IBM Newsroom

IBM Study: CIOs' Influence is Growing As Technology Becomes Core to Surveyed Enterprises



Only 23% of CIOs surveyed expect remote workplace changes from the COVID-19 pandemic to become permanent

ARMONK, N.Y., Nov. 9, 2021 /PRNewswire/ -- A new IBM (NYSE: IBM) Institute for Business Value (IBV) study revealed CIOs' influence on business strategy and operations is growing as technology pervades surveyed enterprises. When asked which other C-Suite members will be most critical over the next few years, CEOs surveyed named their tech chiefs (CIOs and CTOs) at more than twice the rate of CMOs, CHROs or any other position excluding CFO and COOs.

The annual global study^{*} also revealed critical challenges CIOs are facing and recommendations to help overcome those challenges and drive agility, innovation and growth for their organizations.

"The COVID-19 pandemic has accelerated the need for AI and hybrid cloud applications to power business critical processes," said Kathryn Guarini, chief information officer, IBM. "In our post-pandemic era, the role of technology has never been more critical and it's up to CIOs to influence strategy, break down internal silos, and drive agility and innovation across every part of the business."

CIOs surveyed lead digital transformation with focus on AI, hybrid cloud and sustainability

While CIOs continue to deliver the core IT services that power day-to-day business operations, they are also often expected to help drive innovation and business growth.

Many surveyed CIOs emphasized the importance of data and automation to break down siloes and create new value streams. The number of CIOs surveyed reporting high maturity in AI-enabled workflows increased 560% compared to two years ago, and 37% of CIOs surveyed cite process automation as the top opportunity for positive impact within their organizations. Respondents indicated the greatest use of automation is in IT, finance, and manufacturing – at 40%, 35%, and 35% of workloads, respectively.

Hybrid cloud is a key underpinning for AI-powered intelligent workflows. The number of CIOs surveyed reporting high maturity in their hybrid cloud operations increased 700% compared to 2019. The IBV's recent study on cloud transformation provides further insight on how hybrid cloud is becoming the dominant IT architecture.

Many CIOs are also looking to use technology to drive progress against corporate objectives like sustainability. 42% of CIOs surveyed expect technology to have a significant impact on sustainability in the next three years highest of all areas of impact.

CIOs and CTOs may be working at cross-purposes in the drive for business value

Many CIOs are increasingly serving as a bridge across other business functions, connecting the dots to balance and rearrange technology resources and capabilities to drive agility and efficiency. Within the walls of the technology function itself, however, only 4 in 10 CIOs surveyed report they frequently interact with CTOs, despite the fact that effective collaboration can drive financial benefits.

The consequences of this disconnect can be significant – if CIOs and CTOs are using data and AI for different use cases without coordination across culture, processes and tools, the organization may lack a cross-company view and ability to govern critical data properly.

CIOs surveyed may be underestimating the challenge of an ongoing hybrid workplace

83% of CIOs surveyed say they implemented remote work strategies, but only 23% expect remote workplace changes from the COVID-19 pandemic to become permanent.

In contrast, nearly two in three (65%) employees surveyed report they'd prefer to work exclusively remotely or in a hybrid model, if given the choice.

These findings may indicate a potential blind spot for CIOs if employee preferences for flexible schedules and work locations are not going away. In this period of "The Great Resignation," the CIO's ability to adopt effective technology applications and productive collaboration strategies for the workforce could make a significant difference in the war for talent.

The study includes recommendations from IBM for leaders including:

- Embrace an open hybrid cloud approach and AI technology to help drive enterprise agility, innovation and growth.
- Bridge the divide with the CTO to expand technology's leadership influence.
- Seize the moment to lead organizational strategy around the hybrid workplace.

*Methodology

The IBV 2021 CIO study surveyed 2,500 CIOs from over 45 locations and 29 industries. It was conducted in cooperation with Oxford Economics and benchmarked against nearly 20 years of IBM's C-suite surveys. The full study is available at https://www.ibm.com/thought-leadership/institute-business-value/c-suite-study/cio

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