOs are increasingly viewed as critical business leaders. Fifty percent of respondents said CIOs are the go-to executive for proactively identifying

business opportunities along with making recommendations regarding technology vendor selections. Only a fifth (21%) believe the CIO should play a consulting role and 13% see the role as a risk accessor, simply advising on technology choices through a governance lens.

Overall, LOB views CIOs and IT organizations as becoming more business driven. IT's work with business unit leaders on data-driven product development (19%), participation in customer meetings (18%), and embedding IT workers within specific business units (18%) are examples of how IT is cultivating a deeper business orientation.

Given the complexity of the role, CIOs are increasingly dependent on a range of collaborators to get the job done: Eighty percent of this year's respondents rely on trusted advisors such as vendors and consultants to help navigate new technologies and business processes.

Roles and reporting structures

CIOs continue to maintain a direct line reporting into the CEO, cited by 58% of this year's respondents and in line with 2024. CIOs in the EMEA region were less likely to report into the top executive in the C-suite, at 40%, and more predisposed to reporting into a Corporate CIO (25% compared to 16% overall) or even the CFO (11% vs. 7% overall).

In addition to the CIO post, there continues to be a steady stream of other technology-related positions added to management roster. Half of 2025 respondents now have a Chief Technology Officer position, higher among high-tech (72%) and financial services (70%) firms. Chief Security Officers are now common among nearly a third (31%) of respondents while 22% now have a Chief Data Officer on the executive team. Only 14% of this year's respondents have established a Chief AI Officer post, a benchmark that doesn't vary with size of firm. APAC companies were more likely to have established a top AI post, at 17%.

Chief Technology Officers, Chief Innovation Officers, and Chief Data Officers are more likely to report into the CEO as are Chief AI Officers. It's a toss-up for Chief Security Officers and CISOs between reporting into the CEO or CIO. While many of these newer roles now fall outside of a direct-to-CIO reporting structure, their technology budgets remain part of overall IT spend. The one notable exception is the Chief AI Officer--half of responding companies with this post say they have oversight of a separate budget.

Budgets and challenges

As in the past few years, there is little impetus for pulling back on IT spend despite some economic uncertainty. Sixty-five percent of respondents to the

2025 State of the CIO survey expect an increase in IT funding and roughly a quarter (24%) anticipate funding to remain the same. On average, respondents expect a 6.89% bump in IT spending in 2025 although larger companies (between 1,000 and 5,000 employees) were planning for 7.46% increases. IT controls the purse strings for roughly 40% of total technology spend this year.

Those planning to spend more on IT in 2025 attribute increases to the need for additional investments in AI/ML projects, products, and services, cited by 31% of respondents and higher in the APAC region, at 37%. The need for security improvements was the genesis for budget increases for 27% of respondents while 26% were earmarking new funding for infrastructure modernization and migration.

> **CIOs have plans for hiring talent versed in AI and machine learning. They also anticipate having difficulty filling these roles.**

While budgetary constraints aren't a major factor, staffing and skills shortages continue to be a challenge. More than half of this year's respondents (54%) said dealing with staffing and talent matters took time away from more strategic and innovation pursuits. Addressing changing business conditions (43%) and mitigating security threats (33%) took up a good portion of the CIO agenda as opposed to spending

54%

of CIOs cite staff and skills shortages are their #1 challenge redirecting their time away from innovative and strategic tasks.

time on higher-value activities. The need to solve for staffing and skills shortages was more pronounced in the government (69%) as well as in the financial services and healthcare sectors, both at 61%.

On the talent front, plans call for a ramp-up in AI and machine learning hires, cited by 36% of respondents and much higher among those in the APAC region (47%) and in the high tech (49%) and manufacturing (46%) sectors. Ramping up recruitment of cybersecurity (34%) and business/IT automation (25%) talent is also part of the next six-to-12 month hiring plan, respondents said.

However, a significant portion of this year's respondents anticipated difficulties finding the right talent. Specifically, 38% of 2025 survey respondents said they expect trouble finding candidates versed in AI/ML (38%), cybersecurity (33%), and data science/analytics (21%). Fielding IT hires with traditional skills like DevOps/ DevSecOps/Agile practices (14%), cloud

services (13%), and enterprise software (13%) was of less concern this year.
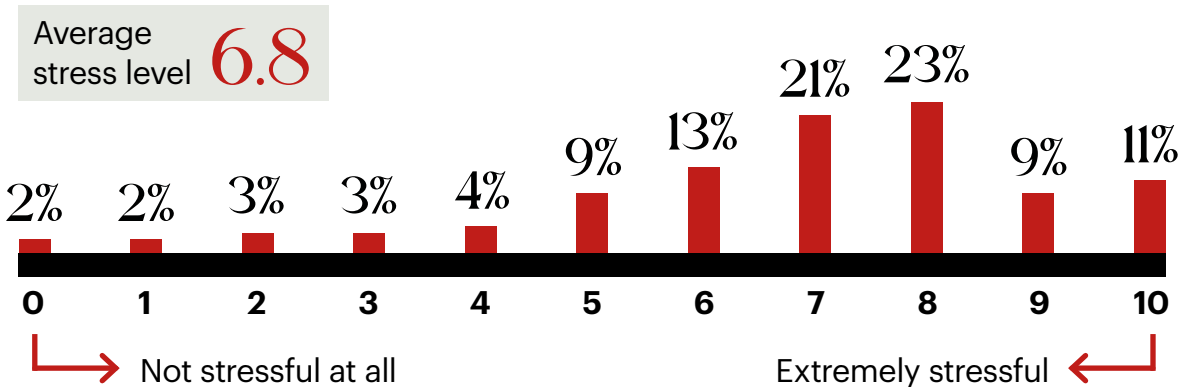
Satisfaction with the CIO role

Even with the expanding scope and increased complexity, CIOs are fairly happy with their evolving role. One third of respondents gave the highest marks to their overall job satisfaction while one-fifth said they were very content with their ability to achieve work-life balance.

Of course, there's always a downside to a more prominent role. One-fifth of CIO respondents said their overall stress levels were significant while 15% said they were feeling a high degree of burnout.

There's no question that today's CIOs are managing an ever expanding and more strategic remit. But that makes them well positioned and more than ready to help companies capitalize on the next chapter of AI-driven business.

CIO stress level scale

Average stress level **6.8**

Value	Percentage
0	2%
1	2%
2	3%
3	3%
4	4%
5	9%
6	13%
7	21%
8	23%
9	9%
10	11%

→ Not stressful at all

Extremely stressful ←

About the survey

The 24th annual State of the CIO survey was fielded online with the objective of understanding the current parameters of the CIO role and how it may be changing over time. To be considered qualified, respondents must have identified themselves as the head of IT for their company or a division within it. Results are based on 906 qualified IT respondents, and 250 LOB responses. This study was fielded globally, with the response base being 41% North America, 15% EMEA, and 37% APAC.

Regional key takeaways

Is your marketing scope region-specific? Explore the key research findings from North America, Europe, and Asia-Pacific. Contact us to dive deeper into the regional results.

North America

IT budget

The number one reason in North American for a tech budget increase is for security improvements.

2025 tech budget expectations

65%
Increase

25%
Remain the same

9%
Decrease
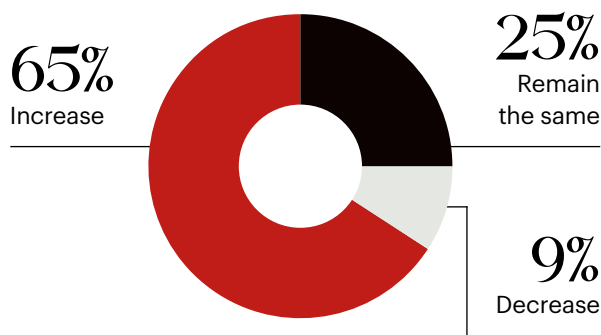
The CIO role

- On a scale of 0 to 10, CIOs in NA say that their overall stress level is a 6.8.
- **85%** of CIOs say they are taking the lead on digital transformation initiatives.
- CIOs in North America mostly see themselves as business leaders **(47%)** —someone who proactively identifies business needs/opportunities and makes recommendations regarding technology and/or provider selections.

Business initiatives driving IT investments

- Monetizing company data
- Meeting compliance requirements
- Developing new digital revenue streams
- Tech initiatives driving IT investments
- Machine learning/artificial intelligence
- Security/risk management
- Data/business analytics

The AI impact

- **82%** say they are tasked with researching and evaluating possible AI additions to their tech stack.
- **74%** say they are working more closely with line of business on AI applications.
- **64%** say IT and LOB are aligned on the adoption and use of generative AI.

EMEA

IT budget

The number one reason in EMEA for a tech budget increase is for additional investments in AI projects or products.

2025 tech budget expectations

61%
Increase

24%
Remain the same

14%
Decrease
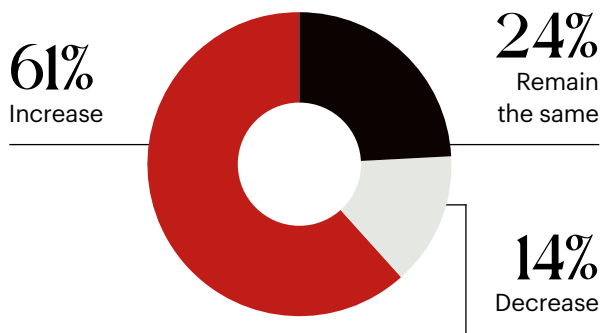
The CIO role

- On a scale of 0 to 10, CIOs in EMEA say that their overall stress level is a 6.8.
- CIOs in EMEA mostly see themselves as business leaders **(39%)**—someone who proactively identifies business need/opportunity and makes recommendations regarding technology and/or provider selections.
- But many see themselves as a consultant **(27%)**—someone who evaluates and advises on business needs, technology choices and/or providers upon request.

Business initiatives driving IT investments

- Monetizing company data
- Meeting compliance requirements
- Improving the customer experience
- Tech initiatives driving IT investments
- Machine learning/artificial intelligence
- Business process automation/ IT automation
- Data/business analytics

The AI impact

- **76%** say they are tasked with researching and evaluating possible AI additions to their tech stack.
- **76%** say they are working more closely with line of business on AI applications.
- **64%** say IT and LOB are aligned on the adoption and use of generative AI.

APAC

IT budget

The number one reason in EMEA for a tech budget increase is for additional investments in AI projects or products.

2025 tech budget expectations

62%
Increase

27%
Remain the same

12%
Decrease

The CIO role

- On a scale of 0 to 10, CIOs in APAC say that their overall stress level is a 6.8.
- **85%** of CIOs say they are taking the lead on digital transformation initiatives.
- CIOs in APAC mostly see themselves as a business leader **(60%)**—someone who proactively identifies business need/opportunity and makes recommendations regarding technology and/or provider selections.

Business initiatives driving IT investments

- Monetizing company data
- Improving the customer experience
- Increasing operational efficiency
- Tech initiatives driving IT investments
- Machine learning/artificial intelligence
- Data/business analytics
- Security/risk management

The AI impact

- **80%** say they are tasked with researching and evaluating possible AI additions to their tech stack.
- **76%** say they are working more closely with line of business on AI applications.
- **74%** say IT and LOB are aligned on the adoption and use of generative AI.
- **47%** of APAC CIOs say they plan to hire AI/ML talent this year.
- **46%** say they are prioritizing AI/ML investments.

Examining the marketplace

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- Customer Engagement

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- CIO Tech Poll: Tech Priorities
- State of the CIO

Technology-specific studies
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- Cloud Computing
- Security Priorities
- Partner Marketing

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