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Education Insights Team

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By: Education Insights Team

The evolving impacts of AI and changing public sentiment about the perceived value of higher education are combining to create shockwaves in the sector. This research reviews the opportunities for higher education CIOs to adapt technologies strategies to support and align with these challenges.

Insights at a Glance

Key Insights:

- Demand for curriculum agility and flexible credentialing is increasing, requiring CIOs to evaluate key technologies to enable lifelong learning and respond to changing workforce requirements.
- While those institutions that do not update strategies and embrace AI risk obsolescence, those that proactively adapt and digitally transform have opportunities to both survive and thrive.
- CIOs must help their institutions understand how they need to adapt to AI literacy across curricula and form strategic partnerships — both across the institution, across higher education and with key vendors.

Actionable Recommendations:

- Assess maturity: Evaluate current institutional AI maturity and AI readiness. The CIO is uniquely positioned to provide insight into the data readiness to support AI.
- Reset AI ambition and governance: Align AI investments and governance with your institution's mission, distinctive position and strategy, prioritizing use cases and tool selection.

- Cultivate AI literacy and ethics: Promote responsible AI use among faculty, staff and students, focusing on effective practice and targeting curriculum agility.
- Optimize IT costs: Strategically review IT costs and focus any resultant available IT team capacity toward building new AI-enabled capabilities.
- Build communities of practice: Accelerate adoption of AI-enabled teaching, research and administration by sharing knowledge of good practice and collaboration via use-case specific discussions.
- Commit to continuous review: Regularly refine education technology strategies and practices to drive appropriate ongoing institutional change in a time when AI disruption is accelerating. [1]

Issue Context

By 2030, most teaching, research and student content is projected to be AI-supported, leading to increased demands on institutional IT and increased partnerships among institutions, technology vendors and industry (see The Future of Higher Education — Vision 2035). The rapid emergence of AI in the higher education sector is generating shockwaves that demand action from higher education CIOs to support institutional success. The disruptive potential of AI applications across teaching, research and administration has now combined with broader drivers of higher education sector change. These include financial fragility, demographic shifts, tighter migration policies, evolving student expectations and decreasing revenue streams from international students.

These factors have led to institutional strategy resets around the world, with leadership teams seeking to reposition to survive and thrive in the face of intense global competition for students and research partnerships. Within these strategies, the need to both research AI and to ensure that universities deliver value in a world of AI have become key challenges.

For the CIO, there is a need to review and accelerate institutional AI practices that deliver an optimal path to appropriate AI adoption. Within higher education, AI adoption is accelerating but uneven. Early-stage pilots have typically focused on personal productivity, virtual assistants for administrative and teaching applications, and research enablement. However, generative AI (GenAI) slid into the Trough of Disillusionment on the Gartner Higher Education Hype Cycle in 2025 due to the frequent failure of these early-stage pilots to deliver tangible return on investment.

Many institutions remain AI-cautious. However, the sector has also seen the growth of both enterprise-grade AI solutions and GenAI embedded within education-specific products, such as the learning management system (LMS), CRM and ERP. GenAI use by students is now widespread, and institutional faculty and staff adoption is also building.

Higher education CIOs must align technology and AI strategies to institutional strategies that are adapting to address declining public confidence in existing education models and the larger secondary and tertiary impacts of AI (see Walking the Golden Path to Value: 2025 IT Symposium/Xpo Keynote Insights). A growing share of Americans (70%) now believe that higher education is going in the wrong direction, according to a recent Pew Research Center analysis. Only 28% say it's on track for success. Momentum is already building in many parts of the sector, particularly among institutions seeking to accelerate technology-enabled experimentation and innovation. Higher education CIOs are in a unique position to leverage their AI knowledge to help their institutions evolve how AI is incorporated into teaching and learning. Higher education CIOs must therefore review, refine and revolutionize technology capabilities to align with goals for new institutional value propositions in an AI-enabled world (see The Future of Higher Education — Vision 2035).

Impact Brief

- Within the global higher education sector, challenges to institutional reputations, enrollments and, in some cases, survival are impacting technology priorities. Public confidence in the value of higher education is divided, costs are rising [2] and the perceived value of degrees is being questioned. [3] Institutional closures [4] and mergers are rising, and global student mobility patterns are changing. [5] A tougher market for entry-level graduate roles is emerging — both due to AI and broader economic environment shockwaves. [6] AI-enabled differentiation in value, experience and outcomes is becoming both a defensive necessity and a potential opportunity.

- Student use of AI is extensive and frequently outstripping that of faculty. [7] However, student expectations of graduating with AI-ready skills for employability demand that some elements of AI literacy become embedded across the curriculum. AI maturity is typically low, and refining institutional AI strategy, governance and literacy is now a priority. Page 4 of 13

- Governments around the world are promoting strong skills-based agendas. [8] Alternative credentialing — including badges, certificates, licenses, certifications and apprenticeships — is increasing. [9] Learning technology platforms must adapt

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Evidence

[1] Measuring AI Ability to Complete Long Tasks, METR.

[2] Trends in College Pricing, CollegeBoard.

[3] Is a College Degree Worth It in 2024?, Pew Research Center.

[4] Colleges Are Now Closing at a Pace of One a Week. What Happens to the Students?, Youth Today.

[5] Global Outbound Student Growth at Decades-Low Pace, British Council.

[6] U.K. Graduates Facing Worst Job Market Since 2018 Amid Rise of AI, Says Indeed, The Guardian.

Generative AI as Seniority-Biased Technological Change: Evidence from U.S. Résumé and Job Posting Data

Canaries in the Coal Mine? Six Facts About the Recent Employment Effects of AI, Stanford.

[7] 2025 EDUCAUSE AI Landscape Study: Into the Digital AI Divide, EDUCAUSE.

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