IBM Study: Global C-Suite Executives are Rapidly Accelerating Digital Transformation due to COVID-19, but People and Talent are Key to Future Progress

In India prioritization of both Cloud and AI will increase by 25 percentage points in the next two years, finds IBM Study

India, Bangalore, October 22, 2020: A new IBM study of global C-Suite executives revealed that nearly six in ten organizations have accelerated their digital transformations due to the COVID-19 pandemic. In fact, 66% of executives said they have completed initiatives that previously encountered resistance. In India, 55% of Indian executives plan to increase their prioritization of digital transformation efforts over the next two years.

The IBM Institute for Business Value study "COVID-19 and the Future of Business," includes input from more than 3,800 C-Suite executives in 20 countries and 22 industries, including 172 executives from India.

During the pandemic, traditional and perceived barriers to digital transformation like technology immaturity and employee opposition to change have fallen away. Now, executives see organizational complexity, inadequate skills and employee burnout as the biggest hurdles to overcome -- both today and in the next two years.

The study shows that over the next two years, most executives plan to focus on internal and operational capabilities, such as increasing prioritization of workforce skills and flexibility – critical areas to address in order to jumpstart progress.

"In the last few months, we have witnessed year-long digital transformation and adaption compressed into weeks. Companies in every industry have been encouraged to initiate digitisation measures, propelled by the infusion of automation and AI, and look forward to building cognitive enterprises of the future," said Kamal Singhani, Country Managing Partner, Global Business Services, IBM India/South Asia. "Looking ahead, I believe that our focus on Cloud & AI is going to be our competitive advantage as we propel our clients and businesses to achieve this vision while they quickly recover and sustain their path to growth, business continuity and resilience."

The study reveals three proactive steps that emerging leaders are taking to survive and thrive:

1.Improving operational scalability and flexibility

The report reveals that the majority of organizations are making permanent changes to their organizational strategy. For instance, 94 percent of global executives plan to participate in platform-based business models by 2022, and many will increase participation in ecosystems and partner networks. Executing these new strategies will require a more scalable and flexible IT infrastructure like hybrid cloud in India. Only eleven percent of executives in India are highly prioritizing operational scalability today, but that number will grow to 41% over the next two years.

2.Applying AI, automation and other exponential technologies to make workflows more intelligent

Technologies like AI, automation and cybersecurity can make workflows more intelligent, responsive and secure

– and they are increasing in priority across the board for global executives. Over the next two years, executives in India report that they have plans to increasingly apply automation across all business functions. Big jumps are expected in procurement (2x), risk (2x), supply chain (2.3x) and R&D (3.1x) in the next two years. As executives increasingly invest in cloud, AI, automation and other exponential technologies, IBM recommends leaders should keep in mind the users of that technology – their people. These digital tools should enable a positive employee experience by design, and support people's innovation and productivity.

3.Leading, engaging and enabling the workforce in new ways

The study showed placing a renewed focus on people may be critical amid the COVID-19 pandemic while many employees are working outside of traditional offices and dealing with heightened personal stress and uncertainty. Ongoing IBV consumer research has shown that the expectations employees have of their employers have shifted amidst the pandemic – employees now expect that their employers will take an active role in supporting their physical and emotional health as well as the skills they need to work in new ways. 74% of Indian executives surveyed believe they have been helping their employees learn the skills needed to work in a new way, just 38% of employees surveyed agree. 85% of Indian executives surveyed say that they are supporting the physical and emotional health of their workforce, while just 46% of employees surveyed feel that support.

More than two-thirds of executives globally said they will prioritize establishing remote work over the next two years as an option for their employees to ensure employee health, productivity and motivation.

However, in two years' time, they believe only about a quarter of their employees will be enabled to work remotely, about twice as many as two years ago. Executives in industries like education, insurance, banking, financial markets and information technology (IT) services have the highest percentages expected to be working remotely in two years.

Around one percent of Indian executives said they highly prioritized workforce safety and security, crisis management or enterprise agility, two years ago. Today, those numbers have more than tripled in each category, and in two years there will be an even more significant shift, with 60% highly prioritizing workforce safety and security, 42% crisis management and 49% enterprise agility in the next 2 years.

India Insights | COVID-19 & Future of Business C-Suite Survey

Digital Transformation:

-55% of Indian executives shared that digital transformation is increasing in priority from today to in 2 years.

Cloud:

-Indian executives plan to increase their prioritization of operational scalability from 11% today to 41% in next two years, an increase of 30 percentage points. 56% of executives are prioritizing cloud today and in next 2 years 81% of them are set to prioritize cloud, an increase of 25 percentage points.

AI:

-Indian executives plan to increase prioritizing AI from 34% today to 59% in next 2 years, a 25-percentage point increase.

Cyber Security:

-71% of executives in India plan to prioritize cyber-security in the next two years.

Employee health and well-being:

-2 years ago, only 1% of Indian executives prioritized workplace safety and security. Today, that number is 21% and in 2 years, will be 60%.

-2 years ago, only 3% of Indian executives provided employees access to mental health resources. In 2 years, 41% of executives plan to provide access to mental health resources.

Employee Skilling:

-74% of Indian executives believe they are helping their employees learn the skills needed to work in a new way, and 85% of Indian executives say that they are supporting the physical and emotional health of their workforce.

For detailed insights please visit: https://www.ibm.com/thought-leadership/institute-business-value/report/covid-19-future-business

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