The State of the IT Leader

From Digital To Intelligent Transformation

Insights and actionable strategies from experts at Asana's Work Innovation Lab.

WORK INNOVATION LAB

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Introduction

In the dynamic world of technology, change isn't just inevitable—it's the path that IT leaders tread every day. The latest change? Digital transformations, traditionally the mandate of every organization, have evolved into something far more advanced and powerful: **intelligent transformations driven by AI.**

CIOs, once the gatekeepers of technology, are now spearheading these transformations. Their focus has shifted from evaluating, adopting, and implementing technology to leveraging it intelligently as a pivotal tool to enhance business operations and drive mission-critical outcomes. This is a significant shift in the role of IT leaders: from technology overseers to strategic visionaries at the forefront of business growth.

Drawing on a comprehensive survey of 1,255 U.S.- and U.K.-based IT professionals, interviews with several top IT leaders, and insights from leading experts at Asana's Work Innovation Lab, our second annual "State of The IT Leader" report delves into the opportunities and challenges IT leaders face in 2024. It digests the challenges and provides actionable insights for IT leaders to navigate the path toward a more intelligent transformation.

77%

of IT leaders say they'll be responsible for leading AI transformation within their organization

The increasingly strategic role of the IT leader

As IT leaders guide their organizations through AI-powered intelligent transformations, their roles are evolving. They're becoming strategic advisors for AI. More than three-quarters (77%) of IT leaders say they'll be responsible for leading AI transformation within their organization. And, with the pace of AI changing so quickly, 53% of IT leaders are being asked to advise on their organization's AI strategy more today than just six months ago.

But, for IT leaders, it's not about AI in itself. It's about leveraging AI, along with an integrated technology stack and new workflows, to propel mission-critical domains, ranging from go-to-market strategies to operational tactics. Nearly two in five IT professionals (37%) report advising on their organization's operations more frequently over the past six months. About a third say they've been called on more

often to advise on their organization's business operations (31%) and strategic planning discussions (35%).
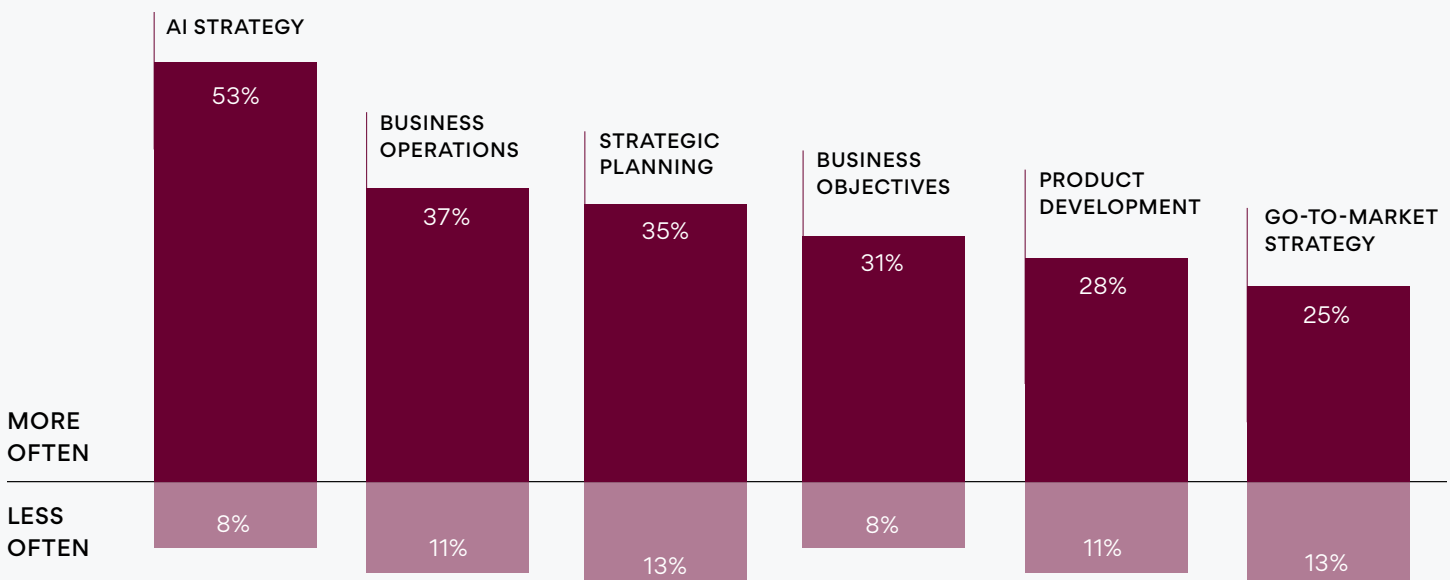
> **"**
> With the rapid evolution of AI, the role of the CIO and IT executives has fundamentally changed. Today's IT leaders are responsible for intelligent transformation – ensuring that data is connected across technology investments, building the right foundation to deploy AI safely and securely.
>
> **Saket Srivastava**
> CIO of Asana

Compared to 6 months ago, how much more or less often are IT leaders being asked for critical business advice

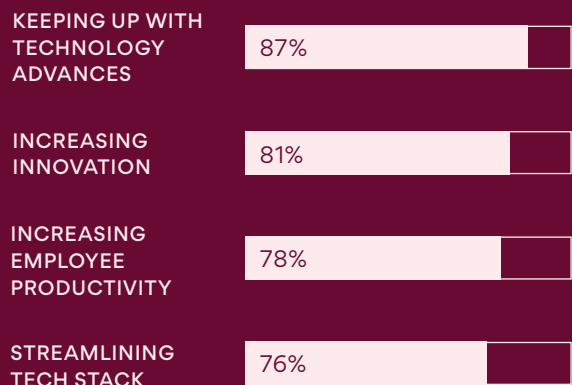|	AI STRATEGY	BUSINESS OPERATIONS	STRATEGIC PLANNING	BUSINESS OBJECTIVES	PRODUCT DEVELOPMENT	GO-TO-MARKET STRATEGY
MORE OFTEN	53%	37%	35%	31%	28%	25%
LESS OFTEN	8%	11%	13%	8%	11%	13%

The modern IT leader's battleground

Intelligent transformations—where IT is not just a solution but a key driver of organizational change—present a host of formidable challenges. From bloated tech stacks to reluctant stakeholders, IT leaders are navigating competing and even conflicting mandates. The result is that they're feeling stress from multiple different corners.

87%

Are feeling stress about securing their data and systems at least monthly, if not weekly

Where are IT leaders feeling the most stressed?

% of IT leaders who say they feel stress monthly or more often due to the following

KEEPING UP WITH TECHNOLOGY ADVANCES	87%
INCREASING INNOVATION	81%
INCREASING EMPLOYEE PRODUCTIVITY	78%
STREAMLINING TECH STACK	76%

Fueled by these stressors, the IT leaders we surveyed and interviewed cite four main challenges at the forefront of AI adoption:

01

Digital clutter and fragmented tech stacks

In past "digital transformations," the allure of cutting-edge tools led some IT decision-makers to sidestep a thorough evaluation of how these technologies fit within their organization's business objectives. They rushed to adopt hyper-specialized solutions, which left many organizations encumbered with technology stacks that failed to propel organizational objectives—culminating in a profound sense of buyer's remorse.

Nearly two-thirds (63%) of IT executives regret not choosing technologies more carefully, recognizing that their technology investments over the past six months haven't been the right ones to drive their business forward.

Digital clutter has left employees in the dark, unsure not only about which tasks to perform in which tools but also which technologies to use for effective communication and collaboration with various stakeholders. There's so much noise that a staggering [74% of knowledge workers are craving more standardization](#) of technologies—saying they prefer everyone in their organization use the same set of core collaboration technologies.

63% ◗

of IT executives regret not choosing technologies more carefully

> Within the tangled web of digital tools and processes, the IT leader's role has emerged as critical in the crucial quest toward simplicity and efficiency. AWS AppFabric—a service that connects multiple SaaS applications—focuses on enhancing the tools employees use to get work done. Today's workers often find themselves navigating through too many disconnected tool stacks, resulting in a fragmented digital employee experience.With standardized schemas and AI-driven capabilities, AppFabric removes point-to-point integration burdens and enhances an organization's security posture, while employees leverage generative AI to enhance productivity.

Federico Torreti
Head of Product for
AWS AppFabric

Digital clutter has also come at the cost of productivity. Knowledge workers are now spending 57 minutes per day switching between collaboration tools and 30 minutes per day deciding what collaboration technologies they should use for a specific task. It's no wonder that half (51%) of IT leaders are feeling pressure from their organization's leadership to improve the digital employee experience.

The clutter of duplicative and incompatible technology isn't just a nuisance and productivity sinkhole for employees—it devours IT budgets and reduces IT leaders' ability to deliver on the increasing calls to integrate AI solutions into their organizations. Sixty-four percent of IT leaders say that reducing redundant technologies will be critical in order to navigate future challenges.

51%

of IT leaders are feeling pressure from their organization's leadership to improve the digital employee experience

64%

of IT leaders say reducing redundant technologies will be critical in order to navigate future challenges

02

Data silos and security threats

Effective AI implementation hinges on the foundation of complete, accurate, and secure data. Yet the reality for many IT departments is a struggle with sprawling, unmanageable tech stacks that compromise data integrity and security. This growing crisis creates a significant challenge for leaders who must now navigate the complex task of ensuring their data ecosystems are robust and reliable. Without this foundation, even the most advanced AI projects risk falling short of their potential.

> **Only one-quarter (25%) of IT professionals feel confident that their internal data is ready for AI applications**
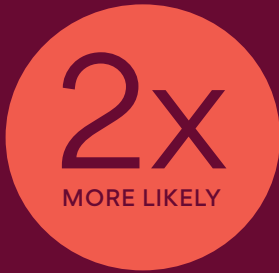
Security is a constant stressor for IT professionals. Nearly two-thirds of IT leaders experience stress related to securing their organization's data and systems weekly or more frequently.

> # 61%
>
> **of IT leaders experience stress weekly or more often around securing their organization's data and systems**

03

Pressure to implement AI tools

With the echoes of failed digital transformations still ringing in their ears, IT leaders now face strong organizational pressure to adopt AI tools. It's a formidable stressor for IT professionals, nearly three-quarters (72%) of whom have experienced stress at least once a month over the past six months due to the pressure to implement AI-driven automation.

In particular, IT leaders are facing pressure to adopt AI automation as part of cost-cutting measures. With the last digital transformation as a cautionary tale, IT leaders must forge ahead responsibly. A quarter (25%) of IT leaders already say they regret investing in AI too quickly.

25%

of IT leaders say they regret investing in AI too quickly

The urgency to elevate productivity is more pronounced than ever as organizations grapple with tightening budgets and expanding workloads. In response, companies are swiftly turning to AI tools as a solution to bridge this gap. For IT professionals, enhancing employee productivity has emerged as a top-of-mind challenge—growing in importance more than any other challenge. IT leaders are more than twice as likely as last year to say that boosting employee productivity is a top challenge—with one in five (19%) citing it as among their top three challenges.

2x
MORE LIKELY

IT leaders are more than twice as likely to say that boosting employee productivity is a top challenge compared to last year

04

Lack of resources to support AI investments

The rush to integrate advanced AI tools into business operations hasn't been met with a proportional increase in targeted funding, presenting a significant obstacle for IT professionals. In general, organizations are adopting a cautious approach toward AI investments, informed by past experiences with digital transformation initiatives that didn't deliver the anticipated return on investment. This cautiousness signals a broader apprehension about fully committing to and leveraging AI technologies, despite widespread recognition of their importance for future success.

> **Only about 1 in 7 IT professionals say their organizations have definitively allocated a specific budget for AI initiatives**
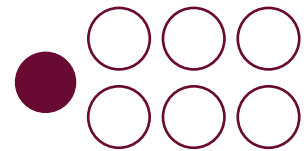
In fact, only 14% of IT professionals say that their organizations have definitively allocated specific budgets for AI initiatives. The majority of IT leaders find themselves in a predicament, having to redirect funds from existing budget allocations to support AI efforts.

Skills of effective IT leaders

The evolving landscape of technology demands that IT leaders adapt and grow in their roles. The skills required for effective leadership in the IT sector are expanding beyond technical expertise to encompass a broader range of capabilities. Based on our research, here are five essential skills for IT leaders to thrive in today's dynamic environment.

01

IT leaders should act as strategic business advisors by connecting IT initiatives to overall organizational objectives

its potential applications, and the competitive advantages it can offer. This education goes beyond technical explanations to include insights into how AI can solve business problems, enhance customer experiences, and drive innovation—all while prioritizing a human-centered approach.

As well, top-performing IT leaders are balancing enthusiasm for AI adoption with a clear-eyed assessment of the potential financial and data risks. They're scrutinizing the cost implications of deploying new AI tools, including the need for ongoing maintenance and the potential for unexpected expenses. Close partnerships with their CFO and other finance leaders are critical in ensuring that the organization's push for technological advancement does not outstrip its financial capabilities and AI technologies are integrated with an eye toward financial sustainability.

The influence of IT leaders has grown over the past six months. Almost two-thirds (62%) say their function has expanded its influence just within the past six months.

Top-performing IT leaders excel by aligning their technology initiatives closely with the broader goals of their organization. This helps them avoid the pitfalls of adopting tools in a piecemeal or uncoordinated fashion, which leads to inefficiencies and redundancies.

One of the primary barriers to AI investment is a lack of understanding about what AI can do and the value it brings. Top IT leaders are stepping up to fill this knowledge gap by educating their executive teams on the fundamentals of AI,

62%
of IT leaders say the IT function has gained increased influence over the past 6 months

02

IT leaders should develop a more connected, integrated, efficient tech stack

The mantra of the modern IT leader is shifting from "more is better" to "less is more." This doesn't mean a reduction in capabilities but a more discerning selection of technologies. Nearly half (44%) of IT executives say they regret overinvesting in too many new IT investments in the last six months. Leaders are now prioritizing tools that offer the most value, facilitate seamless integrations, can be scaled across the organization, and help—not hinder— the digital employee experience.

A critical aspect of this new approach is a willingness to let go of outdated or redundant technologies. Even more important than adding new tools is the strategic subtraction of tools that no longer serve organizational goals or

have been superseded by more advanced solutions. This process of continuous evaluation and pruning keeps the tech stack modern, relevant, and aligned with business objectives. It also fosters a better digital employee experience.

To support this, IT leaders are increasingly selecting technology vendors that don't just supply technologies but also serve as strategic partners—advising on how to streamline their tech stacks, enhance operational efficiency, and ultimately, drive forward the organizational goals with more precision and less clutter.

Top IT leaders are also forging close partnerships with key HR stakeholders, such as Chief Human Resources Officers (CHROs) to ensure seamless integration between the digital and physical aspects of the employee experience. This alignment between digital initiatives and HR strategies enables IT leaders to not only improve connectivity and collaboration but also ensure that technology serves as a complement to the overall employee journey.

44%
of IT executives say they regret overinvesting in too many new IT investments in the last six months

03

IT leaders should prioritize security and compliance

security risks and challenges inherent in current IT infrastructures to boost their organization's resilience against emerging threats.

To achieve this, IT leaders must closely collaborate with compliance officers and legal experts in and outside their organizations, steering through the complex web of regulatory standards to ensure that AI implementations are in line with industry norms and best practices. They should also choose to work with AI vendors that adopt a set of principles for prioritizing data security and transparency about how data is shared with AI partners.

In an era fraught with digital perils and regulatory scrutiny, the stakes surrounding data security and compliance have never been higher. IT leaders are acutely attuned to the multifaceted risks posed by data breaches, leaks, or misuse, and understand the need for a robust and proactive approach. This heightened vigilance extends beyond traditional cybersecurity protocols to include AI tool evaluations and their adherence to stringent data protection regulations.

Given that most IT leaders face weekly stress around ensuring data compliance and accuracy, top IT leaders are increasingly prioritizing the centralization of data. This strategic move is essential for harnessing the full potential of AI and addressing the myriad

56%
of IT leaders experience stress weekly or more often around ensuring data compliance and maintaining data accuracy

04

IT leaders should lead an AI organization powered by embracing a humans-in-the-loop model

next companies based in part on whether prospective organizations have a human-centered AI approach.

For top IT leaders, the commitment to embedding AI into organizational practices stems from their confidence in its potential to tackle immediate business challenges and seize new opportunities. By advocating for an approach that blends human and AI, as part of a human-in-the-loop strategy, IT leaders can position AI as a strategic asset rather than merely as a piece of technology .

The role of IT leaders in steering an AI-powered organization goes far beyond just adopting AI or keeping up with trends. Their aim is to leverage AI as a strategic tool to boost operational efficiency and drive transformative results. The pursuit of AI is not an end in itself—instead, it's a powerful catalyst for enhancing efficiency, optimizing processes, and unlocking business value and growth opportunities.

Central to this vision is the recognition of the indispensable role of human insight alongside AI capabilities, especially in a "human-in-the-loop" AI model. While AI and automation bring remarkable efficiencies and scalability, the judgment and intuition of humans remain crucial. This is so important that nearly half of IT leaders say they're choosing their

46%
of IT professionals are choosing their next companies based on whether the organization has a human-centered AI approach

05

IT leaders should adopt a system-thinking approach

the risk of security vulnerabilities, necessitating robust protections. Simultaneously, the need for AI technologies that all employees can efficiently leverage without extensive training grows.

31%

of IT leaders say that they expect AI to change the "steepness" of their organizational hierarchy

The most visionary IT leaders are not only focusing on how AI will intelligently transform their organizations but also on its profound impact on employees. Armed with this dual focus, they're thinking about the full organizational system and anticipating significant changes to both organizational structures and roles.

Many IT leaders are predicting that AI will lead to a flatter hierarchy, positing that AI's capacity for automation and decision-making capabilities could decentralize decision-making, trim middle management, and boost frontline autonomy. With this shift towards a flatter hierarchy, the imperative for secure, accessible AI tools and comprehensive reporting becomes more pronounced. Decentralization increases
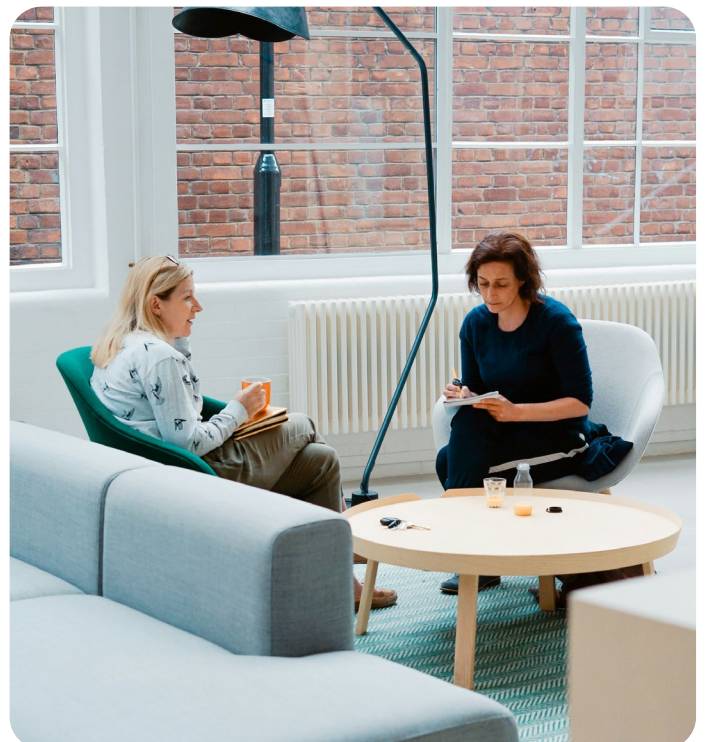
Changing roles

When we asked our more than 1,200 IT professional respondents which job roles they expected to emerge in their organization as a result of AI, they listed more than 100 unique titles, highlighting the broad impact of AI on the workforce. More than half (51%) said that they believe there will be at least one new job title hired in their organization as a result of AI. Among the most frequently cited roles were ones that reflect the growing demand for professionals who can design, implement, and manage AI solutions.

New roles that IT leaders expect to emerge in their organizations as a result of AI

- Head of AI
- AI Ethicist
- Prompt Engineer
- AI Security Analyst
- AI Integration Specialist
- Human-AI Interaction Designer
- AI UX Designer
- AI Implementation Manager
- AI Quality Assurance

"

The history of technology has taught us that when we introduce new transformative technologies into organizations, it always leads to unexpected changes. As AI is deployed and adopted across organizations, it will profoundly shape how organizations are structured. It's encouraging to see IT leaders preparing for these changes—from reimagining organizational structures to new roles and collaboration patterns. This moment isn't just about adapting to new technology—it represents a fundamental shift in how we design our organizations.

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Dr. Rebecca Hinds
Head of Asana's
Work Innovation Lab

IT leaders also see their own managerial mandates expanding to include new job responsibilities. 78% of IT executives anticipate their roles expanding to include the management of AI agents.

78%

of IT executives anticipate their roles expanding to include the management of AI agents

To successfully steer through the changing dynamics, IT leaders need to embrace a systems-thinking approach. This mindset allows them to look beyond the immediate effects of AI on technology alone, to understand its broader implications for organizational structures and roles, and to ready their organizations for the fundamental shifts that extend beyond the technology.

Systems thinking empowers IT leaders to zoom in on the interconnectedness of their decisions, recognizing how AI influences not only specific tasks or processes but also the organization as a whole. By adopting this perspective, they can better anticipate the ripple effects of AI integration, from reshaping job roles to altering communication flows and decision-making processes. This will ultimately ensure that their organizations remain resilient, responsive, and ready for the challenges and opportunities that lie ahead.

The biggest predictors of AI preparedness

Leading an organization through an AI-powered transformation demands a collective effort, extending beyond the capabilities of IT leaders alone. We analyzed thousands of data points to pinpoint the key factors that give IT leaders confidence that their organizational leaders are prepared to implement AI initiatives successfully.

01

A separate organizational budget to AI investments

A dedicated budget for AI initiatives is a strong indicator of an organization's commitment to and readiness for AI integration. It signifies not only an interest in exploring AI but also a willingness to allocate financial resources to support its adoption. This commitment is vital for funding the necessary research, development, and implementation efforts that come with AI projects. An organizational budget for AI investments ensures that these initiatives have the financial backing needed to overcome challenges and achieve success.

02

Confidence in AI's potential to enhance cross-functional collaboration

According to our survey, most (59%) IT professionals predict that AI will lead to greater collaboration between technical and non-technical teams. Those who foresee this enhanced cross-functional collaboration also perceive their organizational leaders as more prepared to implement AI initiatives.

Believing in the collaborative advantages of AI signifies an organizational commitment to integrating AI into broader business processes and acknowledges the significance of cross-functional teamwork in maximizing AI technologies' potential. When IT leaders are confident in AI's ability to enhance cross-functional collaboration, they're more inclined to invest in scalable, versatile technologies that support multiple use cases across the organization. This facilitates widespread organizational benefits from AI deployment.

Organizational leaders are eager to implement new AI technology

Organizational leaders' attitudes toward AI play a critical role in predicting IT leaders' confidence in their preparedness for implementing the technology. When leaders demonstrate eagerness to adopt new AI solutions, it fosters a positive environment for innovation and change. This eagerness can effectively mitigate resistance to new technologies, expedite the adoption process, and ensure that AI initiatives receive the necessary support from top management.

Leadership eagerness is also often accompanied by a strategic vision for AI, where leaders see AI as a key component of the organization's future success and proactively pursue AI opportunities.

38% RELATIVE IMPORTANCE

Separate organizational budget for AI investments

20% RELATIVE IMPORTANCE

IT leaders' expectations that AI will lead to greater collaboration between technical and non-technical teams

18% RELATIVE IMPORTANCE

Organizational leaders' eagerness to implement new AI technology

What are the biggest predictors of organizations' perceived readiness to implement AI?

10% RELATIVE IMPORTANCE

Other

13% RELATIVE IMPORTANCE

IT leaders' belief that AI will create more roles in their organization

IT leaders as architects of the future

As IT leaders navigate the complexities of intelligent transformation, their roles transcend traditional boundaries, evolving into strategic visionaries who harness technology holistically to propel business success. Their leadership becomes paramount in orchestrating the delicate balance between people, processes, and technology, ensuring organizational agility, resilience, and adaptability in the face of future challenges and opportunities. In their hands lies the power not only to envision but also to actualize a future where technology transcends its tools, becoming the very heartbeat of organizational growth.

More top insights for IT leaders

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