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The *CIO* and *CHRO* as co-owners of the what and how of work getting done.

Executive summary

Most organizations have deployed AI, but few have unlocked its full potential. The difference lies not in the technology itself, but in the organizational ecosystem surrounding it: the workflows, roles, governance and processes that determine whether AI investments translate into meaningful business value. Leaders who act now to redefine *what work* is executed and to redesign *how work* gets done will likely define the next era of competitive advantage. Those who do not, risk scaling cost and complexity without capturing the returns. And for technology leaders that cost is becoming personal: AI infrastructure, licensing and talent spend are rising fast, and as they become a dedicated line item, the pressure to demonstrate returns may land squarely on the chief information officer (CIO).

Closing that gap requires technology and human resources (HR) leaders to fundamentally rethink how they work together. Technology leaders carry a dual mandate.[1] They are *builders*, responsible for constructing the platforms, data foundations and AI capabilities the enterprise depends on. And they are *orchestrators*, tasked with leading the organizational transformation required to realize AI's benefits. Chief human resources officers (CHROs) also face a parallel challenge: *defining the future enterprise workforce while adapting to technology-driven change*. Together, these two functions must align more closely than ever before, because the decisions that determine AI's impact—how work is structured, how roles evolve, how people and technology interact—sit squarely at their intersection.

Ultimately, the organizations that will win are those that treat redesigning work not as secondary, but as a primary, foundational accelerant of AI adoption. The key to scaling AI lies in an adaptive organization, one where work continuously transforms in response to business needs and what technology systems can deliver.

The AI value paradox: Investment is rising, outcomes are uneven

Organizations are investing heavily in AI platforms, copilots and automation capabilities, with ***84%*** of organizations in a 2025 Deloitte AI Institute survey reporting they increased their AI investments over the last year.[2] Expectations for impact are also high, with ***74%*** of surveyed organizations reporting they hoped to grow revenue through their AI initiatives,[3] which spanned ambitions from faster delivery cycles and improved customer outcomes to the fundamental reinvention of how the business operates.

Yet many organizations are struggling to realize measurable returns from AI. This same research found that only ***34%*** of organizations reported transformative impact from their AI investments,[4] a striking result given the pace and scale of investment over the last three years. For CIOs and technology leaders, this gap between AI investment and measurable business value is particularly challenging as they begin to feel the pressure when technology spend is scrutinized against underperforming metrics.

When organizations treat AI primarily as a tool for automation, they are replacing human effort with machine execution. That produces efficiency. *It does not produce the step-change in value* that organizations expect from the investment. This gap between expectation and reality may be largely attributed to the fact that most organizations are largely layering new technology onto old ways of working. Thirty-seven percent of surveyed organizations said they were using AI at a surface level with little or no change to existing processes, and ***84%*** had not redesigned jobs or the nature of work around AI capabilities.[5] The result is incremental improvement at best and in some cases, additional complexity that makes existing problems worse.

The greatest impact comes from combining human and machine capabilities in ways that amplify performance rather than simply substitute for it. The difference between ***Humans + Machines*** and ***Humans × Machines*** is the difference between incremental efficiency and exponential impact. Realizing this multiplier requires more than technology deployment. It requires intentional redesign and redefinition of what work needs to be done, how that work is performed, how tasks are divided between humans and machines, how decisions are made, and how humans and AI systems interact.

In this new best practice, work is redistributed across four categories:

Machine-led work, where technology systems execute tasks independently (e.g., contact center routing, monitoring alerts, ticket triage, automated code generation)

Machine-first work, where technology produces initial outputs that humans refine (e.g., analysis, documentation, design suggestions)

Human–machine collaboration, where humans and technology iterate together (e.g., debugging, solution design, decision-making)

Human-led work, where judgment, context and accountability remain critical (e.g., architecture, risk management, strategic decisions)

The goal is not simply efficiency. It is to redefine *what* work needs to be done and then determine *how* humans and machines can accomplish it together. This means automating tasks where speed and scale matter, augmenting human judgment with real-time data and predictive capabilities, and freeing people to concentrate on higher-value contributions that technology cannot replicate.

This is not just a technology exercise. It is fundamentally a work design challenge. It requires coordination between technology and HR leaders, as decisions about task allocation, role design and career pathways become central to how value is created.



The AI productivity paradox: Efficiency gains meet expanding demand

As AI increases efficiency across the technology organization, it is simultaneously expanding what organizations expect from technology—and that tension creates a productivity paradox that technology leaders are the first to feel.

On one hand, individual employees and teams can accomplish more. On the other, the scope of what needs to be built, integrated and governed is expanding even faster. This shift highlights a critical insight: The constraint is no longer access to technology, but the organization's ability to absorb and scale it. That ability depends on how work is structured, how teams operate, and how effectively humans and machines collaborate.

IT teams are among the first to feel both sides of the productivity paradox: AI is increasing efficiency by automating coding tasks, accelerating testing, improving monitoring, and streamlining service operations. At the same time, it is expanding what organizations expect from technology. Demands for data infrastructure, AI integration, real-time analytics, and intelligent products are growing rapidly.

The technology organization, in other words, is not just a bystander to work redesign. It is the first place where the need for it becomes undeniable.

Making it practical: Redesigning what work gets done and how value is realized

Several practical changes are emerging in how technology organizations are structured and operate:

01 **Leaner, outcome-focused teams are replacing functional silos.**

Across the technology organization, from engineering and architecture to data, security and operations, teams are getting leaner as AI absorbs routine work and extends the reach of skilled individuals. Large, functionally siloed teams are giving way to smaller, cross-functional pods focused on outcomes. These teams rely on AI to increase productivity and expand their span of control, enabling fewer people to deliver more value.

02 **Value is shifting from production to judgment.**

With AI increasingly handling task-based work, it raises the floor of what a skilled generalist can do. The focus of value shifts from production to judgment. What organizations need today are technologists who can orchestrate AI and agentic solutions, people whose value lies not in accumulating knowledge but in exercising sound judgment. A premium will be placed on individuals with enough fluency across architecture, coding, infrastructure, security and product to make confident decisions and direct AI systems without a specialist at every turn.

03 **Business units are becoming technology drivers.**

AI continues to shift delivery capacity outward, enabling business units and end users to resolve a growing share of their own needs without routing requests through centralized technology teams. Support structures flatten and operations become anticipatory rather than reactive. The technology organization evolves from a reactive delivery function into a platform and agentic nerve center—the infrastructure through which AI-augmented business capability is enabled, governed and scaled.

04 **Governance is becoming a design principle, not a checkbox.**

As AI takes on more execution, ownership and accountability become more complex. Dedicated stewards who ensure AI systems operate transparently, equitably, and within defined ethical boundaries become increasingly necessary. Building trustworthy AI does not just become a governance checkbox; it is a design principle that technology leaders are uniquely positioned to embed across the business.

05 **Hiring and upskilling are being rebuilt around AI fluency.**

Hiring is shifting toward more experienced, cross-disciplinary talent, while upskilling existing employees becomes critical. Organizations are investing in AI literacy, systems thinking, and the ability to work effectively with AI tools.

To navigate these changes, some organizations are adopting advanced scenario planning approaches, using digital organization twins (digital representations of their workforce, workflows and technology environment) to test how different configurations perform under varying levels of AI adoption. This allows leaders to make more informed decisions about how to evolve roles, teams and processes before implementing changes at scale.

The CIO-CHRO partnership: Essential to unlocking AI value

Just as the technology organization is being forced to confront work redesign within its own ranks, it now carries a second and equally important responsibility: helping the broader enterprise do the same. The work redesign challenge that the tech group has lived firsthand (e.g., reconciling efficiency gains with expanding demand, rethinking roles, and determining what humans and machines should each own) is the same challenge every function across the business will face as AI adoption scales. This gives this organization a unique credibility and vantage point. Technology leaders have experienced what happens when AI is layered onto existing processes without rethinking the work around it. They understand the cost of getting it wrong.

But to play this role effectively, the CIO cannot act alone. Realizing the value of AI investments at scale across the enterprise requires a new kind of partnership with the CHRO. Neither function has the full picture on its own. Together, they do.

This means the CIO-CHRO relationship must evolve *from coordination to co-ownership*. Not just aligning on workforce planning cycles or sharing a seat at the talent review but jointly designing how the organization works in an AI-enabled environment. The technology function brings understanding of what AI can do and how fast it is moving. The HR function brings the expertise in organizational design, change management and workforce development needed to make those changes stick.

Together, they should:

Redesign work jointly. Decisions about which tasks to automate, augment or keep human led cannot be made by either function alone. They require integrated thinking about both capability and impact on people.

Evolve roles and career paths. As traditional technical roles shift and new ones emerge, HR and IT must collaborate on how to reskill existing talent, what new capabilities to hire for, and how career progression changes in an AI-enabled environment.

Build new capabilities at scale. Upskilling the technology workforce, and eventually the broader enterprise, requires coordinated efforts in learning, performance management and organizational culture.

Govern responsibly. As AI systems take on more decision-making authority, clear accountability frameworks must be established that address both technical governance and workforce implications.

In partnership with HR, the technology organization becomes both the builder of AI capabilities and the translator of what those capabilities mean for how work should change. Organizations that approach AI adoption as a joint technology-workforce transformation, with CIO and CHRO as true co-owners, are the ones best positioned to scale impact in a way that is technically sound and organizationally sustainable.



Conclusion: Unlocking true value lies in designing the human-machine enterprise

AI represents a fundamental shift in how work is performed, not just automated. The organizations that realize its full potential will not be those that deployed the most tools but those that had the discipline to redesign work around them, the leadership to make it a shared mandate between technology and HR, and the adaptability to keep redesigning as the technology evolves.

The window to act is narrowing. Competitors are moving, talent expectations are shifting, and the gap between AI experimentation and scaled impact is widening. CIOs and CHROs who develop a true partnership to treat work redesign as a shared imperative, not a secondary consideration, will define the next era of technology leadership.

Endnotes

1. Anjali Shaikh, Steve Pratt, Lou DiLorenzo, Diana Kearns Manolatos and Fay Chen, "The dual mandate redefining the future of tech leadership," Deloitte, April 30, 2026.
2. Jim Rowan, Beena Ammanath, Nitin Mittal and Costi Perricos, The State of AI in the Enterprise: The untapped edge, Deloitte US, January 2026, p. 10.
3. Ibid.
4. Deloitte, The State of AI in the Enterprise, p. 11.
5. Deloitte, The State of AI in the Enterprise, p. 13.

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