



KPMG 2024 India CEO Outlook

Leveraging AI to steer global challenges

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Driving innovation and growth amidst uncertainty

Driving growth amidst uncertainty

In today's evolving landscape, rapid technological advancements and geopolitical uncertainties continue to shape our reality and amongst these challenges India faces a critical mandate to drive innovation and secure sustainable growth. As per our survey, despite the complexities, 80 per cent of CEOs in India compared to 72 per cent of CEOs globally express confidence in the growth prospects for the global economy over the next three years.

Driving innovation in a complex world

CEOs are aware of the threats posed by emerging technologies, cybersecurity risks, and environmental changes. However, their outlook remains optimistic, with 22 per cent prioritising mergers and acquisitions alongside organic growth as key strategies for the future. This commitment to innovation extends to generative AI, where an impressive 70 per cent CEOs in India are increasing their investments, significantly more than their global counterparts. This focus reflects a determination to enhance operational efficiency and profitability, even as challenges like regulatory hurdles and skill shortages persist.

Cybersecurity: A growing concern

While the potential of AI is evident, it is important to note that only 38 per cent CEOs in India feel prepared for potential cyber-attacks. As a result, many leaders are fostering a cybersecurity-focused culture within

their organisations, signaling a shift towards safeguarding digital infrastructures as they embrace new technologies.

Talent development: The path forward

78 per cent CEOs in India expect the 'return to office' of overall workforce underscoring the importance of personal interaction in work culture. In addition to this, 93 per cent of leaders in India expect to expand their workforce, highlighting the urgent need to invest in employee skills development. They believe, addressing the skills gap and an aging workforce is not merely a strategic imperative, it is essential for sustained growth.

Commitment to ESG initiatives

Environmental, social, and governance (ESG) strategies are increasingly shaping CEO priorities. A substantial 75 per cent of CEOs in India have adapted their ESG communication in the past year to align with evolving stakeholder expectations. However, achieving net-zero goals by 2030 presents significant challenges, with skills gaps and the complexity of decarbonising supply chains seen as major obstacles.

In conclusion, as we navigate these complexities, the resilience of CEOs in India is encouraging. By prioritising M&A, workforce development, and robust ESG strategies, they are addressing immediate challenges while laying the groundwork for sustainable growth. Their proactive stance on

generative AI and cybersecurity, positions them to effectively manage future threats and risks. It is also worth noting that CEOs in India' view geopolitics and political uncertainty as just the fifth greatest threat to organisations growth compared to last year where it was the number one threat.

As these leaders adapt to market dynamics and stakeholder expectations, their vision will be pivotal in shaping the future of their organisations, carving pathways to success amidst uncertainty.



Yezdi Nagporewalla

Chief Executive Officer
KPMG in India

Key themes

Economic outlook

While internal and external risk factors continue to exist, CEOs in India remain relatively positive on the growth prospects for the global economy.

Navigating growth opportunities

Amidst continued economic uncertainties, 80 per cent CEOs in India (vs. 72 per cent CEOs globally) are confident in the global economy’s growth prospects.

Evolving risks landscape

CEOs in India consider operational issues to be the greatest threat to their organisations’ growth, followed by environmental and climate change, emerging technologies, cyber security and reputational risks.

Strong appetite for M&A

Despite continued geopolitical challenges, 46 per cent CEOs in India compared to 45 per cent CEOs globally, anticipate a high M&A appetite over the next three years.

Technology and generative AI

There is a growing commitment towards generative AI among CEOs in India as well as globally, with a majority expressing their intention to invest in the technology to drive the change.

CEOs confident about the benefits of generative AI

71 per cent of CEOs in India compared to 70 per cent of CEOs globally report possessing a comprehensive understanding of the ways in which generative AI, can enhance their organisations’ performance and secure a competitive edge.

Ethical challenges with generative AI

- 64 per cent of CEOs in India view ethical challenges as a hindrance to implementing generative AI.
- Around 62 per cent of CEOs in India say they expect to see a return on their investment in the implementation of generative AI, in three to five years time.

Preparedness for cyberattacks

58 per cent of the CEOs in India compared to 55 per cent of the CEOs globally expressed confidence that their company’s cybersecurity measures are capable of keeping pace with the rapid AI advancements.

Talent

CEOs in both India and globally are taking a firm stance on returning to pre-pandemic, in-office work models. Enhancing the employee value proposition to attract and retain top talent will be their primary operational priority.

Driving the shift back to in-office work

91 per cent of CEOs in India compared to 87 per cent CEOs globally are considering incentivising office attendance by linking rewards, raises, or promotions to it.

Impact of generative AI on skill development

50 per cent of CEOs in India are equally emphasising on the importance of developing workforce skills and capabilities alongside technological investments.

ESG

CEOs have started considering ESG as an integral part of their corporate strategy, particularly in the context of enhancing customer relations and bolstering brand reputation.

Leadership recognises the significance of ESG

- 30 per cent of CEOs in India compared to 34 per cent of CEOs globally have cited building customer relationships and brand reputation as the top area where ESG would have the most impact.
- 66 per cent of CEOs in India indicated they would be willing to divest a profitable part of the business that was damaging their reputation.

Need for faster progress on diversity and inclusion

77 per cent CEOs in India and 79 per cent CEOs globally concur that attaining gender equity within their C-suite leadership positions will facilitate the realisation of their growth objectives.

Economic outlook

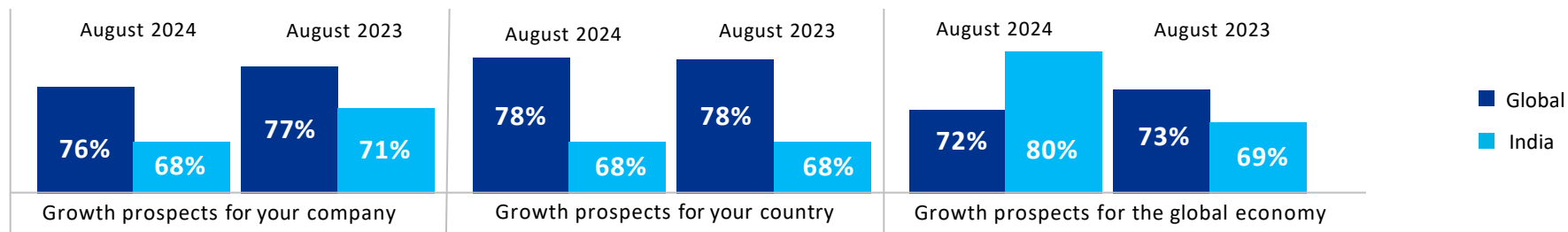
Navigating growth opportunities in a dynamic business environment

The KPMG 2024 CEO Outlook surveyed CEOs globally and in India on their three-year outlook on the business and economic landscapes. The confidence of CEOs in India in terms of growth prospects for the global economy over the next three years has considerably increased to 80 per cent in 2024 from 69 per cent in 2023. This substantial increase highlights a renewed optimism and determination in navigating long-term growth trajectories. Conversely, the level of confidence of CEOs in India in their own company's growth prospects has declined to 68 per cent from 71 per cent in 2023, mirroring a slight decline of 76 per cent observed, when it comes to CEOs globally in comparison to 77 per cent in 2023. This indicates while overall economic recovery continues, executives remain cautious due to lingering uncertainties stemming from geopolitical complexities, economic instability, and rapid technological advancements.

The confidence of CEOs in India and globally in growth prospects for the country remains unchanged in 2024 from 2023 levels. This stability supports the business confidence of CEOs in India and globally to pursue both organic and inorganic growth opportunities.



Confidence levels in growth prospects

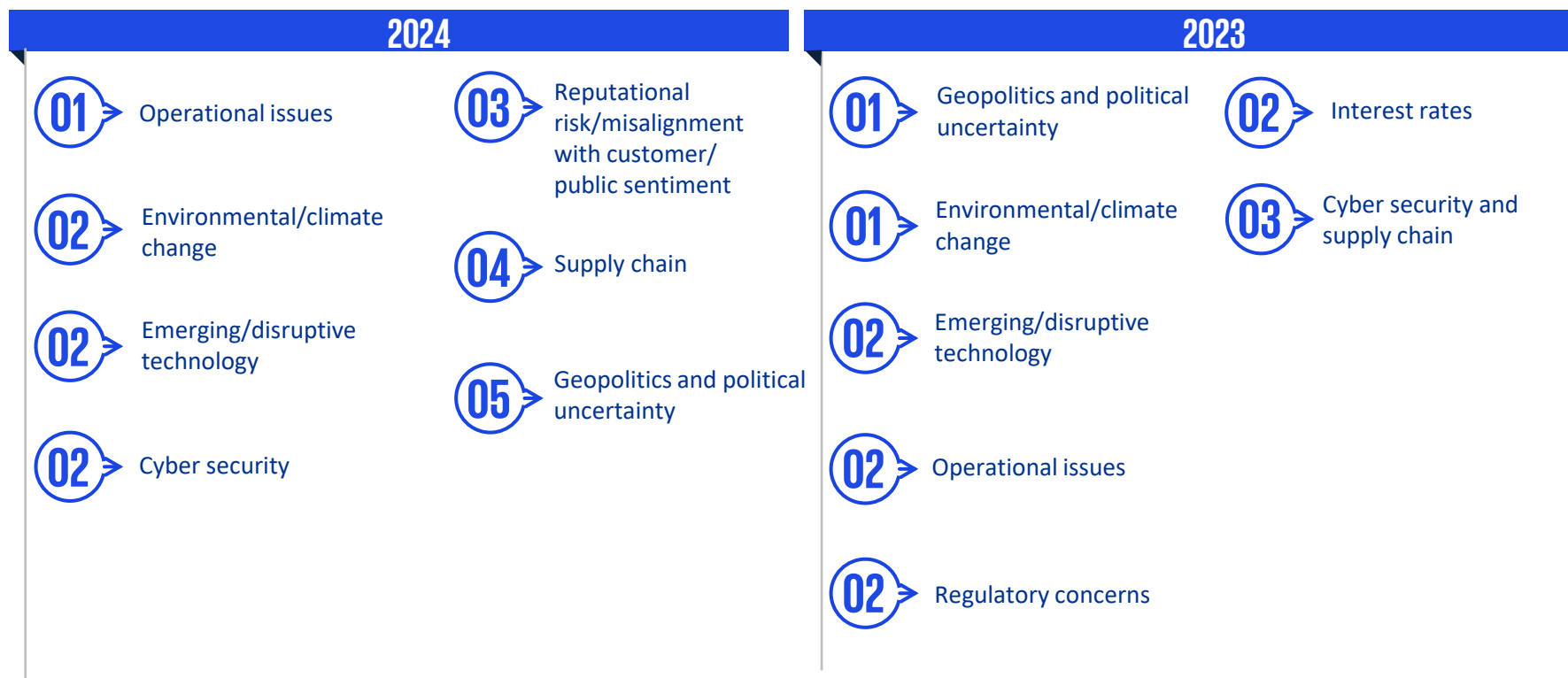


Source: KPMG 2024 CEO Outlook and KPMG 2023 CEO Outlook

Evolving risks landscape over the next three years

While external threats like geopolitical tensions and political instability have receded, CEOs in India now face a new set of internal challenges, including operational difficulties with the constant emergence of new and disruptive technologies. The evolving risk landscape has also shifted the perception of CEOs, with 16 per cent CEOs in India (in comparison to 10 per cent CEOs in India in 2023) and 14 per cent CEOs globally considering operational issues as the greatest threat to their organisations' growth. Furthermore, reputational risk, including misalignment with customer and public sentiment, has emerged as one of the top three threats for CEOs in India, alongside cybersecurity, emerging/disruptive technologies, and environmental/climate change. 70 or higher per cent of CEOs in India believe that factors such as the cost of living, trade regulations, cybercrime and cyber insecurity, and talent shortages would negatively impact their organisations' prosperity over the next three years.

Top threats to organisations' growth for CEOs in India



Source: KPMG 2024 CEO Outlook and KPMG 2023 CEO Outlook

Economic, geopolitical and technological challenges

50 per cent CEOs in India and globally consider the race to embrace and embed generative AI and other technologies in their organisations' as their foremost challenge. 13 per cent CEOs in India compared to 11 per cent CEOs globally, view emerging and disruptive technologies, as one of the greatest threats to their organisation's growth over the next three years.

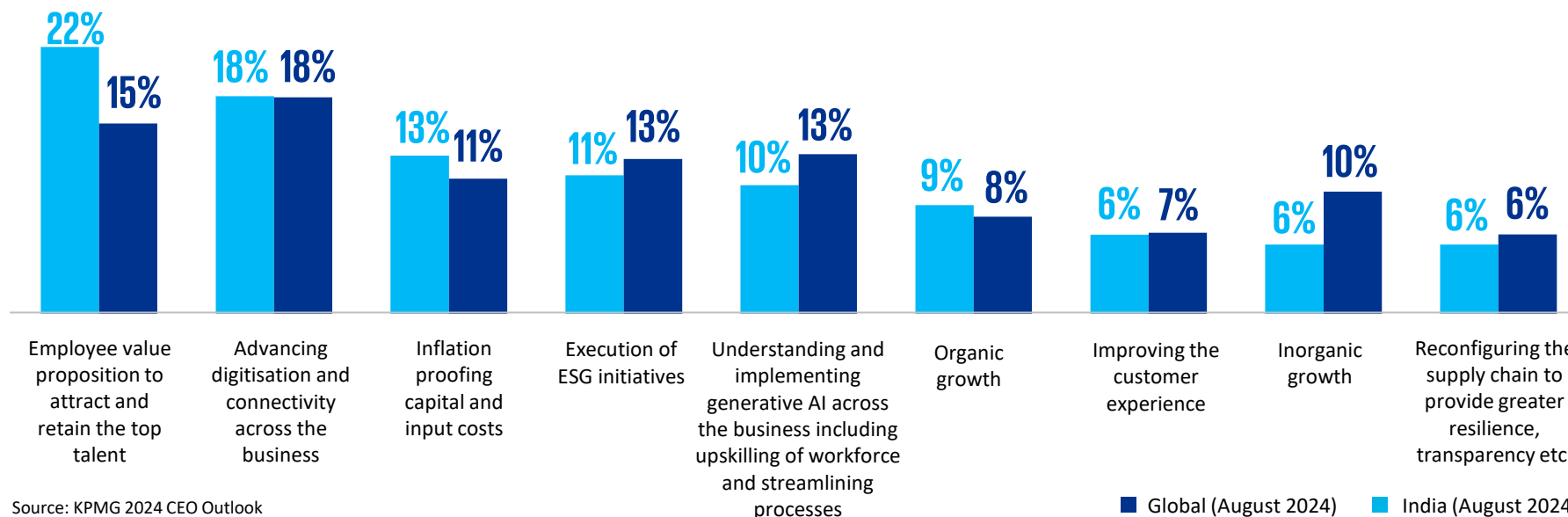
As the fear of technological stagnation builds, CEOs in India are prioritising digitisation and are enhancing connectivity across the business. They are also committed to understanding and implementing generative AI, across the business including upskilling the workforce to gain a competitive edge in the market.

Economic uncertainty and geopolitical complexities remain a primary concern for 50 per cent and 43 per cent of the CEOs in India, respectively. However, only 6 per cent CEOs in India compared to 12 per cent CEOs globally consider geopolitics and political uncertainty to be a threat to their organisation's growth over the next three years.

66 per cent of the CEOs in India compared to 69 per cent CEOs globally, believe that generative AI could negatively impact their organisation's prosperity over the next three years and to that effect are already adopting growth strategies to manage such trends and maintain resilience in the face of challenges. Along with

other key operational priorities, 6 per cent CEOs in India and globally, have prioritised reconfiguring the supply chain to provide greater resilience, transparency and more consistent access to the supplies. This we believe will support in enhancing the operational efficiency and enable organisations, to adopt new business models that respond more effectively to current and future market demands.

Top operational priorities to achieve growth objectives over the next three years for CEOs in India and globally



Source: KPMG 2024 CEO Outlook

Strong appetite for Mergers and Acquisitions

Despite continued economic challenges and geopolitical complexities, CEOs in India are poised to maintain a robust appetite for Mergers and Acquisitions (M&As). 22 per cent of CEOs in India compared to just 26 per cent CEOs globally, identified M&A strategies as the most crucial element for achieving their organisations' growth objectives over the next three years. 46 per cent of CEOs in India exhibit a high appetite for M&A (a bit lower than last year's 48 per cent), however higher than the global average of 45 per cent. Moreover, 37 per cent of CEOs in India have displayed a moderate appetite for M&As with only 18 per cent stating that they are unlikely to make any acquisitions in comparison to 22 per cent in 2023.

This underscores that, despite some caution, a significant number of CEOs in India maintain a positive outlook on the advantages of strategic M&As for fostering organisational growth.



M&A appetite of CEOs in India over the next three years



Source: KPMG 2024 CEO Outlook

Technology and generative AI

Urgency around AI adoption accelerates amidst uncertainty

Improving productivity and efficiency considered the top benefit of generative AI

There is growing commitment towards generative AI among CEOs in India as well as globally, with majority of them expressing their intention to invest in the technology to drive the change.

CEOs in India believe that generative AI will increasingly be utilised to drive productivity gains and value creation across the workforce, with 18 per cent CEOs in India compared to 16 per cent of CEOs globally, agreeing with the statement.

Additional key benefits that CEOs in India view as a major advantage of implementing generative AI technologies, include new product and market growth opportunities (12 per cent), fraud detection and cyber-attack response (12 per cent), increased profitability (12 per cent), increased innovation (11 per cent), and upskilling the workforce for future readiness (11 per cent).

Information technology is seen as the leading functional sector where CEOs intend to invest in generative AI over the next three years. A total of 69 per cent of CEOs in India compared to 68 per cent worldwide have expressed their intention to do so.

Additionally, other critical functional areas identified for investment in generative AI by CEOs in India encompass Sales and Marketing (61 per cent) and Finance and Accounting (54 per cent).



compared to 64 per cent CEOs globally indicated that they would invest in generative AI regardless of economic uncertainties in 2024

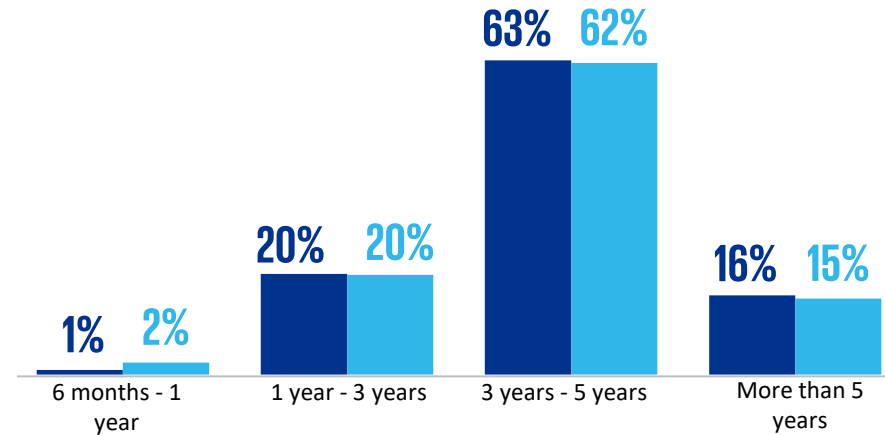
Source: KPMG 2024 CEO Outlook



CEOs in India confident about the benefits of generative AI, but concerned about the pace of progress on regulations

71 per cent of CEOs in India compared to 76 per cent CEOs globally, report having a solid understanding of the ways in which generative AI can enhance their organisations' performance and secure a competitive edge. At the same time, they are also apprehensive about the pace of progress on generative AI regulations, with 77 per cent of CEOs in India as opposed to 69 per cent globally agreeing with this sentiment.

Comparison of CEOs in India and globally on time taken to see a return on investment in implementation of generative AI



Source: KPMG 2024 CEO Outlook

■ Global (August 2024) ■ India (August 2024)



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Ten years back, AI technologies were not something any one was talking about. Cut to today, it's something that has become critical for business leaders, seemingly eager to explore all the possibilities that the technology brings with it. gen AI, presents more opportunities for businesses to increase efficiency, productivity and strengthen one's competitive position, by making use of all of its responsible aspects i.e.- transparency, accountability, accuracy and explainability. While the tool in itself has the potential to rapidly evolve and self-learn, the need for humans to remain central to AI advancements, will hold the crux. An ethical approach in using the tool, by safeguarding against all the vulnerabilities will be extremely imperative.

Akhilesh Tuteja

Partner and Head, Clients and Markets, KPMG in India

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Ethical implementation is perceived as a significant challenge

CEOs in India are finding themselves at crossroads, grappling with the challenge of deploying AI to drive growth and shareholder return, while ensuring that the ethical human impact of the technology is not compromised. Therefore, ethical challenges are a major concern, with 64 per cent of CEOs in India compared to 61 per cent CEOs globally, tagging it as a significant obstacle to adopting generative AI in their organisations’.

Considering other challenges, 50 per cent CEOs in India identify technical capability and skills required to implement generative AI as a major challenge, in comparison to 48 per cent CEOs globally. Contrary to this, 48 per cent of CEOs in India share concerns over the lack of regulation, with as many as 50 per cent CEOs globally citing the same.

CEOs in India neutral about their preparedness to deploy generative AI

CEOs exhibit a neutral stance regarding their readiness to implement generative AI, especially when it comes to data security. 56 per cent of CEOs in India compared to 58 per cent of CEOs globally cited that they neither agree nor disagree that they are confident of being data ready to deploy generative AI safely and efficiently.

Half of the surveyed CEOs in India and around 56 per cent of the CEOs globally neither agree nor disagree that their employees possess the right skills to fully leverage the benefits of generative AI, while 86 per cent of CEOs in India compared to 76 per cent of the CEOs globally believe that generative AI will not impact the number of jobs, but will require upskilling and existing resources to be redeployed.

Moreover, 66 per cent of CEOs in India compared to 58 per cent of CEOs globally concur, that the integration of generative AI has necessitated a reassessment of the skills required for entry-level roles.

Comparison of CEOs in India and globally anticipating the impact of generative AI



anticipate generative AI will not significantly diminish the number of jobs within their organisations’ over the next three years



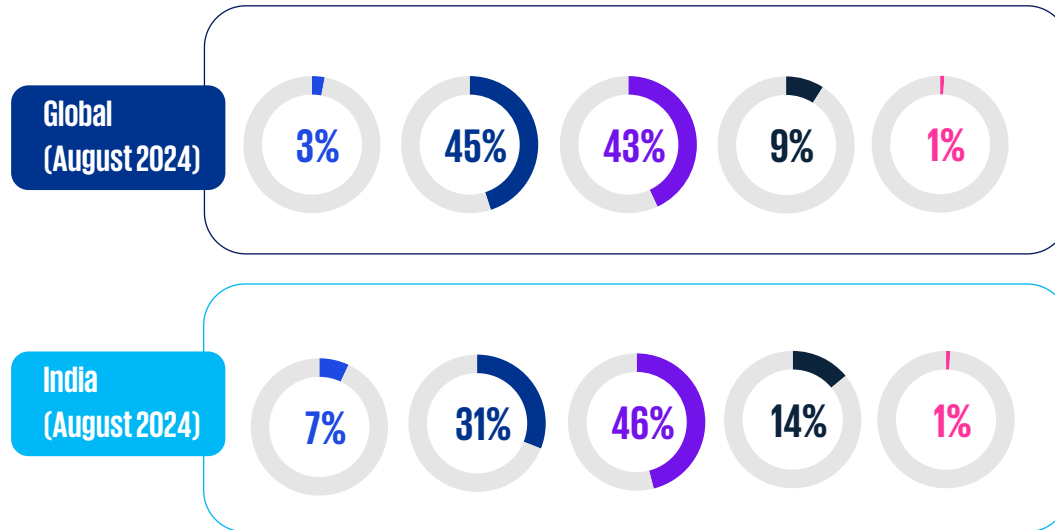
anticipate generative AI will not significantly diminish the number of jobs within their organisations’ over the next three years

Source: KPMG 2024 CEO Outlook

Safeguarding and keeping pace with the rapid AI advancements

CEOs in India are increasing investments in cybersecurity to protect their organisations' from potential threats posed by AI. Around 58 per cent of the CEOs in India and 55 per cent CEOs globally expressed confidence that their company's cybersecurity measures are capable of keeping pace with the rapid AI advancements. However, around 49 per cent CEOs in India compared to 59 per cent CEOs globally, were uncertain about their organisations' capacity to secure suitable cybersecurity talent and solutions to defend against AI threats.

Comparison of CEOs in India and globally on preparedness for cyber attacks



● Very Well-Prepared
 ● Well-Prepared
 ● Neither Under-Prepared Nor Well-Prepared
 ● Under-Prepared
 ● Highly Under-Prepared

Source: KPMG 2024 CEO Outlook



Technology is an integral part of any business today, that in many cases even for product organisations' such as ours, technology is critical in the way we operate. Earlier it was automation, then we moved to digital and now we have got a wave of intelligence which is only getting stronger. When you look at the short-term impact of technology, I think we are still going to have organisation laggards that are going to want to make investments in the areas of digital where people, process and technology, come together on a single platform. That being said, organisations' are going to look at gen AI, as a means to transform. In two to four years, gen AI will become mainstream because of its ability to assist on large business or strategic decisions, especially in the areas of operational decision making when it comes to either transactional data or to manufacturing data interspersed with numerical analysis, we'll see some transformative steps especially in the world of automated manufacturing. Companies should experiment and choose their technology partners well, somebody who is willing to invest in their business, somebody who is at the vanguard of new technology, but has also got the ability and tenacity to go the distance.

Manish Choksi, Non-Executive Vice Chairman, Asian Paints



Talent and the evolving workforce dynamics

The debate on driving the shift back to in-office work continues

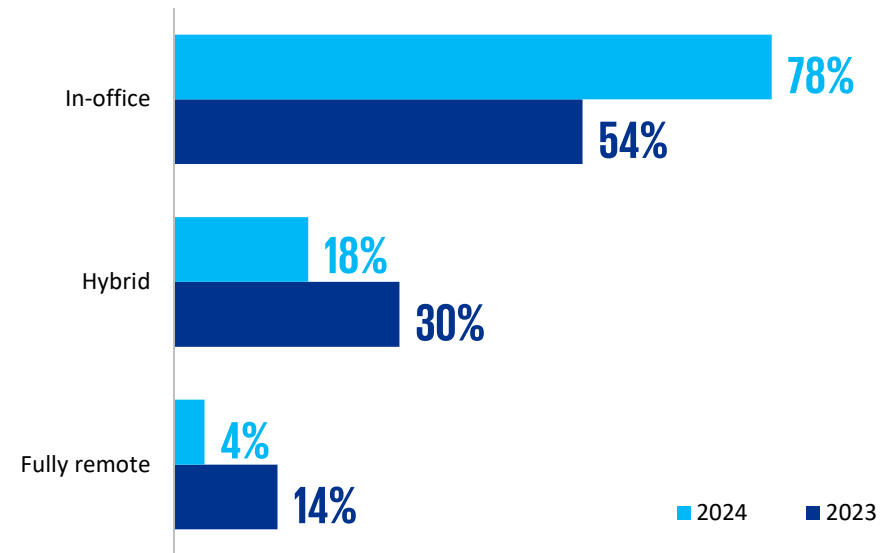
The return to office discourse

In the face of shifting workforce dynamics and challenges posed by both internal and external factors, growth-focused business leaders are recalibrating their social contracts to meet the changing expectations of current and future talent, while keeping long-term organisational growth in mind. According to the KPMG 2024 CEO Outlook survey, CEOs in India are taking a firm stance on returning to pre-pandemic, in-office work models. 78 per cent of CEOs in India, compared to 83 per cent of CEOs globally, envision a return to an in-office working environment for their employees within the next three years.

To facilitate this, 91 per cent of CEOs in India compared to 87 per cent CEOs globally, are prepared to reward employees who consistently come into the office with promotions, raises, and more favourable assignments. In 2024, 22 per cent of CEOs in India, compared to 20 per cent in 2023, have emphasised that enhancing the employee value proposition to attract and retain top talent, will be their primary operational priority for achieving long-term growth objectives.

This trend underscores the commitment of CEOs in India and around the world to support a smooth transition back to traditional work models, ensuring seamless integration for their employees while aligning with their growth strategies.

Comparison on the working environment for corporate employees in the next three years basis views shared by CEOs in India



Source: KPMG 2024 CEO Outlook and KPMG 2023 CEO Outlook



The survey has indicated that a significant portion of the CEOs in India envision a future predominantly characterised by in-office work environment. As the trend of employees reassessing their work preferences in the post-COVID-19 era gains momentum, it becomes imperative for businesses to gain a comprehensive understanding of the talent landscape in India. By leveraging information like availability of talent, quality of life for employees, and other such metrics, businesses can strategically position themselves and attract top talent by ensuring their needs are fulfilled. The power to shape the future of talent, lies in staying informed and adapting proactively.

Sunit Sinha, Partner and Head- Human Capital Advisory Solutions, Business Consulting, KPMG in India



Impact of generative AI on skill development

59 per cent of the CEOs globally are focusing on investing in new technologies and only 41 per cent are placing more capital investment in developing their workforce's skills and capabilities to drive growth and transformation within their organisations'. On the contrary, CEOs in India are equally emphasising on the importance of developing workforce skills and capabilities alongside technological investments.

The KPMG 2024 CEO Outlook survey indicates that 83 per cent CEOs in India perceive labour market shifts, particularly an aging workforce, as having a moderate impact on their organisations' employee recruitment, retention, and overall culture. Conversely, only 64 per cent of CEOs globally share this view, with 13 per cent believing the impact will be minimal. Further, 30 per cent CEOs in India compared to 31 per cent of CEOs globally recognise that the number of employees retiring coupled with a lack of skilled workers to replace them as the most significant challenge facing their companies. Additionally, CEOs in India as well as globally identify the widening expectation gap between older employees and younger generations, along with knowledge transfer issues, as critical factors influencing their organisations'.

Moving on, both CEOs in India and globally are optimistic about the potential of generative AI to enhance workforce skills and readiness for future challenges. To this effect, 93 per cent CEOs in India compared to 92 per cent CEOs globally expect their organisations' headcount to increase over the next three years. They believe that integrating generative AI into their operations will not only facilitate upskilling, but also foster a more diverse range of skills and capabilities. Additionally, 60 per cent of CEOs in India compared to 69 per cent of CEOs globally consider that experimentation is key to fully unlocking generative AI's potential and all employees should be encouraged to take part, regardless of their background or level of seniority.



We view generative AI as a strategic enabler that complements human talent , rather than a disruptor. The fact that 86% of Indian CEOs see AI as a redeployment opportunity resonates with our approach—we are actively integrating AI to enhance customer experience, streamline operations, and improve decision-making. However, the true competitive edge comes from pairing AI with a highly skilled workforce. By focusing on ethical AI integration and upskilling, we are ensuring that technology amplifies human potential, helping us maintain agility and leadership in the rapidly evolving banking industry.

Prashant Kumar
MD and CEO, Yes Bank



ESG

Leadership recognises the significance of ESG

Impact of ESG on corporate strategy

CEOs have started considering ESG as an integral part of their corporate strategy, particularly in the context of enhancing customer relationships and bolstering brand reputation. 30 per cent of CEOs in India compared to 34 per cent CEOs globally, have cited building customer relationships and positive brand association as the top area where ESG would have the most impact, followed by shaping capital allocation, partnerships, alliances and M&A strategy, and attracting next generation of talent.

Further, it is evident that leaders are prepared to

undertake measures in response to ESG concerns. A significant majority, 66 per cent of CEOs in India compared to 76 per cent of CEOs globally, have indicated they would be willing to divest a profitable part of the business that was damaging their reputation.

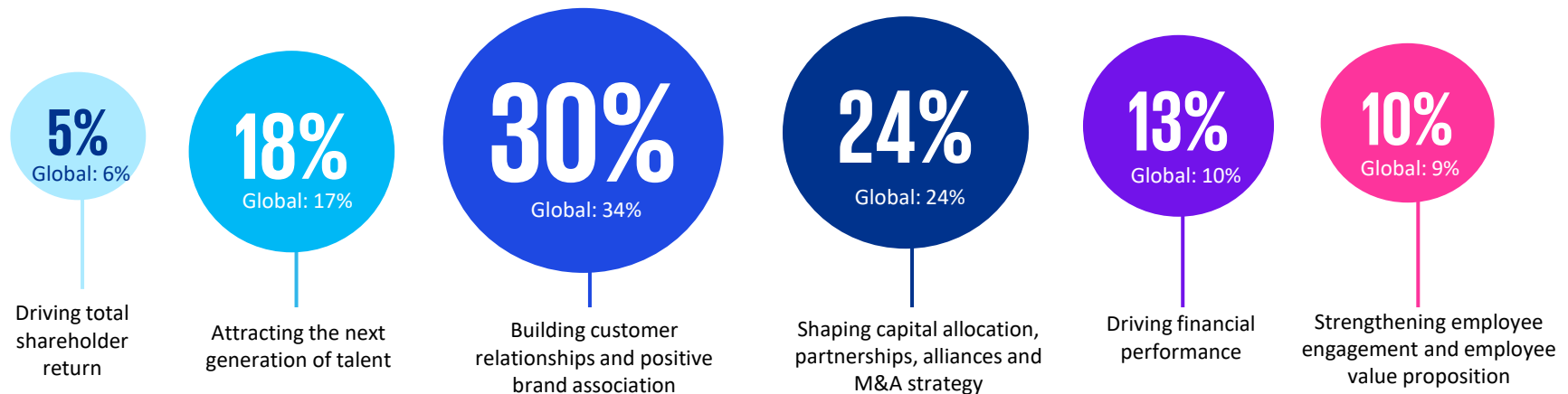
CEOs in India take a neutral stance when it comes to ESG progress

More than half of the CEOs in India (54 per cent) compared to CEOs globally (60 per cent) agree that there is strong public expectation on businesses to address societal challenges, including inclusion, diversity, equity, social justice and climate change.

However, there remains a degree of uncertainty among CEOs regarding their ability to achieve their Net Zero objectives by 2030. A mere 36 per cent of CEOs in India compared to 51 per cent of CEOs globally concur that they possess the confidence to meet these goals.

CEOs in India (56 per cent) as well as globally (55 per cent) perceive that their stakeholders' expectations with regard to ESG change faster than they are able to adapt their strategy, which is a major obstacle in achieving their ESG objectives.

Six areas where ESG strategy would have the greatest impact over the next three years in India as well as globally



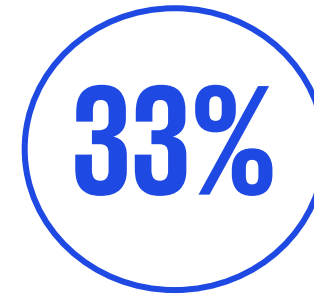
Source: KPMG 2024 CEO Outlook

Leadership altering the way they communicate ESG strategies

There is a noticeable increase in the politicisation and polarisation of critical issues, including social mobility and climate change, which is presenting significant challenges for CEOs in India as well as globally who are already facing the pressure to meet or re-evaluate their established targets. As a result, CEOs both India and global, are altering their approach to communicating their efforts on ESG initiatives, with 75 per cent of CEOs in India compared to 69 per cent CEOs globally concurring with the statement. On the other hand, 19 per cent of the CEOs in India compared to 28 per cent of their global counterparts have agreed that they have evolved their ESG strategies, in the past 12 months to meet the changing needs of the stakeholders.



CEOs in India compared to 66 per cent CEOs globally are not prepared to withstand the potential scrutiny from stakeholders/shareholders when it comes to ESG



CEOs in India compared to 48 per cent CEOs globally agree that it is possible to address all ESG priorities simultaneously

Source: KPMG 2024 CEO Outlook



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As a CEO, the most critical question is: how deeply embedded are ESG principles within your company’s strategy? At Welspun Living Limited, we have set clear milestones through 2030, and we hold ourselves accountable for every step. In today’s volatile world—whether it’s geopolitical uncertainty or a potential crisis like COVID-19—preparedness is key. The focus must always be on your ESG goals and the milestones you've set. This is not just about the CEO’s commitment; it’s about holding your teams accountable and ensuring your organisation makes a meaningful impact—on your consumers, the planet, communities, and the broader ecosystem. Ultimately, leading from the front means driving progress towards these goals with unwavering focus.

Dipali Goenka
Managing Director and CEO, Welspun Living Limited

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Heightened concerns regarding competitors gaining an edge due to failing to meet stakeholder expectations in ESG

In the year 2023, the primary concern for businesses failing to meet ESG related stakeholder expectations was attributed to the escalating costs and the inherent challenges associated with securing finance, followed by recruitment challenges. However, in 2024, a notable shift was observed, with approximately 21 per cent of CEOs in India compared to 24 per cent globally, expressing that the growing competitive advantage of their rivals has emerged as a more significant concern. Additionally, other principal disadvantages of not fulfilling stakeholder expectations identified by CEOs in India include, the threat to their tenure in the position and challenges related to recruitment.

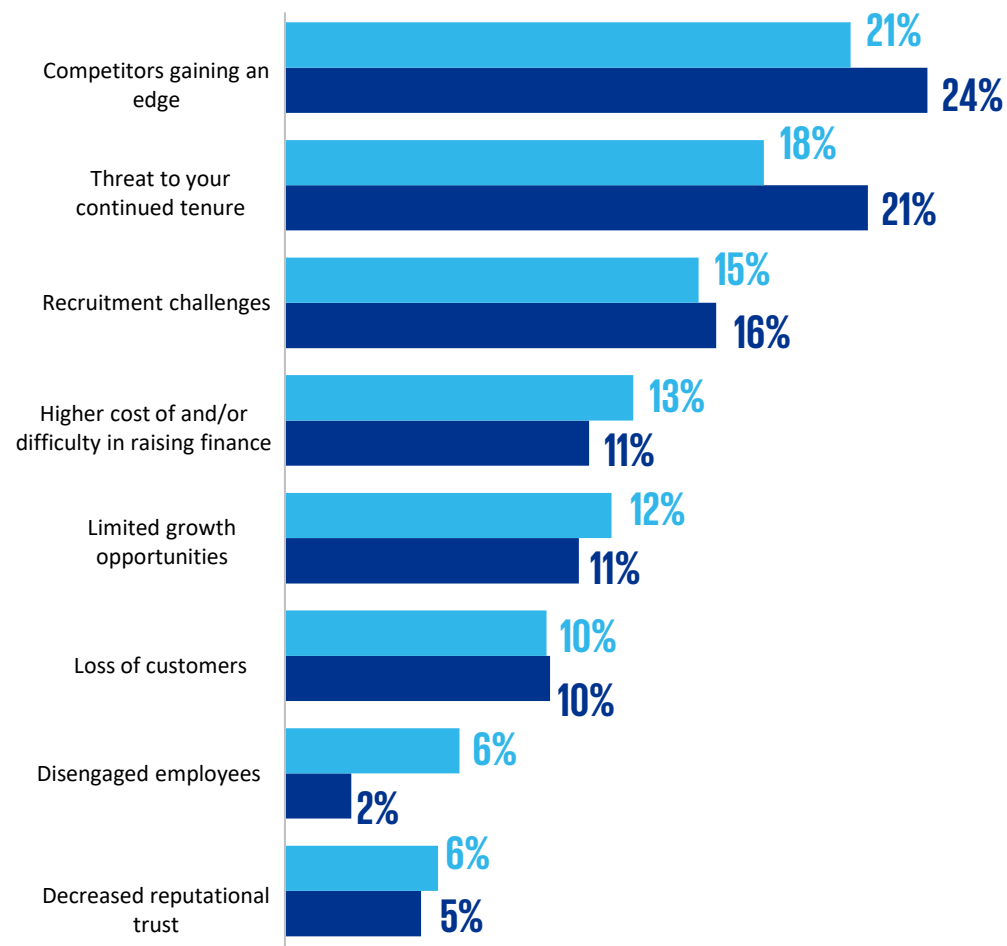
CEOs recognise the need for faster progress on diversity and inclusion

Business leaders recognise their obligation to foster enhanced social mobility, and they hold the opinion that the advancement in diversity and inclusion within the corporate sector has progressed at an insufficient pace, with 58 per cent of CEOs in India and an equal per cent of their global counterparts sharing the same view.

Furthermore, CEOs in India recognise that the scrutiny of organisations' diversity performance is poised to escalate over the next three years, with a consensus being observed among CEOs in India (74 per cent) and CEOs globally (70 per cent) that this trend will persist.

A significant majority of the CEOs in India (77 per cent) and globally (79 per cent) concur that attaining gender equity within their C-suite leadership positions, will facilitate the realisation of their growth objectives.

Principal downside of failing to meet the expectations of stakeholders when it comes to ESG for CEOs in India and globally



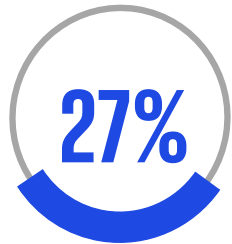
Source: KPMG 2024 CEO Outlook

■ Global (August 2024) ■ India (August 2024)

Barriers and ROI connections

A mere 12 per cent CEOs in India , alongside 21 per cent of their global counterparts, express confidence that they will see a significant rate of return on their ESG investments, within the next one to three years. These figures underscore the primary challenges identified by these leaders, namely lack of skills and expertise to successfully implement solutions and complexity of decarbonising supply chains.

Top barriers to achieving Net Zero or similar climate ambitions for CEOs in India



Lack of skills and expertise to successfully implement solutions

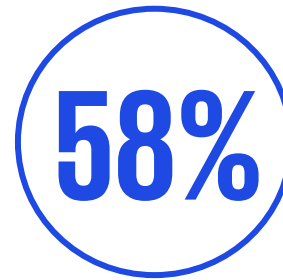


Complexity of decarbonising supply chains

Source: KPMG 2024 CEO Outlook

Rate of return for ESG investments

CEOs are increasingly adopting a long-term perspective towards ESG investments, acknowledging that the benefits may not manifest immediately but can accumulate over time. A significant portion of CEOs in India, comprising 57 per cent, and globally, at 55 per cent, anticipate witnessing a substantial return on their ESG investments within the next three to five years. Conversely, 31 per cent CEOs in India compared to 22 per cent of their global counterparts, believe that returns will be realised within the subsequent five to seven years.



CEOs in India and an equal per cent of CEOs globally think progress on diversity and inclusion has moved slowly in the business world

Source: KPMG 2024 CEO Outlook



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The survey findings reveal that the CEOs in India increasingly recognise ESG for what it is - an integral part of their operations and corporate strategies, for building productive sustainable businesses. Quantifying ESG performance and progress towards the targets through pertinent ESG disclosures are critical at a time, when both stakeholders and regulators expect relevant and accurate data, at par with financial disclosures. CEOs surveyed in India cited that articulating a convincing ESG story to stakeholders remains a challenge, but the good news is, they are committed to working towards becoming sustainable and are making concerted efforts to remain resilient and agile.

Namrata Rana, National Head of ESG, KPMG in India

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Exploring opportunities for growth

Emerging/disruptive technology

- **Investment in new technologies and market expansion:** CEOs in India are increasingly committing to generative AI to enhance productivity and value creation. This technology is viewed as a key driver for new product development and market growth. By prioritising generative AI investments, organisations can explore untapped markets, paving the way for sustained profitability.
- **Developing a strong cybersecurity strategy:** Establishing a robust cybersecurity strategy is essential for protecting assets and maintaining client trust. Regular updates, risk assessments, and a clear incident response plan will help organisations' adapt to evolving threats and support long-term growth objectives.

Talent

- **Enhancing employee value proposition:** CEOs in India are committed to improving the employee value proposition to attract and retain top talent. By rewarding in-office work and fostering a supportive environment, organisations' can align employee satisfaction with long-term growth objectives, nurturing talent, ensuring well-being and thereby create a vibrant workplace culture.
- **Integrating generative AI for skill development:** CEOs in India recognise generative AI's potential to enhance workforce skills and readiness. By integrating AI into operations, organisations' can facilitate upskilling and encourage diverse skills among employees. Emphasising inclusivity in AI initiatives will empower all employees, regardless of their background or seniority, to contribute meaningfully, ultimately driving transformation and growth within the organisations'.

ESG

- **Integrating ESG into corporate strategy:** Leaders are recognising ESG as essential for enhancing customer relations and brand reputation. By prioritising ESG initiatives, organisations' can strengthen stakeholder connections and attract top talent, positioning ESG as a catalyst for growth.
- **Long-term investment in ESG for sustainable returns:** Business leaders are embracing a long-term view on ESG investments, with many expecting significant returns within five to ten years. Focusing on diversity, inclusion, and climate action allow organisations' to meet stakeholder expectations while securing a competitive edge in the marketplace.

Methodology

About KPMG’s CEO Outlook

The tenth edition of KPMG CEO Outlook, conducted with 1,325 CEOs of which 125 were from India, between 25 July and 29 August 2024, provides unique insights into the mindset, strategies, and planning tactics of CEOs.

All respondents have annual revenues of over USD500 million and one third of the companies surveyed have more than USD10 billion in annual revenue. The survey included leaders from eleven markets (Australia, Canada, China, France, Germany, India, Italy, Japan, Spain, UK, and US) and eleven key industry sectors (asset management, automotive, banking, consumer and retail, energy, infrastructure, insurance, life sciences, manufacturing, technology, and telecommunications).

NOTE: some figures may not add up to one hundred per cent due to rounding.

The KPMG Innovation Kaleidoscope – Insights Centre

Centres at Mumbai and Bengaluru:

An experiential collaboration space to experience working solutions and engage with experts to develop outcome-led solutions.

KPMG integrates business solutions, insight-led consulting, digital technologies, industry expertise and design thinking methods, to work collaboratively with you for solving your biggest business challenges, innovatively and sustainably.

Our innovation methodologies are customised to suit your specific requirements:

- 1. Ideation & Collective Alignment:** Brainstorming ideas and devising solutions; collective alignment and convergence to meet targeted objective followed by rapid prototyping, refining and roll out planning
- 2. Demonstrate working solutions and technologies:** Showcase relevant use cases/solutions and industry leading practices to spur solution ideas for specific needs
- 3. External Collaboration:** Inviting our Digital and Technology Alliance partners and start-ups.



Scan the code to know more and book your visit to the centre



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