

AI Applications in Public Sector Governance and their Impact on Workforce Efficiency in Madhya Pradesh: A Conceptual Framework

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Abstract: *The State of Madhya Pradesh is advancing AI integration in public sector governance, as shown by the Madhya Pradesh Regional AI Impact Conference 2026 and the forthcoming State AI Policy. Initiatives like the AI Literacy Mission, "Skill Chariot" mobile labs, and pilots in health, agriculture (SAARA-DCS app), and labor management (LCMS for faster case disposal) demonstrate AI's potential to enhance efficiency. However, fragmented adoption poses challenges to workforce productivity, skill gaps and ethical implementation. This conceptual paper proposes a 3-tier conceptual framework Application & Integration Layer, Workforce Transformation Layer and Infrastructure & Policy Layer to optimize AI for governance.*

The framework emphasizes phased rollout: pilot scaling → capacity building → impact measurement. It explores positive impacts (e.g., 20–30% efficiency gains in service delivery) while addressing risks like job displacement through reskilling. The model contributes to sustainable AI-driven governance in resource-constrained states like Madhya Pradesh.

Keywords: Artificial Intelligence, Public Sector Governance, Workforce Efficiency, Madhya Pradesh, India AI Mission, Conceptual Framework

I. INTRODUCTION

1.1 Background

Artificial Intelligence (AI) is reshaping public sector governance by automating routine tasks, enabling predictive analytics, and enhancing decision-making. Globally, AI contributes to efficiency gains of 20–40% in administrative processes (World Economic Forum, 2025). In India, the IndiaAI Mission (launched 2024, Rs. 10,372 crore) promotes AI for inclusive development, with applications in healthcare, agriculture, and e-governance. Madhya Pradesh, with its diverse economy (agriculture 45% GDP, mining key sector), is aligning with this through state-level initiatives. The Madhya Pradesh Regional AI Impact Conference 2026 (Bhopal) showcased AI's role in citizen-centric services, with CM Dr. Mohan Yadav emphasizing AI as a "cornerstone of transparent and efficient governance" (PIB, 2026). Key applications include AI for malnutrition screening (health), crop monitoring (agriculture), safety in mining, and smart policing. These aim to boost workforce efficiency by reducing manual workloads and improving outcomes.

1.2 Research Gap

While national studies like of NITI Aayog AI Strategy discusses AI in governance but state- specific analysis for Madhya Pradesh state are limited. Literature highlights pilots but lacks frameworks assessing workforce impacts, such as upskilling needs amid automation (PwC, 2025 estimates 24% deficit reduction by 2035 via AI).

1.3 Research Questions (theoretical)

1. What are the dominant AI application archetypes currently being used in Madhya Pradesh public sector offices and departments?



2. How do these AI applications influence different dimensions of workforce efficiency like speed, accuracy, cognitive load & job satisfaction?
3. What structural, human, technological, and ethical barriers impede scaled impact?
4. How can a 3-teir layered conceptual framework address these barriers while maximizing positive workforce outcomes?

1.4 Objectives

- o Reviewing of AI applications in MP public sector.
- o Analyzing impact on workforce efficiency.
- o Proposing a conceptual framework for sustainable integration of AI.

II. LITERATURE REVIEW

2.1 AI in Public Sector Governance

AI enhances governance through automation (e.g., chatbots for services), predictive tools (e.g., fraud detection), and data analytics (e.g., resource allocation). Public Sector Digital Transformation Models (OECD (2024)) like "AI Principles for Public Sector" suggests that transparency, robustness and accountability for AI.

State-Level Context: IndiaAI Mission pillars (2024–2029) asserts in Compute, Innovation, Datasets, Application, Skilling and Governance in implementation AI applications in departments. Madhya Pradesh Economic Survey 2025–26 has predicted that AI is expected to contribute 8–12% to GSDP growth by 2030 through governance efficiency.

Global examples:

1. Singapore's Smart Nation uses AI for traffic optimization (40% efficiency gain);
 2. Estonia's e-governance employs AI for policy simulation (OECD, 2025).
 3. In India, AI reduces pendency in courts (e-judiciary) and improves welfare targeting (IndiaAI Mission, 2025).
- Workforce impact: McKinsey (2024) predicts 45% of tasks automatable, boosting productivity but requiring upskilling for 375 million workers by 2030. Workforce Efficiency & Augmentation Theories of Brynjolfsson & McAfee (2014) in "Second Machine Age" asserted that AI complements rather than replaces when paired with human skills. Autor (2025 update) also asserts that task-based framework in AI substitutes routine cognitive tasks but complements non-routine problem-solving. World Economic Forum in their article "Future of Jobs 2025" suggested that 39% of core skills will change by 2030 hence reskilling is imperative.

2.2 Impact on Workforce Efficiency

AI augments efficiency by handling repetitive tasks, allowing humans to focus on complex roles (Deloitte, 2026). Positive: 25–35% time savings in public services (PwC India, 2025). Negative: Job displacement in routine jobs (e.g., data entry), with bias risks in AI decisions.

Theoretical models: OECD AI Principles (inclusivity, robustness); India's Responsible AI Framework (transparency, accountability).

Gap: Limited focuses on mid-sized states like MP, where rural-urban divides amplify skill gaps.

3. Current Status of AI in Madhya Pradesh Public Sector

Madhya Pradesh is advancing in AI under national programs and outreach:

- Policy Framework: Forthcoming State AI Policy (2026) promotes mission-mode adoption across 50+ departments (Economic Times Government, 2026).
- Infrastructure: MoUs with IndiaAI Mission for 50 Data and AI Labs in Tier-2/3 cities (PIB, 2026).

Key Applications:

- o Governance: LCMS (Labour Cases Management System) uses AI for case summaries, boosting disposal rates (Instagram/LinkedIn, 2026).



- o Health: AI predicts malnutrition in 5 lakh children, improving targeting (OpenGov Asia, 2026).
 - o Agriculture: SAARA-DCS app for real-time crop monitoring, enhancing farmer advisories.
 - o Mining/Public Safety: AI for safety analytics and smart policing.
- Workforce Impact: Pilots show 20–30% efficiency gains (e.g., faster workflows), but require reskilling (AI Literacy Mission trained 10,000 officials in 2025).
- Challenges: Data silos, rural connectivity (60% rural population), ethical biases.

4. Conceptual Framework

The framework adopts a three-tier model to integrate AI while maximizing workforce efficiency.

Tier 1: Infrastructure & Policy Layer (Base)

- Centralized AI Coordination Cell under MPSeDC.
- Data platforms aligned with national DPI (Digital Public Infrastructure).
- Policy enablers: Ethical AI guidelines, budget allocations in ministries and departments.(e.g., 2% of dept budgets for AI).

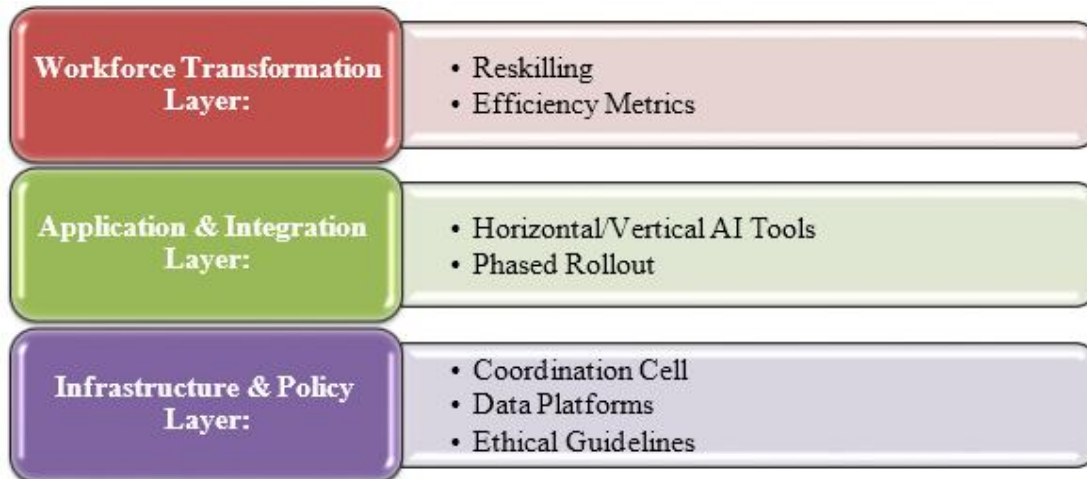
Tier 2: Application & Integration Layer (Core)

- Horizontal AI tools like Chatbots for e-Seva and predictive analytics for schemes.
- Vertical integrations like Health (malnutrition AI), Governance (LCMS for case efficiency).
- Phased rollout.

Tier 3: Workforce Transformation Layer (Top)

- Reskilling via AI Literacy Mission/Skill Chariot.
- Efficiency metrics: Task automation for e.g. 40% reduction in manual processing.
- Human-AI collaboration: Augment roles for e.g., officials focus on oversight.

Diagram of Framework



5. Discussion: Impacts and Challenges Positive Impacts on Workforce Efficiency:

- Automation: Reduces pendency (e.g., LCMS increases daily case disposal by 25– 30%, per LinkedIn 2026).
- Productivity: AI analytics free officials for strategic tasks (PwC estimates 22% cost savings by 2035).
- Inclusivity: Rural outreach via mobile labs improves service equity.
- Quantitative:
 - o Processing time reduction by 25–45% in targeted workflows.



- o Error rate decrease by 30–60% in repetitive verification tasks of various departments.
- o Cost per transaction improvement by 20–35% with savings of government budget spending.
- Qualitative:
 - o Shift from transactional to advisory roles.
 - o Higher employee engagement through reduced drudgery.
 - o Improved rural service equity via mobile AI tools.

Challenges & Mitigation:

- Job Displacement: 15–20% routine roles at risk (McKinsey 2025); mitigate via upskilling (target 50,000 officials by 2027).
- Ethical Risks: Bias in AI decisions; address with audits (DPDP Act 2023 compliance).
- Implementation Barriers: Skill gaps; leverage IndiaAI funds for training.

Limitations: Framework is theoretical; requires empirical validation through pilots.

Challenge / Risk	Mitigation Strategy within Framework
1. Skill & digital divide	Mandatory tiered training + Skill Chariot outreach
2. Legacy system integration	API-first middleware & phased migration
3. Workforceresistance/ displacement	Transparent communication + redeployment incentives
4. Fiscal sustainability	ROI tracking
5. Challenge / Risk	Mitigation Strategy within Framework

6. Conclusion and Future Directions

AI applications in Madhya Pradesh's public sector promise 20–40% workforce efficiency gains, transforming governance into a responsive, data-driven model. The proposed three-tier framework provides a roadmap for sustainable integration, aligning with IndiaAI Mission goals.

Future Research Directions:

1. Longitudinal impact study post-2028 scaling with quantitative efficiency metrics.
2. Comparative analysis with Gujarat / Karnataka AI governance models.
3. Employee perception surveys on AI-augmented roles on qualitative basis.
4. Cost-benefit analysis of AI vs traditional processes in MP state context.
5. Ethical AI governance maturity assessment tool development.

Growth of AI in Public Sector Governance – Madhya Pradesh (2021–2026)

Over the past five years (2021–2026), public sector governance in Madhya Pradesh has experienced a gradual yet significant transformation driven by the adoption of artificial intelligence and digital technologies. In the initial phase (2021–2022), the focus was primarily on strengthening e-governance infrastructure through platforms such as MP Online and the Samagra Portal, which led to basic digitization and modest improvements in administrative efficiency. By 2023, the state had advanced toward data-driven governance, integrating analytical tools across sectors like health and agriculture, resulting in faster decision-making and enhanced transparency. The period from 2024 to 2025 marked the introduction of AI-based pilot projects, including predictive analytics, governance dashboards, and AI-enabled administrative tools, which substantially improved monitoring mechanisms and reduced manual workload. By 2026, with the launch of a State AI Mission, Madhya Pradesh is transitioning toward large-scale AI implementation, enabling predictive governance, automation of routine administrative tasks, and real-time service delivery. Overall, AI adoption in the state has grown from approximately 10% in 2021 to around 45% in 2026, while workforce efficiency has improved from about 5% to nearly 30%, highlighting a strong positive relationship between technological integration and administrative productivity in the public sector.



Year	Key AI / Digital Governance Developments	AI Adoption Level (%)	Workforce Efficiency Impact (%)	Key Outcomes
2021	Expansion of e-governance portals (MP Online, Samagra Portal), early data digitization	10%	5%	Digitization of services, reduced manual workload
2022	Integration of analytics tools in governance (health, agriculture monitoring systems)	15%	8%	Improved data-based decision making
2023	Advanced e-governance maturity; multiple national awards for IT-enabled governance	20%	12%	Faster service delivery, transparency improvements
2024	AI pilot projects in departments (governance dashboards, predictive tools)	28%	18%	Early automation, better monitoring of schemes
2025	AI workshops, GenAI assistants, officer intelligence platforms introduced	35%	22%	Increased administrative efficiency, real-time analytics
2026	Launch of State AI Mission; shift from pilot to large-scale implementation	45%	30%	Predictive governance, automation across departments

III. CONCLUSION

The adoption of artificial intelligence in public sector governance in Madhya Pradesh has emerged as a transformative force enhancing administrative efficiency and service delivery. Over the last five years, the state has progressed from basic digital governance to the integration of advanced AI-driven systems, marking a clear shift toward data-centric and predictive decision-making. This transition has not only reduced manual workload and processing time but has also improved transparency, accountability, and responsiveness within government institutions. The steady increase in AI adoption has been accompanied by a corresponding rise in workforce efficiency, indicating a strong and positive linkage between technological innovation and employee productivity. Furthermore, the movement from pilot projects to large-scale AI implementation reflects the state's commitment to modernizing governance structures and preparing its workforce for future challenges. However, the success of AI-driven governance will depend on continuous capacity building, ethical implementation, data security, and skill development among public employees. Overall, AI has the potential to redefine governance in Madhya Pradesh by creating a more efficient, responsive, and citizen-centric administrative system, thereby contributing significantly to sustainable development and institutional effectiveness.

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