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WORKPLACE 2035

THE READINESS REPORT

HOW INDIA'S CIOs AND CHROs ARE BUILDING THE AI-NATIVE, WORKFORCE -INTELLIGENT ENTERPRISE

Original research among India's CIOs and CHROs, conducted by ETCIO and ETHRWorld for Workplace 2035.

FOREWORD

ONE ENTERPRISE
TWO VANTAGE POINTS

Every large Indian enterprise now runs two parallel modernisation efforts. One sits in the CIO's office and is measured in cloud spend, data platforms and AI pilots. The other sits in the CHRO's office and is measured in HRIS rollouts, skilling budgets and workforce technology. They report to the same CEO, they draw from the same balance sheet, and in most organisations they still barely speak to each other.

Workplace 2035 began with a simple test of that assumption. We sat down with CIOs, CDIOs, CISOs and senior technology leaders and asked them how ready their organisations really are to scale AI. We sat down separately with CHROs and HR heads and asked them the workforce equivalent: how much of what they have built is actually changing decisions, not just digitising them. Neither group knew what the other had said.

The two sets of conversations turned out to describe the same enterprise. Both functions have built the infrastructure they set out to build: HR information systems are close to universal, and so is cloud. Both are stuck at roughly the same point past that: automation is working, prediction mostly isn't. And when we asked both groups what CHROs should be prioritising to close that gap, the CIOs' answer and the CHROs' own stated priorities lined up almost exactly, even though the two groups had never compared notes and, in most of these organisations, never will.

That last finding is really what this report is about. The technology and the appetite are largely in place on both sides of the enterprise. What is missing is a shared language, a shared governance model and, in several cases we heard about directly, a shared budget line. Workplace 2035 is written for the room where that gap can actually close: CEOs, CIOs, CHROs and CFOs, together.

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EXECUTIVE SUMMARY

Every organisation has invested in technology. Every organisation has invested in people. Very few have successfully connected the two. Workplace 2035 is built on a research programme spanning both sides of the modern enterprise to find out what separates organisations that have made that connection from those that haven't.

A large-scale quantitative survey of technology and HR leaders across India, Southeast Asia and the Middle East forms the base layer. On top of it sit two 2026 leadership studies conducted specifically for this report: a structured survey of CIOs and senior technology leaders, and in-depth interviews with CHROs and senior HR leaders. Together they answer one question for an audience of CEOs, CIOs, CHROs and CFOs. What actually separates organisations turning technology and workforce investment into measurable value from those still accumulating tools?

Adoption is not the answer. It is close to universal on both sides of the enterprise already. Readiness is the answer: readiness of data, of governance, and of people, to convert adoption into intelligence.

SIX NUMBERS THAT DEFINE THE MOMENT

75% +

HRIS adoption globally, and 60%+ enterprises on hybrid/multi-cloud. Infrastructure is no longer the gap

7.3%

of Indian enterprises are genuinely AI-native; only 14% call their data highly AI-ready

16–26%

of organisations use AI for predictive HR decisions, even where automation is widespread

47%

of technology leaders who answered name governance, security and compliance as the single biggest barrier to scaling AI

8X

CIOs reporting poor or limited HR data access were eight times as likely to report that AI ROI is not formally measured (67% vs 8%)

~10–11%

indicative midpoint of HR budget allocated to AI/automation among CHROs who provided a figure

HOW TO READ THE NUMBERS IN THIS REPORT

Two different kinds of figures appear throughout. Large benchmark percentages (HRIS adoption, cloud maturity, regional barrier rates) come from a broad industry survey of 300+ technology leaders and a comparably scaled regional HR-technology survey, and should be read as directional industry indicators. Every figure from this report's own 2026 leadership research is anchored to the number of respondents who actually answered that specific question, not the full panel, and should be read as a curated senior-leadership signal, not a statistically representative national result.

THE FIVE FINDINGS

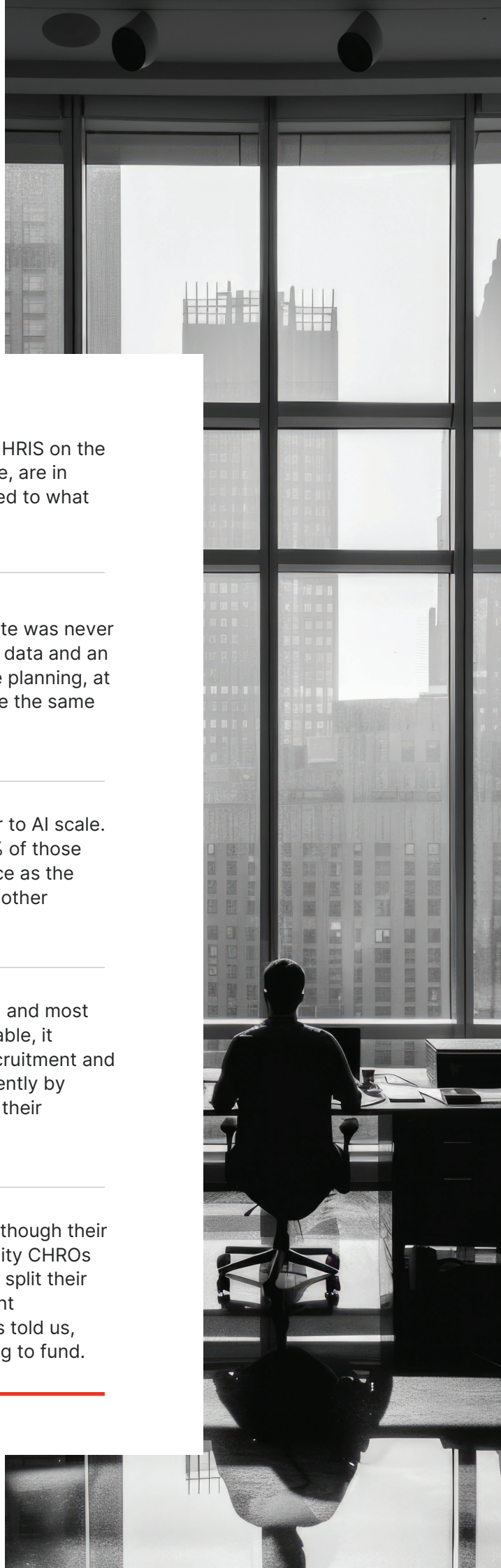
01 The infrastructure phase is over. Core systems, HRIS on the workforce side and cloud on the technology side, are in place almost everywhere. The contest has moved to what sits on top of that infrastructure.

02 Data quality is the shared constraint, and appetite was never the problem. A foundational deficit in enterprise data and an under-digitised approach to strategic workforce planning, at just 14–27% across the regions studied, describe the same bottleneck from opposite ends of the org chart.

03 Governance is emerging as the dominant barrier to AI scale. Our CIO interviews put a hard number on it: 47% of those who answered name governance and compliance as the number-one blocker to scaling AI, ahead of any other individual factor.

04 Almost nobody has solved AI ROI measurement, and most leaders now say so plainly. Where value is provable, it clusters around one function on the HR side: recruitment and talent-acquisition automation, named independently by roughly a third of the CHROs we interviewed as their clearest working use case.

05 CIOs and CHROs already agree on the fix, even though their budgets stay disconnected. Asked what capability CHROs should prioritise over the next three years, CIOs split their answer evenly between AI upskilling and AI talent acquisition, which is almost exactly what CHROs told us, separately, they are already trying and struggling to fund.



PART I

THE SHARED STARTING POINT

THE FOUNDATION IS BUILT. THE INTELLIGENCE ISN'T.

2026 marks the same turning point on both sides of the enterprise we studied. The era of proving that digitisation happened is over. A CIO's cloud dashboard and a CHRO's HRIS report now show broadly the same thing: a mature, largely complete infrastructure layer. What neither can yet show, consistently, is that this infrastructure is producing intelligence. Decisions made faster. Risk caught earlier. Talent deployed better. Rather than simply operations conducted digitally instead of on paper.

1.1 Two functions, one maturity curve

HR digitisation has matured from adoption to value creation, according to the regional benchmark survey. Over 70% of organisations have digitised core HR operations, and HRIS adoption exceeds 75% globally. The enterprise-wide picture, drawn from the same class of large-sample survey on the technology side, looks close to identical. Over 60% of technology leaders now operate in hybrid or multi-cloud environments, and two in three say cloud, AI, cybersecurity and CX investment already influences business growth, resilience or customer outcomes directly.

Lay the two curves side by side and the shape repeats almost exactly. Both start from near-universal core infrastructure. Both drop off sharply the moment the question moves from whether something is digitised to whether it is intelligent:

LAYER	HR FUNCTION	ENTERPRISE-WIDE
Core systems in place	Central HRIS: 76–83% by region	60%+ on hybrid/multi-cloud
Operational automation	HR operations digitised: 66–71%	Over 40% prioritise AI-ready data & cloud modernisation
AI beyond pilots	AI in HR beyond pilots: 29–38%	AI-native organisations: 7.3%
Predictive / strategic use	AI for predictive HR decisions: 16–26%	Highly AI-ready from a data perspective: 14%

Both columns reflect the regional benchmark survey (300+ technology leaders; a comparably scaled regional HR-technology survey), not this report's smaller 2026 leadership sample.

These are not two functions facing similar challenges. They are facing the same challenge, from two different directions. A CHRO's strategic-workforce-planning gap and a CIO's predictive-decision-making gap sit at the same maturity ceiling.

1.2 What leaders told us directly

Our interviews with technology leaders confirm this is not an artefact of how the questions were phrased. Asked to rate their organisation's overall AI readiness across the workforce, only a handful said their organisation was AI-ready across most functions. Most called it moderately ready with targeted adoption or early-stage with pilot programmes still under way. Roughly five in six technology leaders we spoke with place their own organisation below full readiness.

The CHRO conversations, run separately, told the same story in a different register. Leaders across sectors as different as banking, pharma, energy, industrials and technology were asked what their single biggest leadership challenge is in 2026. Not one named a shortage of appetite for AI. Every one of them named some version of the same gap, building the capability, culture or governance to actually use technology that is already, in some form, inside the building. Dr Praveen Purohit, CHRO of Vedanta Aluminium, framed it as building AI readiness while directly linking every AI initiative to business goals and measurable outcomes. On the technology side, Harshad Patil, CIO of NKGSB Bank, rated his organisation's AI readiness as not yet assessed, the only one of the CIOs we interviewed to give that answer, and said AI RoI is not yet formally measured either.

Only 1 in 6 CXOs on the technology side say their organisation is AI-ready across most functions.

THE DATA DEFICIT, ON BOTH SIDES OF THE HOUSE

Enterprise AI ambition is running well ahead of data maturity, and the benchmark survey shows how wide the gap is. Only 14% of enterprises describe their current data environment as highly mature and AI-ready. Close to half operate in partially integrated environments, and 31% still work with siloed, fragmented systems spread across business functions.

The workforce data shows the HR-shaped version of the identical constraint. HR operations data, payroll and records and compliance, is the most standardised and easiest to integrate data in the enterprise, and it is digitised at 66–71% across regions. Strategic workforce planning data, skills forecasting, succession, scenario modelling, is the least standardised and the most judgment-dependent, and it sits at just 14–27%. The same split shows up sector by sector in enterprise data generally, with BFSI managing the trust and governance conversation reasonably well and manufacturing still fighting fragmented ERP, MES and SCADA systems. It maps onto HR functions almost without modification.

2.1 Confirmed from the field: HR still can't fully see its own data

We put a direct question to CIOs: does your HR function currently have the technology and workforce data it needs for strategic talent planning? Only about 1 in 6 said yes, fully integrated. A further two in five described access as mostly integrated with some gaps. Close to half described real deficits, ranging from partial integration and limited visibility to no access at all.

17%

of CIOs say HR has fully integrated data access for strategic talent planning

39%

say access is mostly there, with gaps

44%

report partial, limited, or no data access for HR strategic planning

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Only 1 in 6 CXOs on the technology side say HR has fully integrated access to the workforce and technology data it needs.

This is technology leadership's own assessment of the HR function's data foundation, not the CHRO's self-assessment. That distinction matters. The CIO's job is precisely to know where enterprise data lives and how well it is integrated, and on this evidence the CIO office largely agrees with what CHROs already say about themselves: the foundation is partially built, not absent, and not finished.

2.2 What poor data access actually costs

Reading all the answers together, rather than one question at a time, surfaces a pattern the individual percentages don't show on their own. Among the CIOs who rate HR's data access as poor, no access, or limited visibility, roughly two-thirds also say AI RoI is not yet formally measured at all. Among those who rate access as partially, mostly, or fully integrated, only about one in twelve does.

Poor data access does not just slow AI adoption at the edges. On this evidence, poor HR data access shows the strongest association among the factors we examined with the absence of formal AI RoI measurement. The finding suggests that organisations with limited visibility into workforce data may also struggle to establish a clear view of AI value.

67%

of CIOs with poor or limited HR data access also say AI RoI is not yet formally measured

8%

of CIOs with decent HR data access say the same, an eightfold gap

2.3 Sector patterns repeat across both functions

Healthcare and pharma sit on the most sensitive data environment of all. Nearly 70% of healthcare leaders in the benchmark survey say existing AI environments still lack adequate transparency and audit readiness. The Middle East runs consistently ahead of India and Southeast Asia on strategic workforce data maturity, driven mostly by national transformation agendas rather than organic internal demand. Manufacturing lags on both fronts at once: fragmented ERP, MES and SCADA data on the technology side, and lower relative workforce-technology investment on the HR side.

> Data maturity is not a CIO problem that happens to spill into HR. It is a single enterprise-wide capability, built function by function, and every function that has not built it hits the identical ceiling: automation works, prediction does not.

INFRASTRUCTURE IS NO LONGER THE DIFFERENTIATOR

It is worth stating plainly what our research shows, so the rest of this report can move past it. Infrastructure is no longer where competitive advantage lives. Cloud spend is increasingly directed at data and AI workloads, 46% of the top cloud investment signal, rather than basic application hosting, and 60%+ of enterprises now run hybrid or multi-cloud. Central HRIS adoption sits at 76–83% across India, Southeast Asia and the Middle East: a genuinely mature, near-universal baseline.

The organisations that stand out in our data are not the ones with more infrastructure. They are the ones modernising with clearer priorities, stronger governance, and tighter alignment between technology spend and business value. That description applies just as well to the strongest CHRO answers we heard as it does to the strongest CIO answers. Himal Tewari, CHRO of Tata Power, describes the company's HR budget shift over the past two to three years as a stronger move towards HR technology, automation and data-driven HR, with growing emphasis on connecting HR interventions to business outcomes. Sujoy Brahmachari, Group CIO and CISO at Rosmerta Technologies, is one of a small handful of CIOs surveyed who rate HR's data access for strategic planning as fully integrated, and names workforce planning using AI and analytics as the capability CHROs should prioritise next.

This is the point Part I is building toward. By 2026, having the systems is table stakes on both sides of the enterprise. Part II sets out a single framework, applied through the CIO lens and the CHRO lens together, for what actually separates the organisations converting that infrastructure into intelligence from those still sitting on top of it.

PART II

THE READINESS FRAMEWORK

Read the CIO and CHRO data side by side and one model spans both functions cleanly. Workplace 2035 sets it out here for the first time: five pillars that any enterprise, through its CIO's data and cloud strategy or its CHRO's HR technology strategy, has to build in sequence to move from digitised to genuinely intelligent. Each pillar is shown through both lenses.

THE READINESS FRAMEWORK

01

Data & Systems Foundation

02

Governance & Trust

03

Capability & Talent

04

AI-Driven Decision Layer

05

Measurable Business Outcomes

PILLAR 1

DATA & SYSTEMS FOUNDATION

The precondition for everything else. Without unified, trusted, real-time data, both AI and strategic HR decision-making stall at the automation layer and never reach prediction.

How each function measures this pillar today

THE CIO LENS

34% of organisations name building unified enterprise data platforms as their top data priority for 2026. Only 14% call their data highly AI-ready. 44% now put 5–10% of tech budget toward data modernisation; 38% put in more than 10%.

THE CHRO LENS

HR operations data (payroll, records) is digitised at 66–71%, a mature foundation. Strategic workforce data (skills forecasting, succession) sits at just 14–27%. Our CIO interviews confirm the gap directly: only around 1 in 6 rate HR's data access as fully integrated.

THE 2035 TEST

Can the enterprise access one trusted view of business demand and workforce capability?

If the answer is no, AI can automate processes.
It cannot reliably optimise the enterprise.

PILLAR 2

GOVERNANCE & TRUST

The pillar that has emerged as the dominant blocker to scale in 2026, on both sides of the enterprise, and by a wide margin in our own interviews

How each function measures this pillar today

THE CIO LENS

More than half of technology leaders cite governance, visibility or compliance as a major transformation barrier. Our CIO interviews sharpen that further: 47% of those who answered this question, including Ashish Pandey at Dabur and Rupali Gupta at dunnhumby, name it as the single biggest barrier to scaling AI, nearly double any other factor.

THE CHRO LENS

HR capability and skills gaps (34–41%) and integration with legacy systems (28–39%) rank above budget constraints as barriers in the Middle East, and roughly on par with budget in India and SEA. Several CHROs we spoke with described AI ROI as a governance and measurement problem well before it becomes a funding one.

Governance is not a beginner's problem, and the CIO data makes that explicit rather than implied. Of the CIOs who name governance, security or compliance as their single biggest barrier, most already describe their own organisation as moderately ready or better. One of them, Rajendra S. Bisht at Bajaj Finance, gives his organisation the single strongest readiness rating in the entire sample, AI-ready across most functions, and still names governance as the constraint holding him back. He is also one of the CIOs who says AI RoI is not yet formally measured. The same pattern holds on the HR side. Ganapathi Subramanian at Sundaram Home Finance allocates more than 30% of HR budget to AI, automation and workforce technology, the highest tier among the CHROs we interviewed, and still names integrating technology while balancing core business needs as his defining 2026 leadership challenge. Readiness and investment do not resolve the underlying constraint in sequence, where one is solved before the next begins. On this evidence they move together, or they stall together.

Nearly half of CXOs on the technology side say governance, security and compliance is AI's single biggest roadblock.

THE 2035 TEST

Can the enterprise govern AI before it needs to contain it?

AI governance cannot sit solely within technology or compliance. It increasingly touches workforce decisions, data ownership, employee trust, algorithmic accountability, cybersecurity, regulatory compliance, business risk and investment decisions.
That makes governance an enterprise capability, not a departmental one.

PILLAR 3

CAPABILITY & TALENT

Our research converges hardest on this pillar. It is also where CIOs and CHROs, questioned independently, land on almost the same diagnosis.

How each function measures this pillar today

THE CIO LENS

Asked which capability CHROs should prioritise over the next three years, CIOs split evenly between two answers: AI skills and workforce upskilling, chosen by roughly 3 in 10 including Chandra Sekhar Davuluri at ONGC and Ashish Pandey at Dabur, and talent acquisition for AI roles, chosen by an equal share including Kartik Shah at JK Tyre and Sanjay Mishra at Jindal Stainless Steel. Workforce-planning analytics and human-AI collaboration follow close behind, at about 1 in 6 each.

THE CHRO LENS

Across the CHROs we interviewed, the leading challenges consistently centred on capability, culture, governance and the ability to use technology effectively. The answers split into two camps: AI and analytics literacy at Apollo Tyres, Vedanta Aluminium and Tata Power, and human capability, empathy, authenticity, staying grounded, at Sundaram Home Finance, Reliance Industries and Cyient.

At Cyient, CHRO Kavita Kurup names staying human while integrating AI as the leadership capability that matters most, cautioning against letting technology dominate the employee experience. At Bajaj Finance, VP-IT Rajendra S. Bisht rates his organisation as AI-ready across most functions and names human-AI collaboration and productivity as the capability CHROs should prioritise next, one of a small group of CIOs surveyed to choose that answer.

CXOs on the technology side are split on what CHROs should prioritise next: roughly 3 in 10 each point to AI skills and workforce upskilling, and to talent acquisition for AI roles, while workforce planning and human-AI collaboration each draw about 1 in 6.

CXOs on the HR side split almost evenly between two priorities for what comes next: sharpening AI and analytics literacy, or protecting what stays distinctly human.

THE 2035 TEST

Can the organisation continuously match skills, people and technology as business needs change?

This is where the CIO and CHRO agenda must converge. AI talent acquisition cannot be separated from workforce planning. Workforce planning cannot be separated from data. Upskilling cannot be separated from technology adoption.

And none of these can be separated from business strategy.

PILLAR 4

AI-DRIVEN DECISION LAYER

The layer where automation turns into intelligence: where a system stops executing a rule and starts informing a judgment. It is the thinnest layer in our data, and the one that will define the real competitive gap of the next decade.

How each function measures this pillar today

THE CIO LENS

AI for predictive HR decisions sits at 16–26% across the regions studied, the enterprise mirror of the 7.3% AI-native figure for the enterprise as a whole. Our CIO interviews point to where leaders expect this to bite hardest over the next two years: employee productivity tops the list at roughly 3 in 10, including Vaishnav Mishra at Cars24 and C K Prasad at RailTel, followed closely by software engineering and IT operations, customer-facing operations, and enterprise-wide transformation.

THE CHRO LENS

Recruitment and talent acquisition is, by a clear margin, the one AI use case CHROs can point to today as delivering a real predictive benefit. About 1 in 3 of the leaders we interviewed named it independently: HSBC, AU Small Finance Bank, Cyient, Lenovo and RPG Group, through resume parsing, talent profiling, and predictive hiring and attrition models.

At RPG Group, President Group HR Udayan Dutt points to predictive hiring and attrition tools as the clearest source of measurable AI RoI, alongside predictive safety training and customer-facing predictive tools. On the technology side, Ashok Nayak, CIO of IPAC Labs, was the only one of the CIOs we surveyed to name business decision-making, rather than productivity or operations, as the area where AI will create the greatest workforce impact over the next two years.

1 in 3 CXOs on the HR side point to recruitment and talent acquisition as their clearest working example of measurable AI ROI.

THE 2035 TEST

Does AI merely execute work, or does it improve the quality of enterprise decisions?

The next competitive advantage will not come simply from having more copilots.

It will come from building a decision layer in which AI can identify patterns, surface risks, model scenarios and inform human judgment, while accountability remains with people.

PILLAR 5

MEASURABLE BUSINESS OUTCOMES

The pillar every other pillar exists to serve, and the one both functions admit, most candidly, they have not yet solved.

How each function measures this pillar today

THE CIO LENS

AI investment is increasingly tied to revenue growth and cost optimisation rather than innovation for its own sake, a clear signal that boards now expect AI spend to show up on the P&L. Our CIO interviews show the gap underneath that ambition: roughly 3 in 10, including Shobhana Lele at Bombay Dyeing & Manufacturing and Rajeev Soota at Usha, say AI RoI is not yet formally measured at all, tied for the most common answer with business outcome KPIs across multiple dimensions.

THE CHRO LENS

HR budget allocated to AI and automation, among the CHROs who gave a specific figure, has a midpoint around 10–11%, roughly in line with enterprise tech norms. But individual answers still span from roughly 1–2% at Apollo Tyres and RPG Group to more than 30% at IBM India and Sundaram Home Finance, and a number of leaders could not give any figure at all. At Honda Cars and at GAIL, HR leaders told us plainly that no AI or automation use case has yet produced measurable ROI, even as investment continues.

Enterprise tech spend is converging toward a shared benchmark: 44% of organisations sit in the 5–10% band for data modernisation, 38% above it. HR tech spend has a similar midpoint, around 10–11% among CHROs who gave a figure, but far less consistency around it: individual answers still range from roughly 1% to over 30%, and a third of the CHROs we spoke with could not give a figure at all. That inconsistency, not the AI ambition itself, is the more immediate governance problem for a CFO evaluating workforce technology spend.

The typical CXO on the HR side puts roughly a tenth of the budget behind AI and automation, though answers range from next to nothing to nearly a third.

THE 2035 TEST

Is the value case defined before the AI investment begins?

The answer should not be a retrospective ROI calculation after deployment. It should be a pre-defined value architecture: what business outcome will change, what workforce outcome will change, how will we measure it, who owns the result, and when will we decide whether to scale.

PART III

THE BARRIERS HAVE MOVED

FROM BUDGET TO GOVERNANCE

Every part of our research tells some version of the same story. The constraint is shifting from funding AI to governing it. Budget remains important, but our 2026 CIO research points to governance, security, compliance and data readiness as increasingly significant barriers to scale.

3.1 The numbers, compared

BARRIER	HR FUNCTION (INDIA AVG.)	ENTERPRISE-WIDE	CIO INTERVIEWS, 2026
Budget / cost constraints	39%	Present but secondary	Not top-ranked
Governance / compliance / visibility	—	50%+	47% (top-ranked)
Data quality / legacy systems	28–39%	Named across sectors	41% combined
Skills / capability gaps	34–41%	Named as scaling factor	Reflected in capability-priority answers

No single number here is the point. The point is that our research, run separately across two functions with two different methods, arrives at governance and data readiness as the most significant constraints to scaling AI in 2026. Budget did not emerge as the leading barrier anywhere in the data. For an audience that has spent a decade hearing that funding is the obstacle to transformation, that is a genuinely new finding.

Columns 2 and 3 reflect the regional benchmark survey. Column 4 reflects this report's 2026 CIO sample; one CIO did not answer the barrier question, so governance and data-quality percentages in that row are calculated only against those who did.

THE ROI ACCOUNTABILITY GAP

Governance is the structural barrier. ROI measurement is its most immediate symptom, and the place where our 2026 interviews add the sharpest evidence to the picture.

4.1 What we found

Asked how their organisation currently measures return on AI investment, CIOs split almost evenly across five categories, with two tied for the top spot:

HOW ROI IS MEASURED	SHARE OF CIOS
AI ROI is not yet formally measured	28%
Business outcome KPIs across multiple dimensions	28%
Cost optimisation	17%
Productivity improvement	17%
Customer experience improvement	6%
Revenue growth	6%

Harshad Patil at NKGSB Bank and Shobhana Lele at Bombay Dyeing & Manufacturing were among those who said ROI is not yet formally measured. Both also described their organisation's AI readiness as early or limited, which suggests the two findings are connected rather than coincidental: it is difficult to measure the return on something an organisation has not yet decided how to scale.

The HR side corroborates this almost word for word. CHROs we interviewed, at organisations as different in scale and sector as Honda Cars and GAIL, said outright that no AI or automation initiative has yet produced measurable business ROI, even as both organisations keep investing. Where ROI is provable, the two functions describe it in similar terms. Pinkustar Borah, CDIO of Unilever, measures AI RoI through productivity improvement, the same lens Pfizer's HR team uses to report its clearest AI result: Reshma Parida, Senior Director and Head of People Experience at Pfizer India, cites the company's Navic bot as the clearest example of measurable AI RoI on the HR side, reporting a 40% increase in productivity since its rollout.

Not every CXO is still waiting for proof: Pfizer's HR team reports a 40% jump in productivity since rolling out its AI assistant.

4.2 Where ROI is provable, and where it isn't

Against that backdrop, the places where ROI is provable stand out sharply. On the enterprise side, the clearest AI ROI framing ties to revenue growth and cost optimisation: concrete, board-legible categories. On the HR side, our interviews found the same clarity clustering almost entirely around recruitment and talent acquisition, where the outputs, time-to-hire, resume-parsing accuracy, predicted attrition, were already numbers before AI arrived. Culture and leadership development were not, and that is a large part of why they remain harder to prove.

> ROI is provable wherever the outcome was already a number before AI arrived. It stays unproven wherever the outcome was always qualitative. This is a measurement-design problem more than a data-science one, and it looks identical on the CIO's and the CHRO's side of the house.

PART II

CONTEXT OVER UNIFORMITY

Read the CIO and CHRO data side by side and one model spans both functions cleanly. Workplace 2035 sets it out here for the first time: five pillars that any enterprise, through its CIO's data and cloud strategy or its CHRO's HR technology strategy, has to build in sequence to move from digitised to genuinely intelligent. Each pillar is shown through both lenses.

REGION AND SECTOR AS DIFFERENTIATORS

Our research rejects any single global or national playbook. India optimises for scale and efficiency. Southeast Asia optimises for employee experience. The Middle East, driven by national transformation agendas, leads on strategic workforce adoption. A parallel sectoral spread shows up on the technology side: BFSI centring AI governance and explainability, manufacturing constrained by fragmented OT and ERP data, healthcare prioritising audit-readiness above everything else, and ITES emerging as the most operationally AI-mature sector in the country.

LAYER	HR FUNCTION	ENTERPRISE-WIDE
BFSI	Cloud & AI strategy centred on governance, resilience, digital trust	Strategic HR still catching up despite strong regulatory data discipline
Manufacturing	69% cite fragmented ERP/MES/SCADA slowing AI deployment	Lower relative investment intensity in workforce technology
Healthcare & Pharma	70% say AI environments lack transparency/audit-readiness	Improving patient-facing digital engagement; workforce data sensitive and constrained
ITES / Digital Services	Most operationally AI-mature sector; scaling copilots at pace	AI-enabled CX and automation embedded fastest
Middle East (region)	Higher budgets, but greater complexity-related barriers	Leads globally on strategic workforce planning (27–29% digitised) via national transformation agendas

The lesson for a Workplace 2035 audience spanning multiple sectors and geographies is not that one path is correct. It is that structural readiness predicts outcomes far better than sector prestige or regional wealth does. A well-governed BFSI HR function likely has more in common, in practice, with a well-governed BFSI IT function than with an HR function at a looser-run organisation in the same city.

WHAT CIOs AND CHROs ALREADY AGREE ON

The most useful thing our 2026 interviews surface is not a new problem. It is evidence of an existing alignment that neither side is currently using. Most research on this subject is written from inside a single function and cannot show this kind of overlap. Asking both functions comparable questions, side by side, can.

6.1 The capability question, asked twice

What CIOs think CHROs should prioritise vs. what CHROs are already saying

THE CIO LENS

AI skills and workforce upskilling and talent acquisition for AI roles tie for the top answer at roughly 3 in 10 each, cutting across sectors from C K Prasad at RailTel and Chandra Shekhar Prasad at Mahindra First Choice Wheels to Shobhana Lele at Bombay Dyeing & Manufacturing and Harshad Patil at NKGSB Bank. Workforce planning using AI and analytics, and human-AI collaboration, follow close behind at about 1 in 6 each.

THE CHRO LENS

AI and analytics literacy named explicitly as the critical capability gap at Apollo Tyres, Vedanta Aluminium and Tata Power. Human-centred capability, empathy, authenticity, staying grounded, named by Sundaram Home Finance, Reliance Industries and Cyient. Both camps appear in roughly the proportions the CIO interviews would predict.

The CIO office and the CHRO office are not disagreeing about what needs to happen. They are simply not discussing who funds it, who owns it, or on what timeline, largely because the two offices rarely sit in the same planning conversation. That is an organisational-design gap rather than a strategy gap, and it is the most fixable finding in this report.

PART V

THE ROAD TO 2035

WHAT THE AI-NATIVE, WORKFORCE-INTELLIGENT ENTERPRISE LOOKS LIKE

Drawing together the full research programme, a single picture of the 2035-ready enterprise emerges. Not as a technology state, but as an organisational one:

Data is trusted and shared across functions, so a skills-forecasting model and a demand-forecasting model can draw on the same underlying truth about the business.

Governance is designed for AI in advance rather than retrofitted after a compliance or trust incident. This addresses the single largest barrier named across every part of this report.

Capability-building is funded jointly by the CIO and CHRO budgets, because our research shows both offices already agree on what capability is missing.

ROI is measured with the same discipline applied to any other capital investment: explicit KPIs set before a pilot begins, not retrofitted once a system is already in production.

AI augments judgment rather than replacing it. Several CHROs described this to us directly as staying human while integrating AI; several CIOs described the same principle as treating AI as a decision layer rather than a decision-maker.

STRATEGIC RECOMMENDATIONS FOR WORKPLACE 2035

The recommendations below are addressed to each seat in the room separately, because our data shows each function is currently working on a piece of the same problem in isolation.

For the CEO

Treat data governance as one enterprise capability, not a CIO deliverable and a CHRO deliverable running on separate timelines and separate budgets.

Ask for a single AI-ROI framework used consistently across both technology and workforce investment, rather than two different reporting standards shown in two different board sessions.

For the CIO

Bring HR's data environment into the enterprise data platform roadmap as a formal stakeholder. Our interviews show only around 1 in 6 CIOs currently rate that access as fully integrated.

Treat governance and compliance readiness as the primary scaling constraint the data now shows it to be, ahead of further pilot expansion. Among the CIOs we spoke with who answered this question, 47% already rank it first.

For the CHRO

Anchor the next HR technology budget cycle to a defined ROI framework before requesting funding, not after. Several peers in our own sample, including at Honda Cars and GAIL, are still unable to show measurable AI ROI despite continued investment.

Build outward from recruitment and talent-acquisition automation, the clearest AI use case for measurable ROI across our interviews, into harder-to-measure areas like succession and workforce planning, rather than attempting all of it at once.

For the CFO

Push for a shared HR-technology spend benchmark. The midpoint answer among CHROs we interviewed, around 10–11% of HR budget, is not far from the enterprise tech norm. What is missing is consistency around that midpoint: individual answers still range from roughly 1% to over 30%, and a third of leaders could not give a figure at all, which is a governance gap in its own right.

Fund capability-building jointly across the CIO and CHRO budgets in the areas where our data shows the two functions already agree on the priority, rather than letting each function compete separately for the same line item.

THE WORKPLACE 2035 READINESS CHECK

Before an enterprise describes itself as AI-ready, leadership, across the CEO, CIO, CHRO and CFO, should be able to answer five questions together.

TEST	THE QUESTION
DATA	Do we have one trusted view of business and workforce data?
GOVERNANCE	Can we scale AI without compromising trust, security or accountability?
CAPABILITY	Do our people have the skills to work with AI, and do we have the talent to build what we cannot buy?
INTELLIGENCE	Is AI improving decisions, not just automating processes?
OUTCOMES	Can we prove what changed because of the investment?

If the answer to one is no, the organisation has a readiness gap. If the answer to several is no, it has an operating-model gap. If the answers are yes across all five, the enterprise is moving beyond AI adoption towards something more consequential: a workforce-intelligent enterprise.

APPENDIX

METHODOLOGY

Research design

Workplace 2035 draws on a two-phase research programme conducted by ETCIO and ETHRWorld.

- Phase 1, quantitative survey: a large-scale survey of technology leaders (300+ respondents) covering data, cloud, cybersecurity, customer experience and AI maturity, run alongside a parallel HR-technology survey spanning India, Southeast Asia and the Middle East.
- Phase 2, leadership deep-dives (2026): a deliberately curated panel of named CDIOs, CIOs, CISOs and senior technology leaders at large Indian enterprises, surveyed in depth on AI workforce readiness, HR data access, ROI measurement and scaling barriers, alongside a parallel panel of named CHROs and senior HR leaders at comparably large organisations, interviewed on leadership challenges, HR budget allocation, measurable ROI, and future-readiness. The panel was chosen for seniority and specificity rather than for volume.

A note on interpretation

Phase 2 was built as a depth instrument, not a volume one: named, on-the-record leaders at large enterprises, selected for seniority and specificity rather than statistical representativeness, in the tradition of the small executive panels used across the industry for exactly this kind of qualitative leadership research. Phase 1 percentages are drawn from the underlying benchmark surveys as published; exact base sizes vary by question and were not independently re-verified for this report, so these figures should be read as industry-benchmark indicators rather than this report's own statistically representative results. Not every Phase 2 respondent answered every question; every Phase 2 percentage in this report is calculated against the number of respondents who actually answered that specific question, even where the underlying panel size is not printed alongside it.

THE WORKPLACE 2035 MODEL FROM DIGITISED TO INTELLIGENT

TEST	THE QUESTION
Foundation	Do we have the systems and trusted data?
Trust	Can we govern and scale AI responsibly?
Capability	Can our people build, use and adapt to AI?
Intelligence	Is AI improving decisions rather than merely automating tasks?
Outcomes	Can we demonstrate measurable business and workforce value?

Workplace 2035 is ultimately about moving from the first question to the fifth. The enterprise of 2035 will not be defined by how much technology it owns. It will be defined by how intelligently it connects technology, people, data and decisions.

THE FOUNDATION HAS BEEN BUILT. THE INTELLIGENCE LAYER IS NEXT.