

These Orgs Hired a Chief AI Officer. Does Your Company Need One?

HR Executive | Jill Barth | February 14, 2024

With the ascent of AI-driven platforms and services, many companies are seeking machine learning leadership and expertise to keep their business strong. That's leading some organizations to invest in a chief AI officer (CAIO), a position that experts say is expected to grow alongside the complexities of automation and artificial intelligence.

Does your company need a CAIO? According to Asha Palmer, senior vice president of compliance for HR tech firm Skillssoft, staffing the AI leadership position depends on the needs of the company. AI leadership hiring should be "industry- and company-specific," says Palmer.

Evidence of CAIO hiring

An organization called the CDO Club tracks new chief AI officer appointments, revealing a consistent uptick in placements for this executive role in recent months. Chief AI officers have already been put into place at some organizations with household names, such as GE HealthCare, UnitedHealth Group, Deloitte, Thoughtworks, Mayo Clinic, Dell Technologies, Intel Corporation and IBM Automation.

And there's one significant sector that's becoming flush with AI leaders, according to Palmer: government. In late 2023 alone, chief AI officers were hired across governmental organizations like the Defense Intelligence Agency, the Department of Energy, the U.S. Nuclear Regulatory Commission, the General Services Administration, the National Science Foundation, the U.S. Department of Housing and Urban Development, the U.S. Department of Education and the Department of Homeland Security.

This lift in public sector hiring followed the White House Executive Order on AI, requiring agencies to name an executive to handle artificial intelligence.

Palmer advises HR leaders not to get too attached to the specific title of CAIO. Instead, build the position around opportunities that exist for your organization. "I don't know that we will see a common skill set [for an AI leader]—nor should we," says Palmer. Some employers such as Randstad, Workday and Microsoft have introduced roles with variations on the C-suite title, such as head of responsible AI or AI ethics leader.

Advice for HR leaders

In 2023, the inaugural Chief AI Officer Summit took place in Boston, featuring speakers such as HRE's 2017 HR Executive of the Year Lisa Buckingham and Kevin Martin, chief research officer at i4cp. Martin told attendees that AI success hinges on "culture and talent," which are inherently shaped by leadership.

He says that leaders need to have an understanding of how AI will "make money" for the business and that HR leaders should "stop chasing use cases" and focus on ROI. He warns that

making a C-suite AI hire isn't enough—CHROs should invest in AI training for all employee levels: executive, mid-level managers and company-wide.

When organizations do hire a CAIO, HR leaders will likely collaborate with them to shape strategy. Reporting from Gartner indicates several ways that CHROs are already playing active roles in organizational AI investments. These include planning for the influence AI will have on the workforce, evaluating use cases, investing in role design, understanding skills needs and strategizing about employee experience.

AI is a shared responsibility

Despite the rise in CAIO hiring in 2023, as of the end of last year, many organizations still hadn't named a C-level AI officer, relying on other leaders to manage machine learning within the enterprise. Palmer points out that many companies haven't done the talent planning required to put someone in the AI leadership position, requiring someone else in the org to take on AI as an element of their daily job.

In many instances, AI oversight falls under the jurisdiction of the chief technology officer or chief information officer. According to a 2022 Baker McKenzie survey involving 500 C-level executives in the U.S.—each identifying as part of the organization's AI decision-making team—64% of these companies did not have a dedicated chief artificial intelligence officer. Furthermore, three-fourths of corporate boards managed AI strategy collectively, yet less than half had a board member with expertise in AI.

Even at organizations that hire an AI exec, HR leaders will likely take on growing accountability. A study conducted by Heidrick & Struggles in 2023 of more than 200 executives found that 57% expect to incorporate AI into recruitment and HR processes, indicating a substantial increase from the current 17%.

HR will also likely be integral to the hiring process for the CAIO position. At organizations that create such a new leadership role, Palmer says, a group of C-suite leaders—including the CHRO—will often work together to formulate the terms.

"How we staff that position—and understand the skills required to do it—is still being developed," says Palmer.