



WittKieffer

CIO INSIGHTS:
The State of Healthcare
IT Leadership

WittKieffer CIO Executive Survey Results **2024**



EXECUTIVE SUMMARY

HIRING TRENDS

- **Strategic elevation:** 84% of CIOs now serve on their organization's executive leadership team (ELT). This elevated status is also reflected in compensation trends, with nearly half (47%) of those appointed in the past three years making an annual base salary of more than \$500,000.
- **Accelerated turnover:** 53% of current CIOs assumed their roles in the past three years. These recent appointees are more likely to have previously held a C-suite position compared to their longer-tenured counterparts.
- **Satisfaction vs. opportunity:** Despite high turnover rates, 78% of CIOs report being "extremely" or "very" satisfied in their current roles. This suggests that factors such as increased compensation and organizational influence, rather than job dissatisfaction, may be driving their career moves.

TALENT FORCES

- **Investment in internal IT workforce:** 68% of CIOs plan to either expand or maintain their current staff levels. This commitment to in-house talent is further evidenced by the fact that 87% of organizations outsource less than a quarter of their IT functions to managed service providers (MSPs) or vendors.
- **Talent development imperative:** Top talent challenges for IT organizations include enhancing team performance (59%) and creating development opportunities for current team members (53%), indicating a potential skills development bottleneck within IT organizations.

CURRENT IT PRIORITIES

- **Strategic foundation for AI adoption:** While 92% of CIOs and tech executives anticipate AI/ML implementation by 2025 (Gartner, 2024a), current priorities reflect a focus on building essential infrastructure:
 - Advancing security programs (47%)
 - Major system implementations (e.g., EMR, ERP) (40%)This approach suggests that organizations are methodically laying the groundwork for future AI initiatives.
- **Financial prudence in innovation:** 44% of CIOs identify financial discipline and budget reduction as a top priority for their IT organizations this year, indicating a commitment to cost-effective innovation strategies.

In 2024, WittKieffer conducted a comprehensive survey of healthcare Chief Information and Digital Officers (CIOs) to explore the role, scope, and compensation of these digital leaders.

To enrich the survey findings, we also carried out proprietary research on the career paths of CIOs and CDIOs at the top 100 health systems nationwide.

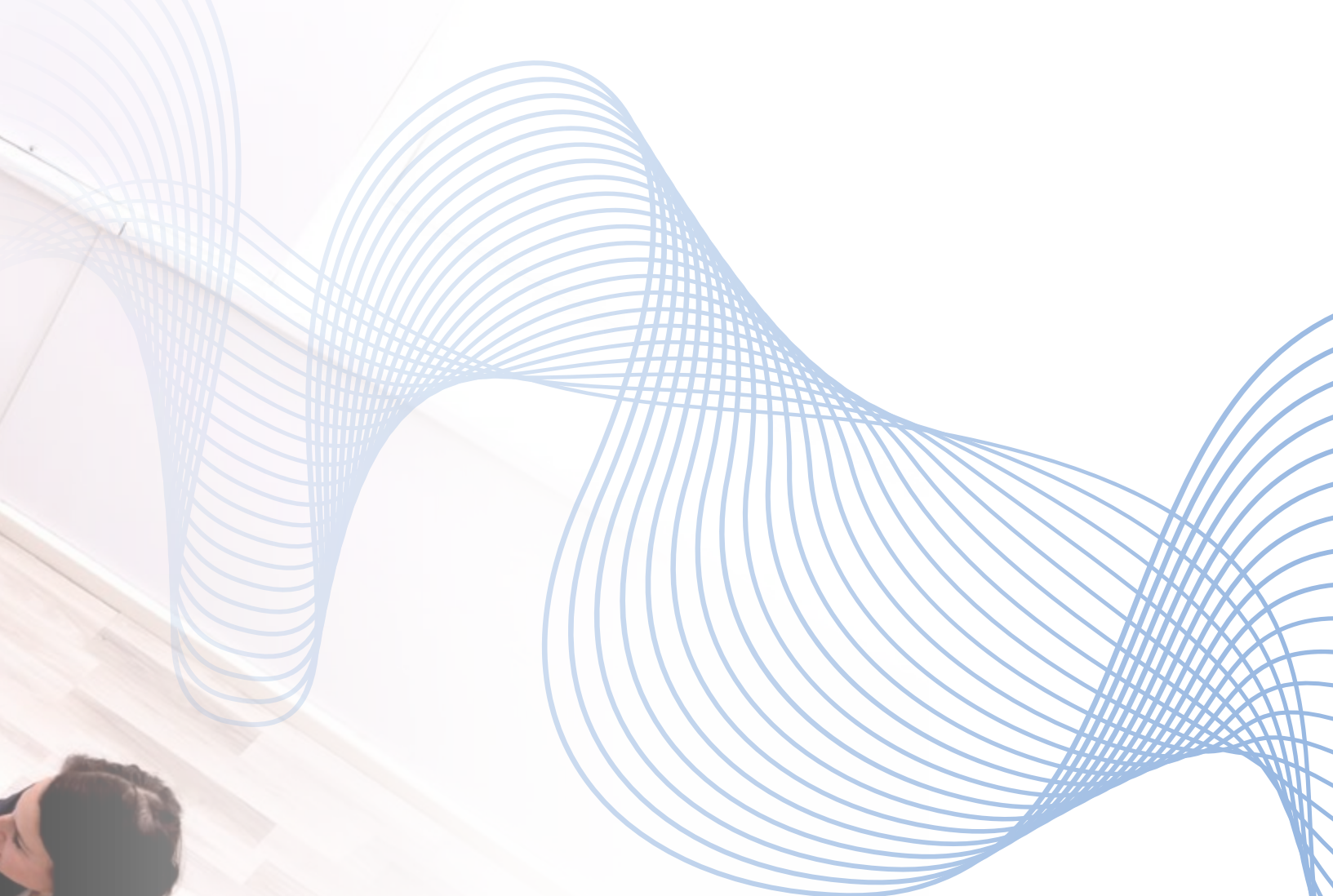


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HIRING TRENDS

Strategic Elevation of the CIO Role

The positioning of the CIO role within healthcare organizations highlights its strategic importance, with 84% of CIOs being part of the executive leadership team (ELT). This representation underscores the perception of IT as a core strategic function. Additionally, 54% report directly to the CEO, representing an opportunity for nearly half of CIOs to gain greater authority at the highest level of their organizations.

In terms of title and scope, 71% of individuals in these roles maintain the traditional CIO title, while 20% hold the title of Chief Digital and Information Officer (CDIO). Importantly, even among those with the traditional CIO title, many are taking on significant digital transformation responsibilities. The CDIO title explicitly showcases the increasingly broad, transformational impact of technology beyond traditional IT functions. The inclusion of “digital” in CIO roles has grown significantly in recent years, with two-thirds of those having “digital” explicitly in their title appointed within the past three years.

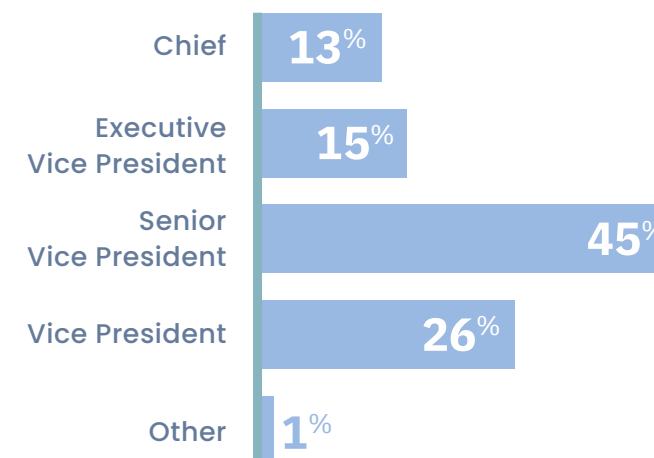
Are you part of the executive leadership team (ELT)?



Who do you report to?



What level is your role?



71%
CIO

20%
CDIO

9%
OTHER

What is your title?

While most (71%) still carry a traditional “Chief Information Officer” title,



now have titles that include “digital.”

HIRING TRENDS

Compensation

Compensation trends for healthcare CIOs highlight the essential nature of their role and the increasing demand for premier IT expertise. Prominent healthcare organizations demonstrate a robust commitment to their IT leadership investment, with a notable 22% of CIOs earning over \$600,000 annually.

Furthermore, 41% of CIOs have annual earnings ranging between \$301,000 and \$500,000, showcasing a solid mid-tier compensation structure commensurate with their organizations' scale and complexity.

CIOs reported considerable compensation enhancements when transitioning to their most recent roles, with a quarter (27%) reporting that their pay increased by more than 20%. Such high pay increases attained by transitioning roles imply that organizations may need to reevaluate annual salary adjustments to retain existing IT leaders in an increasingly competitive market.

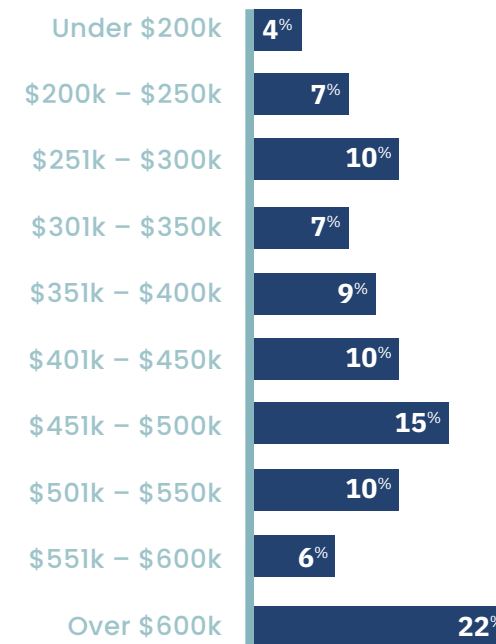
Bonus structures and long-term incentive plans are also integral to CIO compensation packages, with all being eligible for bonuses and 68% qualifying for long-term incentives or Supplemental Executive Retirement Plans (SERPs). Notably, over a quarter (28%) of CIOs are eligible for significant bonuses exceeding 30% of their base salaries. These performance-based elements align CIO outcomes with those of the organization, placing more emphasis on quantifiable achievements and the generation of long-term value.



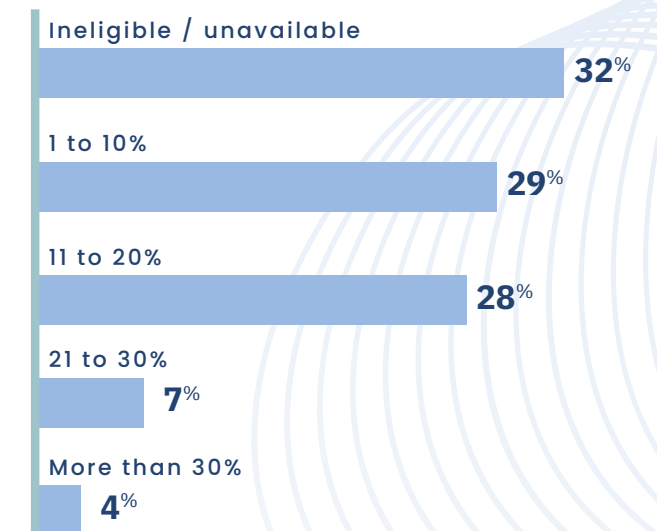
Nearly half (47%) of those hired in the past 3 years make a salary of more than \$500,000.



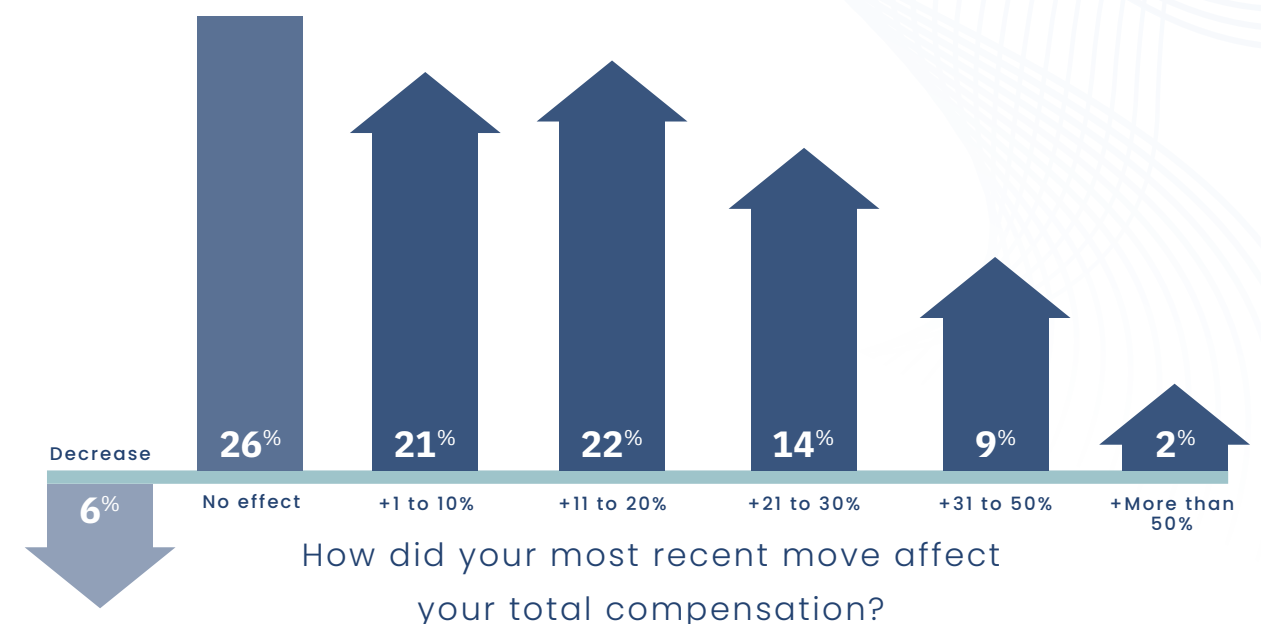
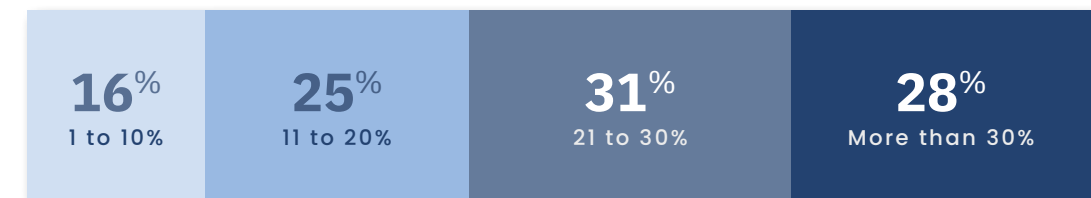
What is your current 2024 base salary?



If you are eligible for a long-term incentive or SERP, what percentage of your salary is it?



If you are eligible for a bonus, what percentage of your salary is it?



HIRING TRENDS

Work Arrangements

Despite high turnover, 78% of CIOs reported being either very satisfied (38%) or satisfied (40%) in their roles. Combined, these figures suggest that while CIOs find their work meaningful and impactful, other factors like salary, work environment, and organizational influence may motivate them to accept new roles.

Work arrangements for CIOs reflect the changing nature of executive roles in the healthcare sector. A significant portion (41%) are required to live near the office and be onsite full-time, indicating the continued importance of physical presence for technology leaders. However, an equally large group (44%) has adopted a hybrid model, requiring CIOs to be onsite only a few days a week. This shift towards flexible work arrangements demonstrates an adaptation to post-pandemic work norms, helping these executives manage their personal and professional responsibilities more effectively.

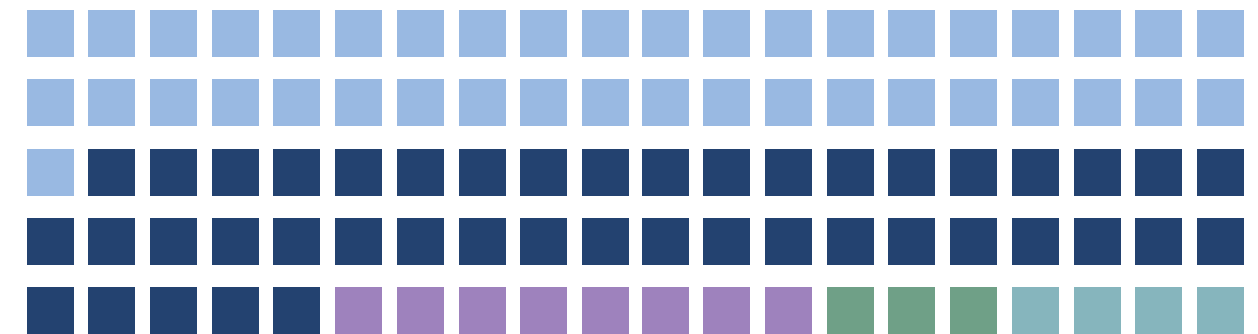
The survey also reveals that only 39% of organizations have a succession plan in place for the CIO role, with another 36% in the process of developing one. One quarter (25%) reported that there was no succession plan in place, leaving the organization vulnerable to disruption and uncertainty if the CIO were to leave unexpectedly.



Overall, how satisfied are you with your current job?



Which of the following most closely describes your work situation?



Is there a succession plan for your current role in place?



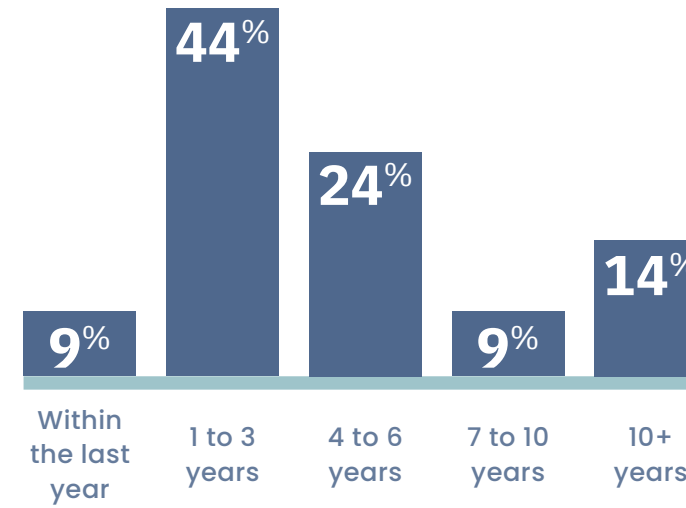
HIRING TRENDS

Past Role & Tenure

The landscape of healthcare CIO appointments is nearly an even mix of internal promotions and external hires with strong industry experience. More than 4 in 5 (83%) came from a previous role in healthcare. More than half (53%) have served for less than four years, indicating a notable turnover trend in the top healthcare IT position.

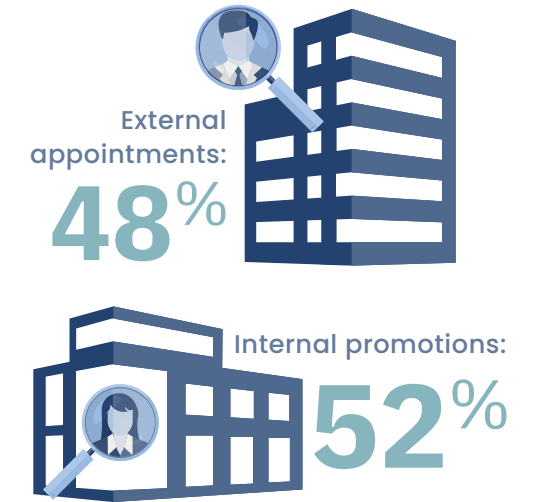
The path to the CIO role is markedly linear, with over half advancing from a mid-level IT position that often reports to the CIO. Additionally, a significant portion (33%) were recruited directly from CIO positions at other organizations, underscoring executive teams' interest in leveraging experienced expertise to drive change.

On the education front, a strong business foundation is common among healthcare CIOs, with many holding MBA degrees. This highlights the importance of business acumen in leading effective IT strategies that align with the goals of healthcare organizations. Moreover, slightly more than one in ten (13%) CIOs are licensed physicians, suggesting there is value to some healthcare organizations in combining clinical and technological expertise and an interest among some MDs to pursue IT-oriented careers.

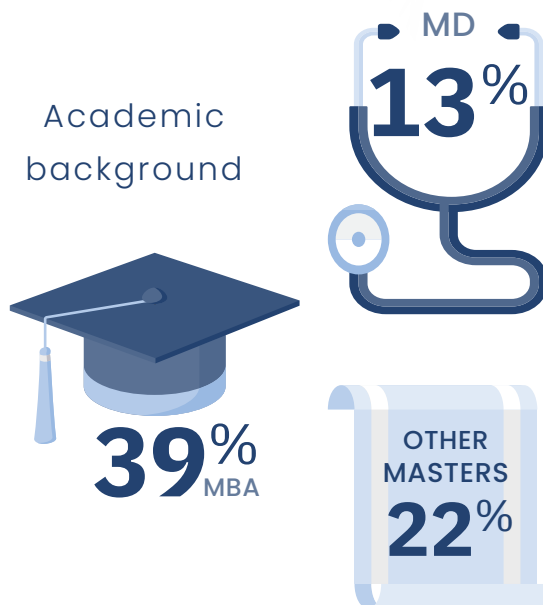


Tenure in the current position

Current appointment

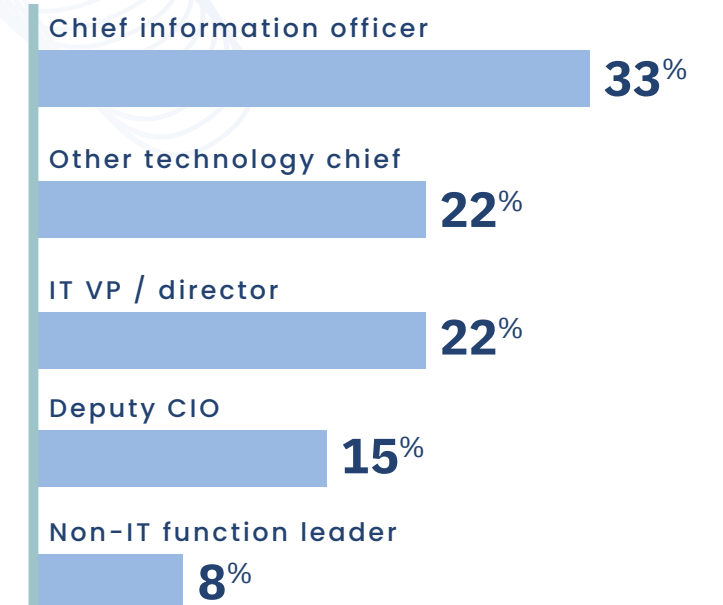


More than 4 in 5 (83%) came from a previous role in healthcare.



Academic background

Immediate prior role



TALENT FORCES

Team Challenges

Healthcare IT teams are grappling with various talent-related challenges. The top priorities identified by CIOs include enhancing team performance (59%) and creating development opportunities (53%). These focus areas underscore the importance of optimizing existing workforces and fostering continuous improvement in a rapidly evolving technological landscape.

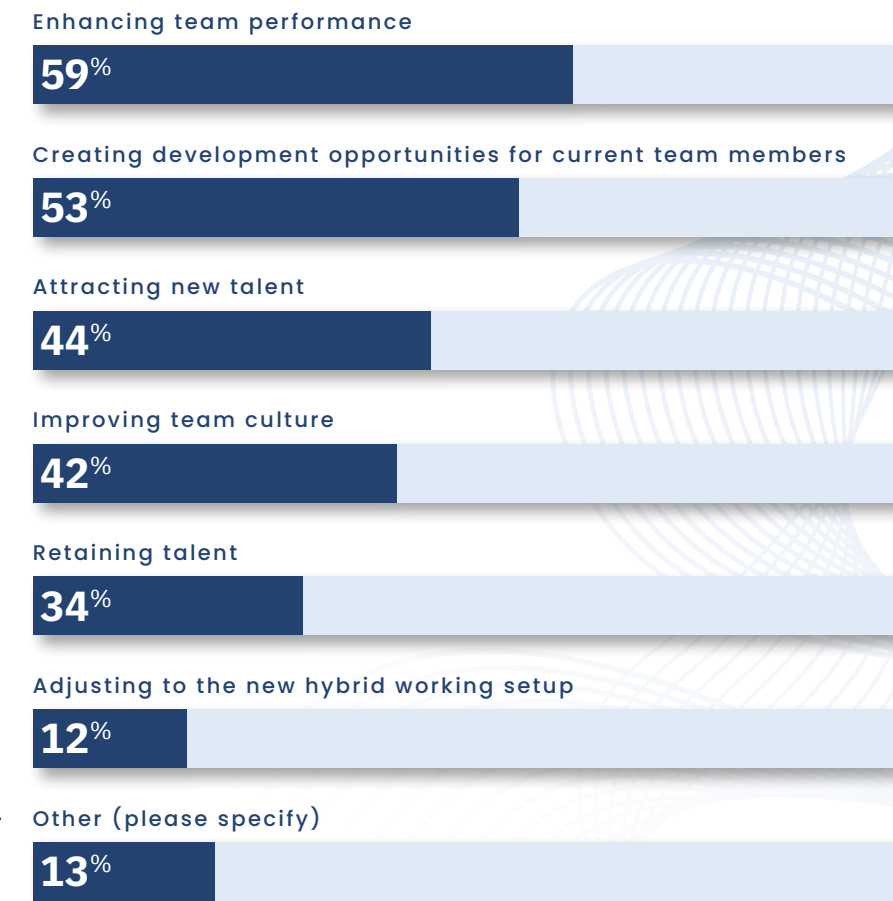
This aligns with industry projections; Gartner estimates that generative AI will necessitate new roles in software engineering and operations, potentially requiring up to 80% of the engineering workforce to reskill by 2027 (Gartner, 2024b).

Notably, organizations struggle with attracting new talent (44%) and enhancing team culture (42%), challenges exacerbated by the competitive market for skilled IT professionals, particularly those with healthcare domain expertise. The relative lack of diversity among respondents underscores the ongoing imperative to increase gender and racial representation within these roles. Leading organizations recognize diversity as a cornerstone of their strategic initiatives, understanding its crucial role in driving innovation, improving patient outcomes, and fostering inclusive environments that enhance organizational performance.

Building teams capable of meeting the needs of evolving healthcare organizations will likely require a blend of seasoned internal talent with deep institutional knowledge and external expertise. Rather than rapidly upskilling existing IT team members, executive leadership may opt to bring in interim leaders as force multipliers to accelerate major implementations and innovation efforts, thereby maintaining competitiveness (Gartner, 2024a). This strategy appears to resonate with CIOs, as three in four (73%) reported either currently using interim or on-demand leadership or being open to doing so in the future.

73% Report they are using interim or on-demand leadership or would consider doing so in the future.

What talent-related challenges does your team currently face?



“

“...lack of experience in high-performing IT orgs”

“Workforce development in new areas like AI, Cloud, etc.”

“More than 90% of talent is internally acquired”

“Aligning with the new strategic plan”

”

TALENT FORCES

Team Structure

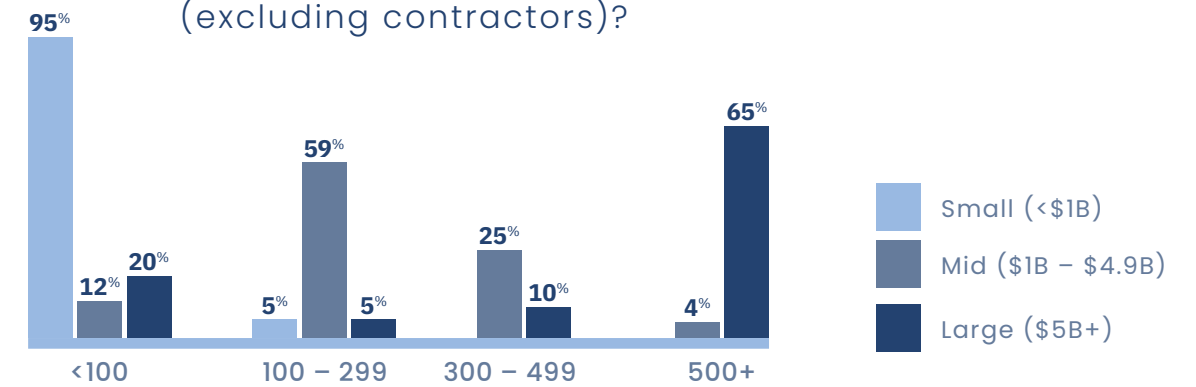


The outlook for healthcare IT team evolution over the next 12-24 months indicates a trend towards growth and transformation. Existing team sizes vary significantly but appear to be commensurate with the size and accompanying complexity of the organization.

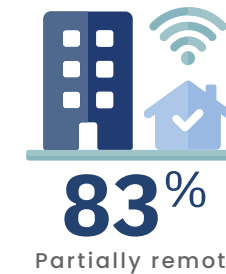
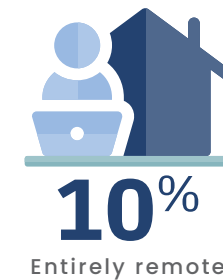
Despite industry reports of increased “rebadging” (moving IT work out-of-house along with the employees) (Modern Healthcare, 2023a), more than a third (38%) of surveyed CIOs anticipate increasing their team size by hiring more full-time employees (FTEs). Most (87%) also report that the majority (75%+) of their organization’s IT services continue to be managed in-house, reflecting a solid commitment to maintaining internal IT teams. A quarter (24%) of CIOs expect reorganization, further speaking to the level of ongoing structural change occurring within healthcare IT departments.

While attracting IT talent ranked third on the list of talent challenges among CIOs, its importance may increase as IT organizations continue to mature and scale. One approach many are already adopting is offering flexible work locations. The vast majority (93%) reported that their teams are either partially or entirely remote, suggesting that most IT roles require limited on-site presence. Continuing work-from-home policies, which often began during the pandemic, is one way hospitals and health systems can remain competitive in the tech talent market.

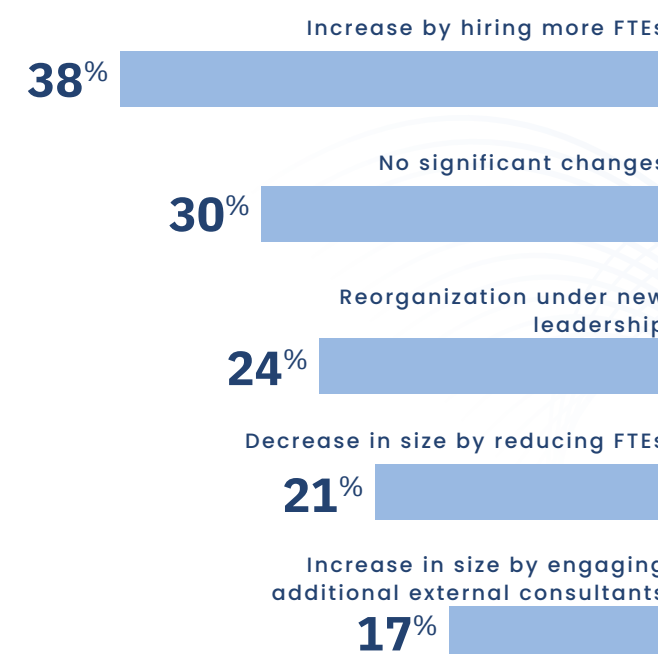
What is the total FTE count on your staff (excluding contractors)?



Where are your teams currently situated?



How do you anticipate your team evolving over the next 12 to 24 months? (Check all that apply.)



87%

Report that more than **75%** of their organization’s IT services are managed **in-house**.

TALENT FORCES

Team Building

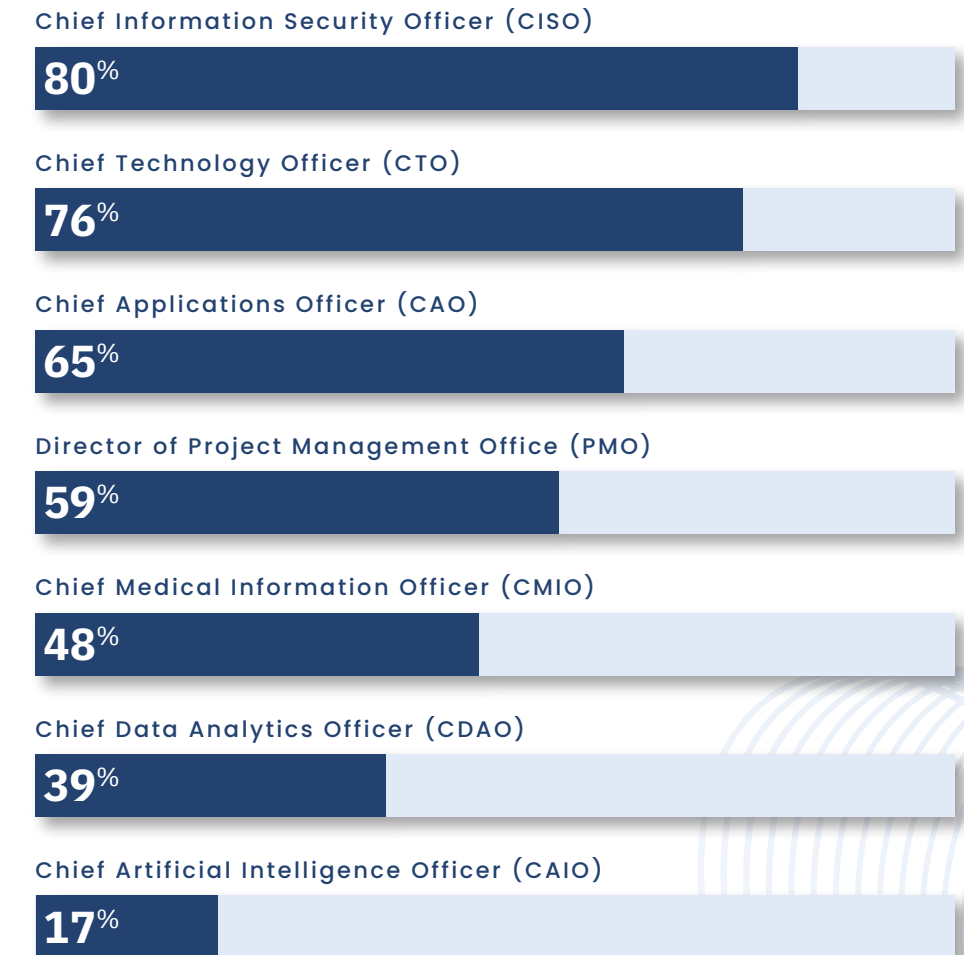
IT organizations at hospitals and health systems encompass a diverse array of specialized roles reporting directly to the CIO. The high prevalence of Chief Information Security Officers, Chief Technology Officers, and Chief Applications Officers in this reporting structure underscores the critical importance of cybersecurity, technology infrastructure, and applications in healthcare IT strategies.

The emergence of roles such as Chief Data Analytics Officer (39%) and Chief Artificial Intelligence Officer (17%) reporting to CIOs signals a growing emphasis on data-driven decision-making and AI adoption in healthcare. However, the relatively low percentage of these roles suggests that many organizations are still in the early stages of integrating advanced analytics and AI technologies.

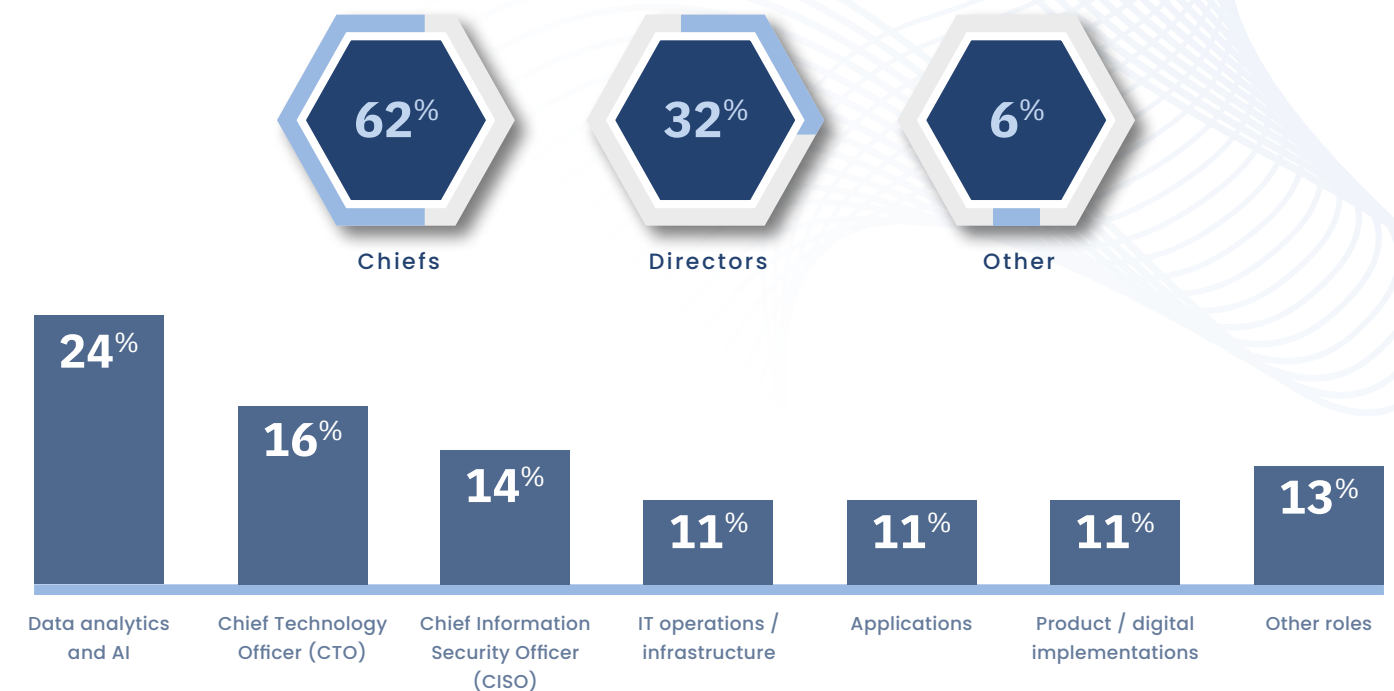
The types of roles being recruited reflect the changing landscape of healthcare IT. Notably, nearly two-thirds of the roles CIOs seek to fill are at the chief level. There appears to be an increased focus on data analytics and AI (24%) to shoulder the ongoing shift towards more interconnected, data-driven healthcare systems.



Which of the following titles report directly to you?



Types of roles among those recruiting



CURRENT IT PRIORITIES

Scope & Technology Challenges



Major technology challenges cited by hospital and health system CIOs include talent management, cybersecurity, and budget. The prominence of these challenges underscores the pressure on CIOs and their teams to “do more with less” as they strive to maintain a secure, stable network while supporting ongoing transformation efforts.

The role of healthcare CIOs encompasses a wide range of critical functions. Notably, 97% of CIOs oversee applications and technology infrastructure, underlining the foundational nature of IT in these areas. Additionally, most are responsible for information security (91%), digital transformation (86%), and data analytics (79%), which are also crucial areas as organizations work to enhance their technology operations. The majority of CIOs who oversee Project Management Offices (PMOs) (77%) indicate that IT continues to play a central role in supporting transformative change.

The widening scope of areas that CIOs oversee requires a deep understanding of various technological domains and their impact on healthcare delivery. This further highlights the growing influence of CIOs on day-to-day operations.

What are your **three** most pressing technology challenges today?

TALENT MANAGEMENT AI AND EMERGING TECHNOLOGIES Integration Technical Debt Data and Analytics

RESOURCE MANAGEMENT Leadership

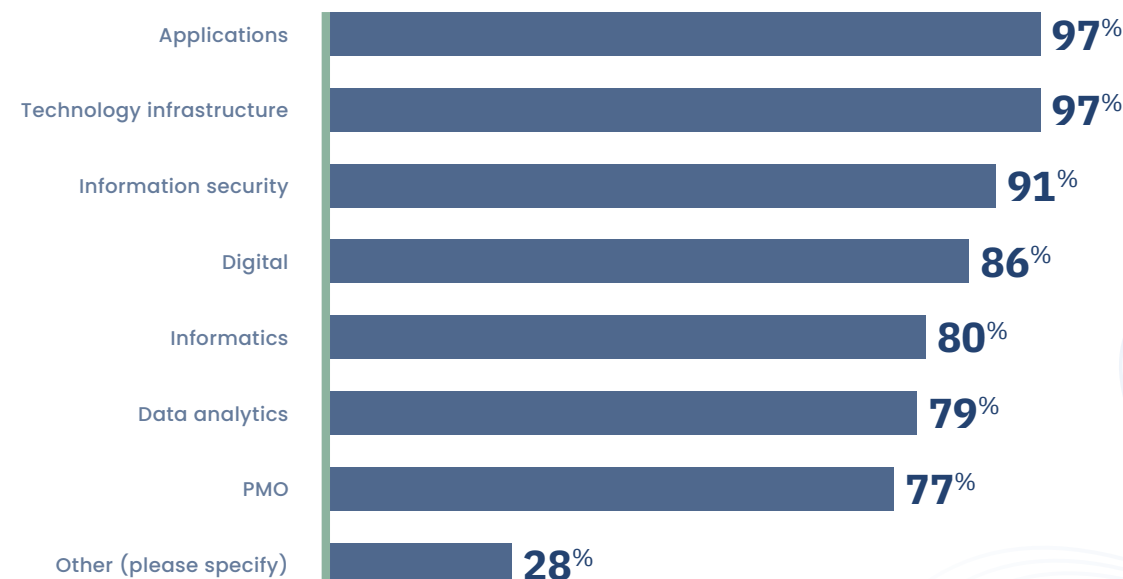
EHR-Related Challenges **Digital Transformation**

CYBERSECURITY Change Management ORGANIZATIONAL Operational Efficiency ALIGNMENT AND

BUDGET GOVERNANCE IT Service Delivery

APPLICATION MANAGEMENT Vendor Management

What is your scope of responsibility? (Check all that apply.)



CURRENT IT PRIORITIES

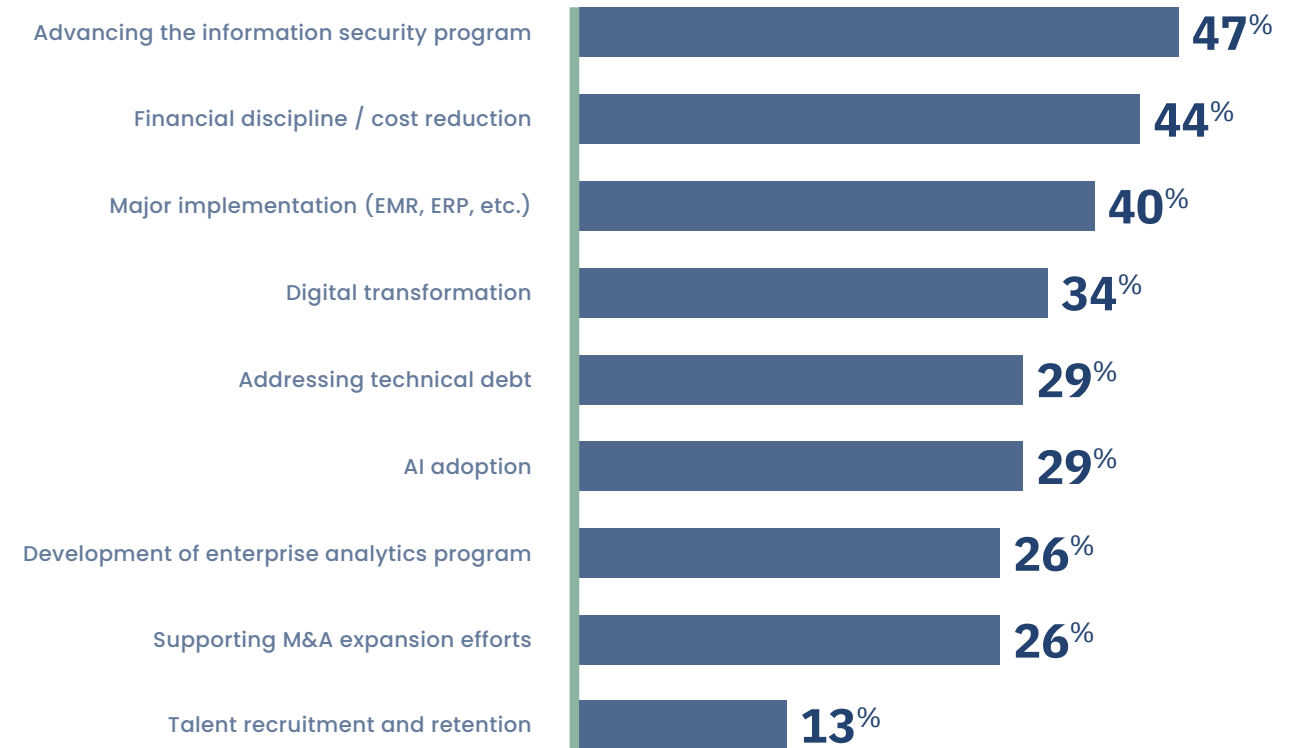
“Right-Sizing” IT with Cost Optimization

When it comes to overall IT spending as a percentage of revenue, two in three (65%) report that their annual IT spend is below the recommended 5% (Medicus IT, 2023). However, this percentage is just a small piece of a larger story as hospitals and health systems strive to “right-size” their IT departments. Many are simultaneously investing and cost-cutting as they seek to modernize their systems and embrace transformative technologies.

This approach aligns with top IT priorities among CIOs this year, including advancing information security programs (47%) and implementing major systems such as EMR and ERP (40%). A recent Guidehouse survey of health system executives corroborates these trends, with leaders recognizing that successful AI implementation requires improved data governance, data security, and modernization of systems (Modern Healthcare, 2023b). Essentially, while adding more systems may enhance patient and provider experiences, they also introduce more risk and require strong preliminary planning and “foundation-building.”

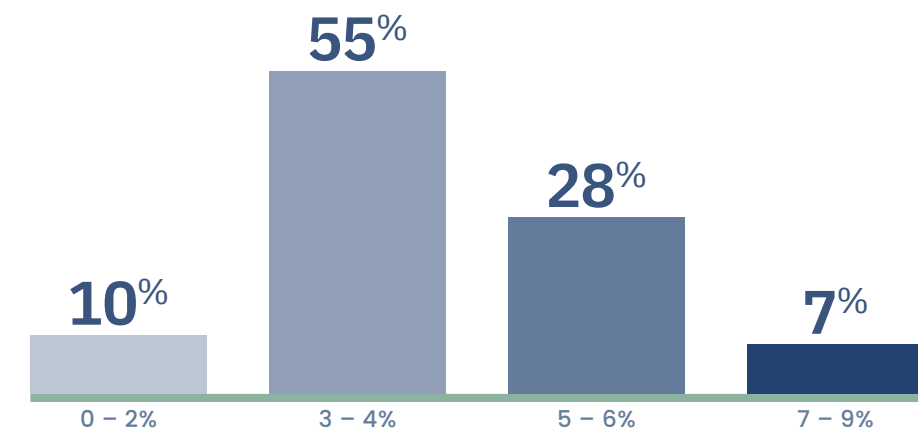
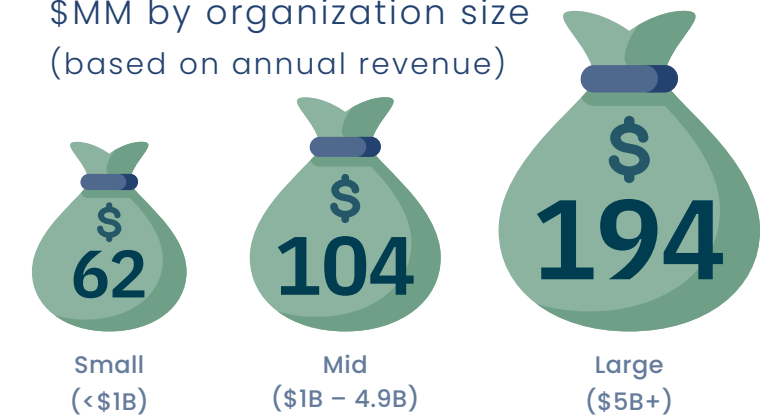
While healthcare leaders set their sights on a tech-enabled future, they are challenged to balance these efforts with financial discipline — a top priority for nearly half (44%) of the CIOs surveyed. In the short term, leaders must effectively align talent and resources and demonstrate measured progress toward their organization’s goals. This approach is crucial to make the case for ongoing funding and to realize their system’s long-term strategic vision.

What are the top priorities for your IT organization this year?



Two in three (65%) report that their annual IT spend is **less** than the recommended 5% of organization revenue.

Average IT operating budget in \$MM by organization size (based on annual revenue)



What is the IT spend as a percentage of organization revenue?



CURRENT IT PRIORITIES

AI Efforts

Healthcare organizations are adopting a strategic, collaborative approach to managing artificial intelligence (AI) initiatives, with 50% indicating involvement from multiple departments or individuals in these efforts. This strategy underscores the recognition of AI's comprehensive impact across various healthcare delivery and operations domains.

Notably, nearly half (46%) of these initiatives fall under the purview of the CIO's team, highlighting the critical role IT departments play in spearheading AI adoption and implementation.

Evaluating the maturity of AI integration in healthcare IT operations, data shows that most CIOs (92%) report AI-related projects make up 10% or less of their team's workload, suggesting that AI adoption is still in its early stages. However, as 29% of CIOs consider it a priority for their IT organization this year, we anticipate an increase in team capacity dedicated to these efforts in the future.

This early, collaborative exploration of AI applications within the healthcare sector is likely centered around pilot projects or specific implementations. As AI proves its efficacy and health systems reinforce foundational IT building blocks in cybersecurity and data infrastructure, we expect a steady escalation in the resources dedicated to AI. This progression will significantly change how IT supports healthcare delivery and decision-making processes.

What percentage of your team's work is comprised of AI-related projects?



Nearly **1 in 3** (29%) CIOs said that **AI adoption is a top priority** for their IT organization this year.



How are AI initiatives managed within your organization?



RECOMMENDATIONS FOR LEADERS

PRIORITIZE SUCCESSION PLANNING

Increasing competition for top CIO talent is driving higher turnover, making it essential to maintain an updated succession plan for this critical role. Regularly evaluating CIO compensation and benefits can help ensure long-term retention, safeguarding valuable institutional knowledge. By prioritizing succession planning and CIO retention, organizations can maintain continuity in cybersecurity efforts, ensure ongoing innovation, and reduce disruptions in strategic IT projects. This proactive approach provides a competitive advantage in an era where technology leadership is vital to healthcare organizations' success.

DEVELOP A PROACTIVE TALENT STRATEGY

A major obstacle to digital transformation in hospitals and health systems is the performance and development of IT talent. To ensure success, CIOs should proactively plan for developing existing teams and upskilling employees. As transformational technologies like AI become more prevalent in healthcare, aligning talent with organizational tech strategies will be increasingly crucial. This proactive approach to talent management will enable organizations to stay competitive and effectively leverage emerging technologies for improved patient care and operational efficiency.

CONSIDER FLEXIBLE AND AGILE ACCESS TO TALENT

Balancing technology investments and financial discipline challenges even the most experienced leadership teams. Hospitals and health systems must focus on laying foundational building blocks before pursuing cutting-edge technologies. If uncertain about existing team capabilities, leadership should consider utilizing interim or on-demand executives as "force multipliers" to accelerate these efforts. This approach can help organizations navigate complex technological transformations while maintaining financial prudence.



APPENDIX:

Demographic Profile of Respondents

To gain a better understanding of the healthcare CIO role, scope, and compensation as well as to acquire insights on how these executives are addressing talent and leadership challenges, we surveyed 110+ CIOs in the healthcare industry between June and August 2024. The following provides an overview of the survey respondents' backgrounds, organization, and composition.

GENDER	SHARE OF RESPONDENTS
Male	76%
Female	23%
Non-binary	<1%
Prefer not to answer	<1%

RACE / ETHNICITY	SHARE OF RESPONDENTS
White	71%
Asian	13%
Prefer not to answer	5%
Black / African-American	4%
Hispanic / Latino	4%
Middle Eastern / North African	2%
American Indian / Alaska Native	1%

ORGANIZATION'S GROSS REVENUE	SHARE OF RESPONDENTS
Over \$9B	9%
\$7B – \$8.9B	6%
\$5B – \$6.9B	8%
\$3B – \$4.9B	14%
\$1B – \$2.9B	39%
\$500M – \$999.9M	6%
\$100M – \$499.9M	12%
Less than \$100M	6%

TYPE OF ORGANIZATION	SHARE OF RESPONDENTS
Multi-Hospital System	34%
Integrated Delivery Network	23%
Academic Medical Center	13%
Children's Hospital	9%
Community Hospital	8%
Payor	1%
Medical Group	1%
Other (please specify)	11%

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Improving quality of life through impactful leadership.

ABOUT WITTKIEFFER

WittKieffer is the premier executive search and leadership advisory firm developing impactful leadership teams for organizations that improve quality of life. We work exclusively with organizations in healthcare, science, and education – the Quality of Life Ecosystem – and provide essential knowledge, analysis, and perspective that produce effective leaders and inclusive cultures. Through our executive search, interim leadership, and leadership advisory solutions, we strengthen organizations that make the world better. WittKieffer is proud to be 100 percent employee-owned. Visit wittkieffer.com to learn more.

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WittKieffer's proprietary research on the career paths of approx. 100 CIOs at leading hospitals and health systems nationwide based on publicly available data from institution websites, BoardEx, and LinkedIn, 2024