ESSAY · ENTERPRISE AI

Do You Need a Chief AI Officer?

76% of organizations now have a Chief AI Officer, up from 26% a year ago. When the role earns full-time headcount, when fractional wins, how to decide.

LEADERSHIP GOVERNANCE AI STRATEGY

Burak Galiba · June 23, 2026 · 4 min read
https://burakgaliba.com/blog/do-you-need-a-chief-ai-officer

SCAN TO READ ONLINE

The Chief AI Officer is the fastest-growing C-suite role in history. Per IBM data, 76% of organizations now have one — up from 26% just a year ago.

A jump like that means one of two things. Either three-quarters of organizations simultaneously discovered a genuine need, or a lot of companies just bought a very expensive title to signal seriousness. The honest answer is: both, in roughly equal measure.

So before you open the requisition, it's worth being precise about what the job actually is — and whether yours needs a full-time occupant.

What a CAIO is actually for

Strip away the conference keynotes and the role is a bundle of decision rights that, in most enterprises, currently belong to no one:

- **Portfolio authority.** Deciding which AI initiatives get funded, which get killed, and in what order — across functions that each want their own.
- **Vendor refereeing.** Every model vendor, cloud provider, and consultancy is selling your organization something. Someone senior has to referee with no stake in the outcome.
- **Governance accountability.** State AI laws took effect in January, more arrive in 2027, and Gartner expects over 40% of agentic projects to be canceled by 2027, frequently over risk controls. A defensible program needs one accountable name.
- **Translation to the board.** Converting "we have 14 initiatives" into "here's what's in production, what it returns, and what we'll stop doing."

Notice what's not on the list: evangelism, innovation theater, hosting the AI town hall. If the job description is mostly excitement, you're hiring a mascot with equity.

The case for a full-time CAIO

Full-time makes sense when the decision volume genuinely fills a senior calendar. That usually means several of the following are true:

- You're a large or heavily regulated enterprise — multiple business lines, live compliance exposure across jurisdictions.
- The AI portfolio is big enough that sequencing decisions arise weekly, not quarterly.
- You're negotiating multiple major vendor and architecture commitments this year.
- The board has made AI outcomes a standing agenda item with your name attached.

The market rate for that person runs roughly \$300K–\$550K in total compensation, and the search takes quarters — the same people every other enterprise is chasing. Worth it, when the decision volume is real. Painful, when the new hire spends month three writing a vision deck because there's no portfolio to govern yet.

The case for a fractional CAIO

Here's the pattern the 26%-to-76% surge hides: most organizations don't have a full-time volume of AI decisions. They have a *critical* volume — a dozen high-stakes calls a quarter on portfolio, vendors, and governance — surrounded by execution that existing leaders can own once the direction is set.

That's the profile the fractional model fits, and it's why it's booming in the mid-market. Typical fractional CAIO engagements run $60K–$180K per year — roughly 20–35% of the full-time cost — with senior independents pricing at $700–$1,500 per hour or $20K–$80K monthly retainers.

The economics work because the job, done well, is judgment-dense rather than hours-dense. Deciding *whether* to consolidate on one model vendor takes a few senior hours; implementing the decision takes your team months either way. You're buying the few hours where being wrong is expensive.

Fractional also fails a specific test: if your organization needs someone in the building daily — managing a large AI engineering org, or fronting regulators in a supervised industry — buy the full-time seat.

Either way, avoid the figurehead trap

The title without decision rights is worse than no hire at all — it tells the organization AI is being handled while nothing changes. Whichever model you choose, set the role up to be real:

1. **Written decision rights on day one** — what the CAIO can fund, kill, and veto without a committee.
2. **A 90-day deliverable that isn't a vision deck.** A triaged portfolio with ship/fix/kill verdicts is the right first artifact.
3. **A number.** The role owns a measurable outcome — production deployments, verified ROI, audit-ready governance — reviewed like any other executive's.
4. **A seat where vendor decisions happen.** If procurement signs AI contracts the CAIO never saw, you hired a commentator.

A CAIO with those four things earns the title at any hours count. Without them, no compensation level will help.

Where to start

Before hiring anyone, run the inventory the future CAIO would run on week one: every AI initiative, its owner, its metric, its baseline. The gaps you find are the actual job description — and they'll tell you whether it's a full-time job.

A fast way to produce that first picture: my free AI Readiness Score. Twenty questions, ten minutes, and a scored breakdown across pilots, data, talent, and governance — a useful stand-in for the briefing document your Chief AI Officer, full-time or fractional, would want on day one.

Read the essay online at https://burakgaliba.com/blog/do-you-need-a-chief-ai-officer

I built a free AI Readiness Score — 20 questions across pilots, data, talent and governance, about ten minutes, no email required: https://burakgaliba.com/readiness