

9TH ANNUAL

# BUSINESS TRENDS REPORT 2024/25



# CONTENTS

<b>The productivity pivot</b>	4-5
<b>Introduction</b> by Simon Walsh, CEO, OneAdvanced	6-7
<b>Highlights</b> – the key findings from 2024-25	8-9
<b>The productivity problem</b>	10-11
<b>01</b> Challenges and priorities	12-17
<b>02</b> Flexibility is a key to productivity	18-25
<b>03</b> Has the AI bubble burst?	26-29
<b>04</b> Interoperability underpins productivity	30-35
<b>05</b> Diversity underpins performance	36-41
<b>06</b> Sustainability with productivity	42-47
<b>07</b> Cyber security	48-53
<b>08</b> Future outlook	54-59





# THE PRODUCTIVITY PIVOT

Now in its ninth consecutive year, the OneAdvanced Business Trends Report has evolved into a vital resource for organisations, offering actionable insights into the current business and technology landscape. It will empower leaders to assess where they are against the most important trends, providing a clear roadmap to understand their position in relation to competitors and peers. These insights can offer guidance for future technology adoption, increased productivity, and strategic growth.

This year we sampled the experiences and perspectives of over 6,000 UK senior decision makers working in organisations with 100+ employees, across eight industry sectors. With data collected from eight previous annual reports, OneAdvanced is in a strong position to identify continuing trends alongside current emerging and declining themes that will influence the way we work in 2024 and beyond.

Our 2024-25 survey results reveal a strong correlation between several of the biggest challenges faced by UK organisations and their combined impact on greater productivity gains. Organisations are being held back from achieving their goals by a number of factors, chiefly:

- Skills and workforce shortages.
- Lack of budget to invest in technology and AI.
- Disparate technology solutions and lack of integration.
- Insufficient understanding and preparedness to implement emerging technologies.
- A worrying lack of cloud adoption hindering potential to benefit from cloud-based technologies.

Individually these challenges impact an organisation's ability to drive higher productivity, restricting their potential to grow, enhance service delivery, and achieve better return on investment. Together they are creating a perfect storm, frustrating organisations as they seek to move forwards towards increased productivity and growth by implementing effective technology and risk UK businesses lagging behind on the global stage.





# INTRODUCTION

## BY SIMON WALSH, CEO, ONEADVANCED

2024 is a pivotal year for the UK, as a new government's bold ambitions signal transformative change across public services. With fresh investment in the NHS, rail, energy, and technology, we're on the brink of a more resilient, tech-driven future. This report uncovers the key technology trends set to reshape the UK – and the opportunities they bring.

For organisations, there is increasing focus on driving more productivity that can enable prosperity for their customers, service users, investors, their people, other stakeholders, and their communities. Many leaders are embracing the benefits of digital technology, helping their businesses become more efficient, driving higher productivity, that in turn supports more investment and profitability. However, achieving consistent, higher productivity is often an elusive nirvana for many.

As we have seen over the eight previous years of this annual report, skills and talent shortages are a key factor behind the loss of productivity. With organisations struggling to maintain business as usual without a full complement of people, along with the added costs of rehiring and onboarding staff. The introduction of new technologies, chiefly AI, has compounded this shortage, many organisations simply do not have the people, the know-how, or the resources, to implement the AI projects that could positively transform their impact.

Cloud-based technologies are the key to unlocking success with digital transformation, yet our survey reveals many organisations are still reliant on legacy and on-premise systems that do not integrate with more powerful, modern solutions. Cloud-based systems deliver the flexibility businesses need, enabling employees to work more effectively in the office and remotely. Whilst also helping organisations reduce their carbon footprint, and crucially, cloud-based systems are an effective mechanism towards secure, ethical AI-powered technologies.

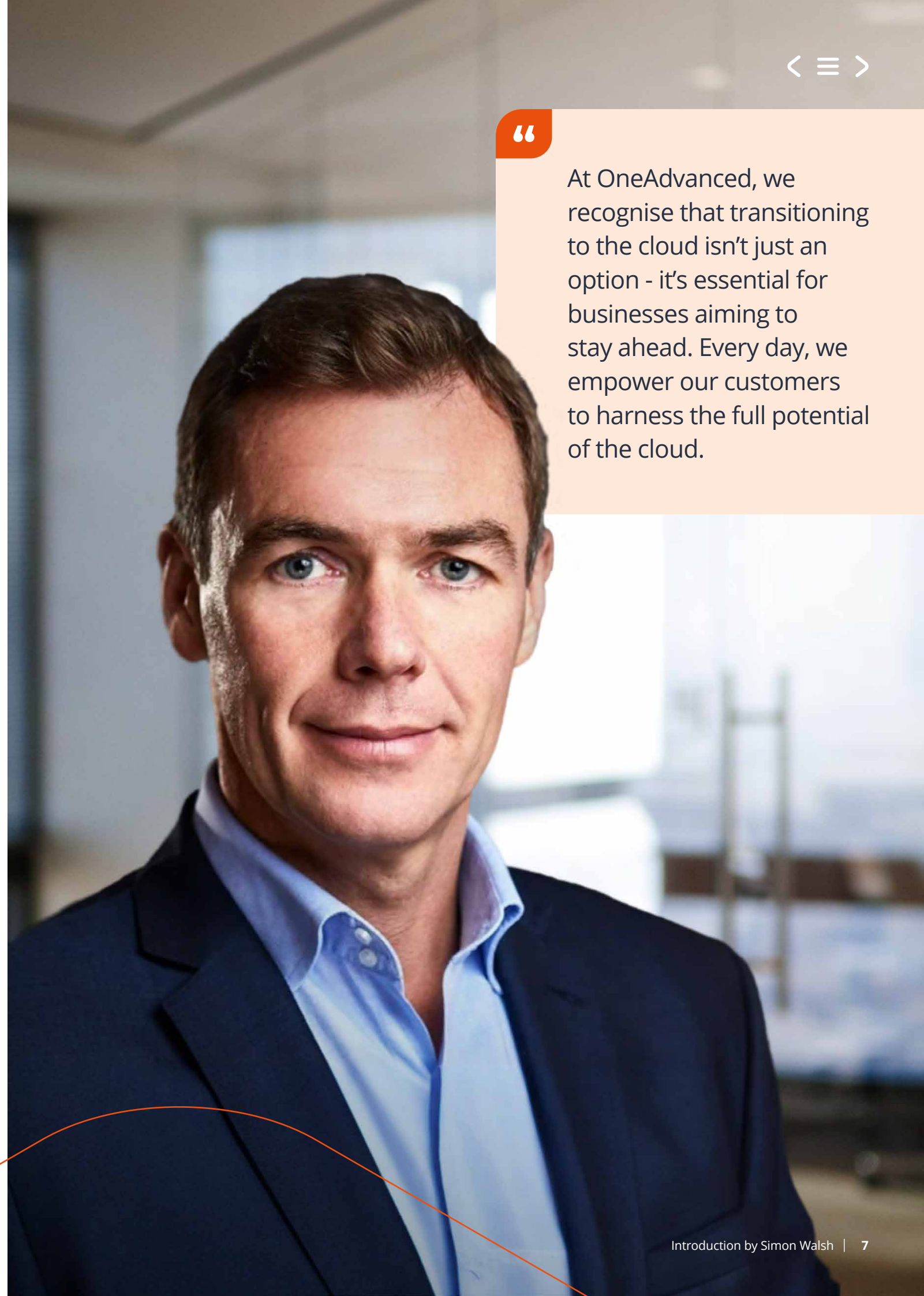
AI is already powering automation for faster, more effective processes that free people to focus on higher-value, strategic tasks. AI has the scope to handle massive datasets, helping spot the anomalies that flag potentially fraudulent activities, as well as underpinning more actionable insights and data-driven decisions.

In uncertain times, cloud-based systems can provide a cost-effective, and scalable solution, supporting businesses in their ambitions to thrive and grow. 2024 has also been a year where many have been exposed to the potential risks and threats posed by cybercrime, and the cloud can offer greatly enhanced security benefits over legacy systems. This is not time for sticking heads in the sand – transition to cloud-based systems is an absolute necessity for businesses that seek to remain competitive.

**At OneAdvanced, we unlock productivity gains for our customers by truly understanding the sectors they operate in and their unique challenges. Our sector-specific portfolios power the world of work, driving productivity as the route to prosperity. With purpose-built solutions to solve their most pressing problems, allowing them to focus on what really matters – delivering exceptional results and driving meaningful impact within their organisations.**



At OneAdvanced, we recognise that transitioning to the cloud isn't just an option - it's essential for businesses aiming to stay ahead. Every day, we empower our customers to harness the full potential of the cloud.





# HIGHLIGHTS THE KEY FINDINGS FROM 2024/25

# 44%

**Boosting efficiency & increasing productivity is the number one priority** for organisations in the next 12 months, highlighted by 44% of respondents.

**Better systems integration is the number one feature** leaders need and want more of from their technology systems.

**Attracting & retaining talent remains the top challenge** for another consecutive year, negatively impacting organisations' ability to prosper.



# 35%

Only 35% have moved fully to the cloud, those who haven't are inhibiting their ability to utilise AI and better secure and maintain their systems.

# 15%

15% remain unsure or lack confidence around the capacity of their current technology infrastructure to fully support their business goals.

# 51%

More than half, 51%, say that cost is their biggest barrier when trying to implement new technology.

# 76%

Agile working enables greater productivity, with 76% saying their employees are 'as', or 'more' productive working remotely than in the office. But not everyone agrees.

# 30%

A lack of AI expertise is stopping 30% of organisations implementing AI.

# 19%

Almost one in five (19%) have tried and failed to implement an AI project this year, with 48% of these citing lack of skills and experience to manage the project as the reason.



# THE PRODUCTIVITY PROBLEM

Organisations are facing a combination of challenges that restrict their ability to be more efficient, so cracking the productivity problem is essential for future prosperity and growth.



**Integration with disparate systems**

Data is siloed and not available for more effective data driven decisions.

**Skills shortages**

The current demand for qualified workers is greater than the supply.

**Productivity**

**Insufficient preparedness for AI**

Requires skills and expertise.

**Lack of budget**

Impacts on all resources including talent, and investment in new technologies.



# CHALLENGES AND PRIORITIES



01



Going back over the past nine years, our survey begins by establishing the main challenges of the past 12 months and where future priorities lie. This acts as a temperature check for UK organisations, enabling us to look back to identify trends over time, and setting down a benchmark for the subsequent, more detailed questions.

In 2024-25 we find that boosting efficiency & increasing productivity is now the number one priority for organisations for the next 12 months, highlighted by 44% of respondents. Growth is the second highest priority (39%), with attracting & retaining talent (36%) in third place. This is a classic 'chicken and egg' dilemma, as without enough appropriately skilled and experienced employees, organisations can find themselves in a cycle of always being behind their optimum operational capacity, experiencing less efficiency, curtailing productivity and restricting growth. Additionally, the challenge of attracting and retaining talent creates its own financial burden with resources having to be allocated to frequent rehiring and onboarding processes.

We then asked respondents to name their one single biggest challenge over the last 12 months. Perhaps not surprisingly, attracting & retaining talent remains in number one position (16%) for organisations, just as it was last year, and it continues to negatively impact organisations' ability to prosper.

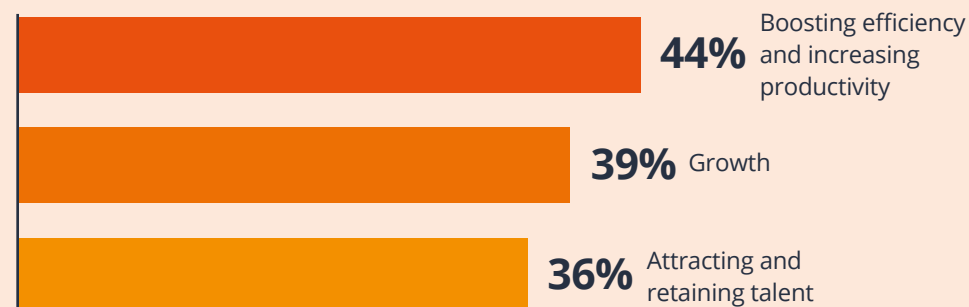
AI continues to dominate headlines and boardroom discussions, with individuals and organisations seemingly split between feeling excited about the potential for this

new technology to transform business processes, and those with deep misgivings. This year, 29% of the professionals who responded to our survey told us they believe AI will help with addressing workforce shortages, as AI automations will reduce the number of required staff. Others say they think AI is not necessarily the answer, as one-fifth (20%) say that AI will require new skills in the workforce, aggravating the skills shortage, at least for now.

Organisations will not be able to implement fully-effective AI-powered technology if they are not already using cloud-based systems, yet our data reveals a surprising reluctance to fully embrace this agile technology. This year, 42% of respondents tell us their organisation is using a combination of cloud-based and on-premise solutions, up from 36% in 2023. But the numbers using a fully cloud-based, or indeed fully on-premise system have dropped. Just over one-third (35%) are now using only cloud-based solutions, down from 39% in 2023, and 18% are using only on-premise, down from 21% last year. The shift suggests although some are increasing their use of cloud-based technologies, with all of the powerful benefits it can bring, dependence on some on-premise systems remains.

There is difference between sectors too, with 42% of legal professionals now using fully cloud-based technology, compared to just 24% of procurement & spend professionals. Without full adoption of the cloud it is difficult to see how organisations will be able to fully embrace AI and other new technologies and gain the greatest benefits from them.

### What are the top three priorities for organisations in the next 12 months?



# 66%

## Plan to upgrade their current tech stack.



“

Cyber security & data protection issues are increasingly in the news, and leaders are prudent to be on high alert, naming this as their third highest challenge in 2024. Concerningly though, nearly one in five (19%) are telling us they are 'not at all prepared', or 'less prepared' for a cyberattack than they were last year.





Organisations need to get on top of multiple challenges that individually and collectively have an impact on productivity, if they are to remain competitive, prosper, and achieve growth in future. There is no silver bullet. However, increased adoption of cloud-based solutions will unlock some of these challenges, enabling organisations to focus more effectively on their priorities for the coming year.

This year, the second and third biggest challenges for respondents are economic uncertainty (14%), and cyber security & data protection (13%). Economic uncertainty makes it difficult for organisations to forecast activity and plan accordingly. New technology including AI can help, providing powerful predictive modelling based on almost infinite scenarios, but as we'll see later in this report, the skills shortage around AI means organisations are not able to move forward and make effective use of this.

# 35%

Just 35% are using fully cloud-based systems – the rest are restricted in their ability to utilise AI and better secure and maintain their systems.

Cyber security & data protection issues are increasingly in the news, and leaders are prudent to be on high alert, naming this as their third highest challenge in 2024. Concerningly though, nearly one in five (19%) are telling us they are 'not at all prepared', or 'less prepared' for a cyberattack than they were last year.

Our findings reveal some inconsistency around confidence in the technology that organisations currently depend on. 85% of respondents say they are 'confident', or 'very confident' their current technology stack supports their business goals. At the same time, two-thirds (66%) say they plan to upgrade this technology, and a further 20% believe they may do so. This may indicate a recognition among many leaders that there is always a need to upgrade and improve the technology they use, to ensure they remain competitive and productive.

Despite confidence in the current technology infrastructure being declared by the majority of respondents, it is clear that if they are to achieve their number one business priority for the coming year - boosting efficiency & driving productivity, they must invest in more effective technology solutions. Organisations cannot afford to stand still and make do with out-dated technology if they are to achieve their goals to be more efficient, more productive, and drive growth.

# 02



**FLEXIBILITY  
IS A KEY TO  
PRODUCTIVITY**

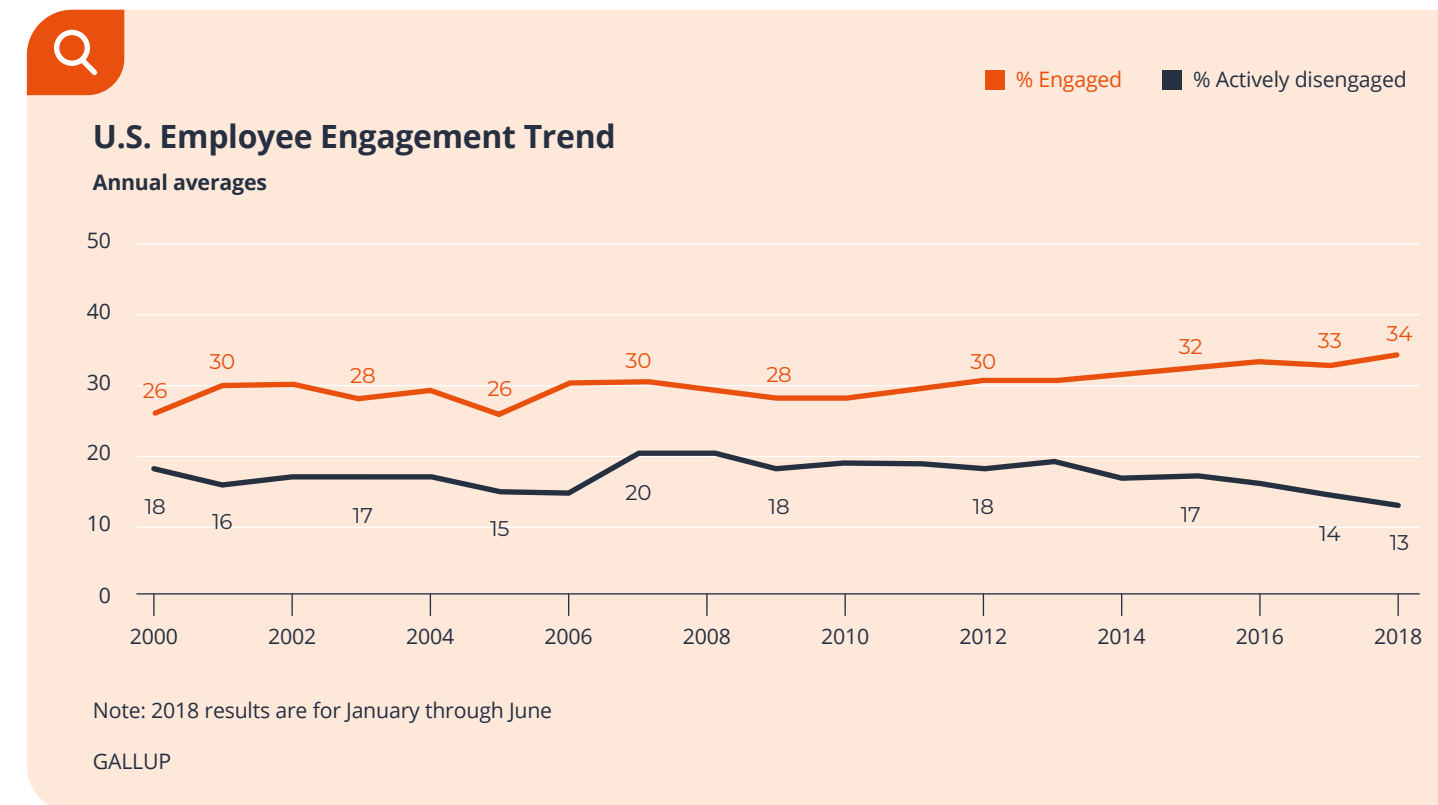




# 76%

of employees are 'as' or 'more' productive when working remotely than in the office.

Productivity is inextricably bound with levels of employee engagement and feeling fulfilled by their work. Recent research by the US-based *Boston Consulting Group* shows that employees with higher satisfaction demonstrate a 17% increase in productivity, a 25% decrease in churn rates, and a significant 41% decrease in absenteeism. This is corroborated by a *Gallup* poll that shows highly engaged teams are 21% more productive.



When people feel trusted by their employers and have some agency over how, when, and where they work, they often respond with greater commitment, a deeper sense of pride in their output, and greater rates of productivity. Conversely, in workplaces where people feel undervalued, mistrusted, and micro-managed, they can easily become disengaged, seeking only to achieve the bare minimum for their employer. This can result in high staff turnover and reduced productivity.

Our previous Trends Reports published during and after the pandemic have reflected the influence that agile working has on employee satisfaction and engagement, and its impact on productivity. This continues into 2024, with more than

three-quarters (76%) of respondents saying their employees are 'as' or 'more' productive when working remotely than in the office. This positive response to remote working was also evident in our 2022-23 report, when 57% of respondents said they themselves were 'more' or 'equally' productive working from home as in the office.

There is a view that working remotely can enable employees to focus on specific tasks away from the hubbub of office life, with fewer distractions. This year 72% of organisations are currently implementing a hybrid and/or flexible working model, presumably in response to what employees want, as well as to help drive greater employee engagement and productivity.



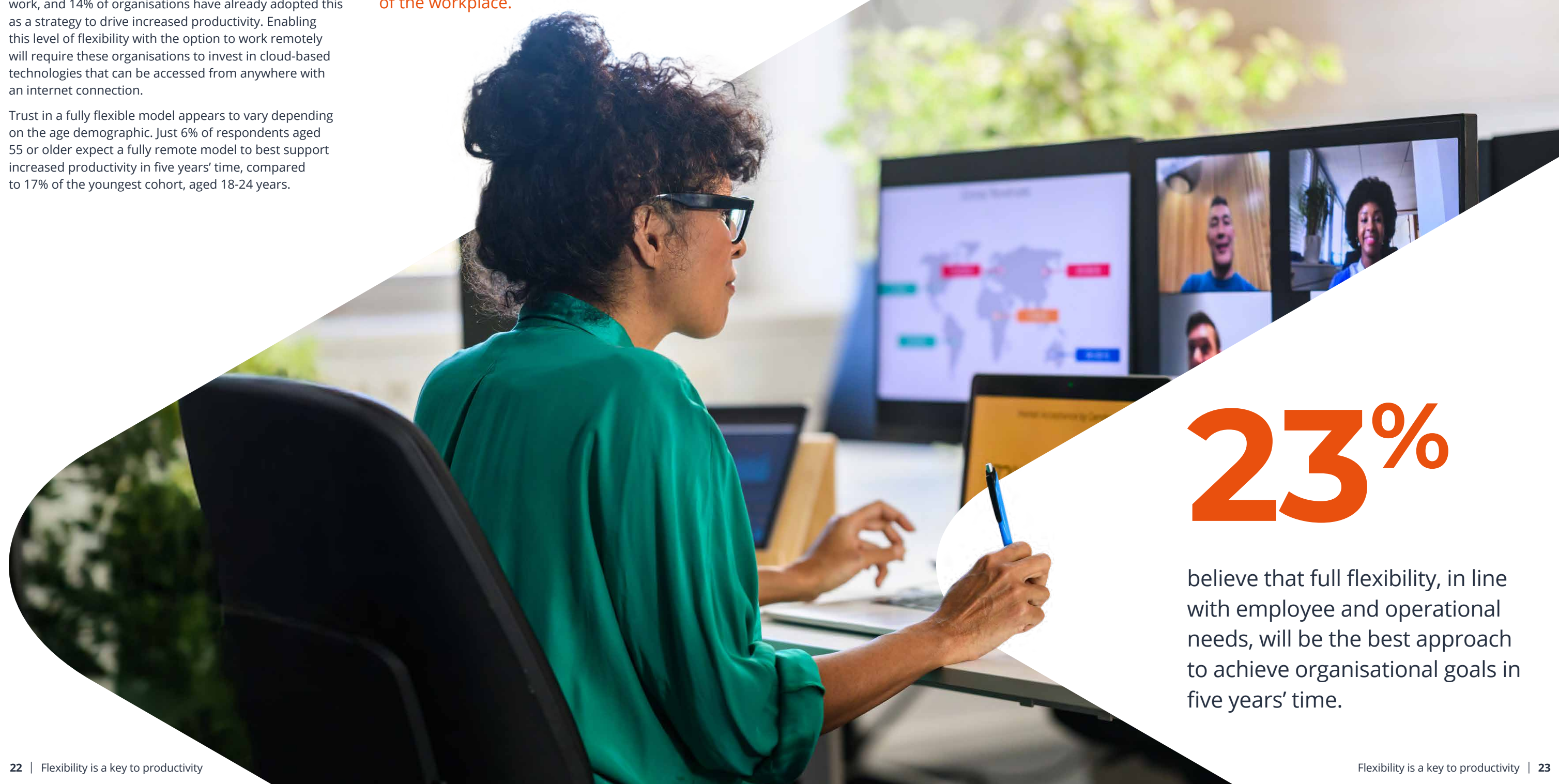
But not everyone agrees that remote working leads to higher productivity. Almost one in five (19%) believe that staff are less productive when working remotely. When asked to predict the scenario that might best improve productivity in five years' time, although 69% suggest some form of hybrid or flexible working, almost one in five (19%) remain committed to a workplace-only model.

Nonetheless, hybrid and flexible working is a significant factor for future work planning, with some organisations offering full flexibility in line with employee and operational needs. Looking ahead, the largest group of respondents to this question, 23%, tell us in five years' time they expect to take a fully flexible approach to where and when people work, and 14% of organisations have already adopted this as a strategy to drive increased productivity. Enabling this level of flexibility with the option to work remotely will require these organisations to invest in cloud-based technologies that can be accessed from anywhere with an internet connection.

Trust in a fully flexible model appears to vary depending on the age demographic. Just 6% of respondents aged 55 or older expect a fully remote model to best support increased productivity in five years' time, compared to 17% of the youngest cohort, aged 18-24 years.

Younger workers however believe themselves to be less productive when working remotely than older colleagues do, and just 20% of the 18-24 year old group believe that employees are more productive working remotely, compared with 32% of the oldest group, aged 55+.

It may be that the hybrid/remote experience is less rewarding for younger workers who seek more interaction with colleagues and mentors. Or, perhaps younger employees simply find working from home more distracting, and prefer the structure of the workplace.



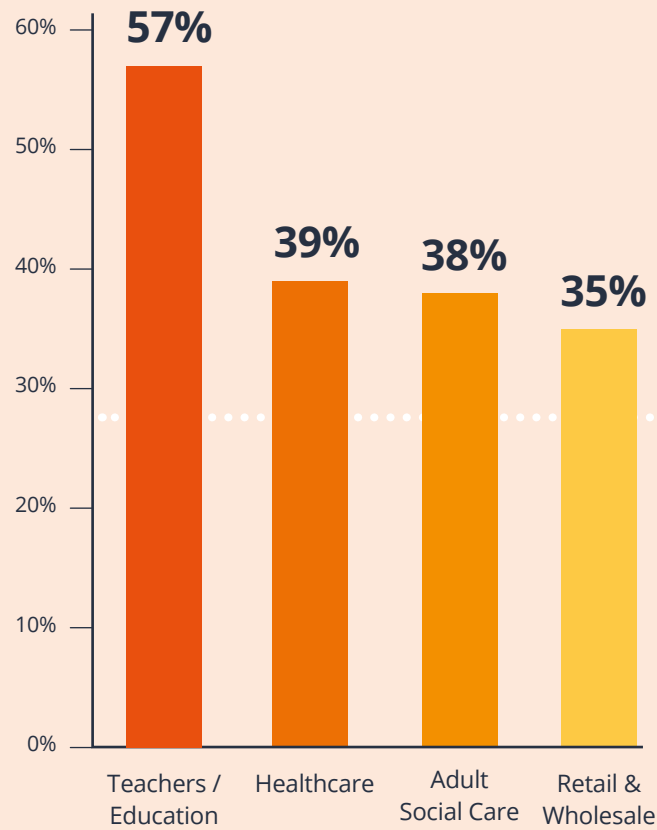
23%

believe that full flexibility, in line with employee and operational needs, will be the best approach to achieve organisational goals in five years' time.





### Sectors and industries that require frontline staff in the workplace



# 28%

Average across all sectors.

There is no one size fits all with the hybrid and flexible working approach. Fully flexible, remote, and hybrid working will continue to be popular with some employees who find it helps them achieve a more fulfilling work-life balance. In these cases, increased flexibility may help with increasing employee job satisfaction and engagement, leading to higher quality output, a better shared experience of work, and higher productivity, as well as helping to attract and retain employees who prefer this approach. Many employees value the opportunity to work from home to focus on specific tasks without interruption, while the workplace is an important space for collaboration. Developing good relationships with colleagues can enhance teamwork and help build strong team support. For some employees, the workplace is the main point for daily human interaction and is crucial for their mental health and well-being.

We must also consider the many sectors and industries that require frontline staff in the workplace and are unable, regardless of evidence that it may drive higher productivity, to operate with remote employees. Our survey shows that 57% of teachers/education professionals, 39% of those working in Healthcare, 38% of Adult Social Care professionals, and 35% of those in the Retail & Wholesale sector tell us their organisation is fully workplace based, and the average across all sectors is 28%.

These organisations are therefore reliant on identifying alternative ways to drive higher engagement and productivity, with higher employee retention rates. Technology can support sectors that require workplace-only working. These employees may often feel like the poor relations when it comes to digital solutions that can improve their experience at work, but employers can use technology to improve communications, enable more effective learning and development opportunities, and help frontline employees build fulfilling careers. This helps drive better engagement and employee retention, for higher productivity and organisational success.



Hybrid, remote, and fully flexible working are part of the productivity equation, but this year's report reveals that hybrid working is nuanced – there's no one-size-fits-all solution. In some cases, team collaboration drives the highest productivity, while in others, individual working is more effective. What remains consistent, however, is that technology, particularly cloud adoption, is the great enabler. It creates the flexibility and connectivity that future-facing organisations need to unlock higher productivity, whether working individually, remotely, or in teams.





# HAS THE AI BUBBLE BURST?

# 03





## AI may continue to make headlines, but organisations are finding that implementing this powerful technology can be fraught with challenges and unforeseen problems.

One of the most encompassing is lack of skills and experience with AI. Almost one-third (30%) of organisations tell us that a lack of expertise is stopping them from moving forwards to implement AI and only 28% of respondents believe the UK has sufficient skills and experience for effective and safe AI implementation.

Some of these organisations are speaking from their own experience. Almost one in five (19%) of our respondents say they have tried and failed to implement an AI project this year, with 48% of these naming lack of skills and experience to manage the project as the primary reason for failure. This resonates with other recent research by [Gartner](#) that reveals lack of talent and skills as the top barrier to AI implementation for 42% of organisations (taken from a survey across the UK, US, and Germany).

Overall, our findings align with other current data around AI implementation too. We found 14% of organisations have actively integrated AI into business processes following comprehensive planning and preparation, with the greatest take-up of 29% evident within the IT, Technology and Telecommunications industry sector. A recent review of AI adoption published by [Forbes](#) shows around one in six (approximately 17%) of organisations have embraced some form of AI-powered technology, with the IT and telecommunications sector leading at 29.5%.

In addition to a shortage of human skills and experience working with AI, there is a general lack of preparedness and insufficient understanding of what is required to manage a successful AI project. 46% of those who tried and failed admit they didn't really understand the business problem they thought they were addressing with AI. And data management is a potential minefield too, with 35% saying they did not sufficiently review and clean up data before embarking on the project. They seem to have forgotten that the quality of the data going into the AI system has a huge impact on the quality of the data that comes out.

# 46%

of organisations who failed with an AI project admit they did not fully understand the business problem they were trying to address.

Having good quality data, that is accurate, complete, responsibly managed and categorised, with all of the correct permissions in place, is essential before embarking on a project that depends so utterly on this. 29% said they underestimated the amount of data-expertise and resource for the project. Organisations appear to be undertaking AI projects without fully appreciating what is required for success and this may be because, in many cases, organisations have no overall AI strategy. When asked about how embedded AI adoption was in their organisation, the biggest group (22%) told us that certain teams or departments are using AI tools independently, without a cohesive, company-wide strategy. Implementing AI in silos means that results are likely to be very much down to the expertise, or lack of it, of particular individuals or teams.

Similarly, looking at where organisations were up to with developing their AI strategy, the largest group (27%) said that different functions within their organisation procure their own software, make their own policy, and have implemented their own guardrails and best practice. This means that the entire organisation could unknowingly be at risk, due to the actions of one team or function leader.

Overall, we would conclude from our findings that expectations of AI remain cautiously positive, with organisations recognising its potential to transform processes for the better. This is tempered with some hesitance, particularly for those that have had their fingers burned with unsuccessful AI projects. Many are taking a 'wait and see' approach, with over half (53%) of respondents telling us they are still reviewing AI implementation plans within their organisation before deciding to deploy.



Implementing a successful AI project requires a cohesive cross-organisational strategy, that includes strict policy and guardrails being in place, as well as stringent preparation and management of data, and having appropriate skills and expertise on board.



# 04

# INTEROPERABILITY UNDERPINS PRODUCTIVITY





Our 2024-25 survey reveals that it's not just the development and implementation of AI strategy and policy that is being siloed within organisations. Many are still struggling to work with different systems that don't speak to each other, creating disconnected data that cannot be effectively shared, reducing the organisation's ability to use its valuable data to make fully informed decisions.

Referring back to our findings around cloud-based and on-premise systems, the growth this year in organisations choosing to combine the two approaches may be indicative of a reluctance to fully move away from established systems and processes. This could be holding them back from the transformative experience that implementing cloud-based technologies can bring, such as real-time, accurate data that is available to employees working remotely as easily as those in the workplace, with improved data analytics and data management that enables integration with new AI-powered technologies.

As the new kid on the block, technology-wise, AI has highlighted the extent of the disconnected systems problem. We asked what was the biggest concern around implementing AI in an organisation, and the largest group of respondents, 34%, told us they were not confident that

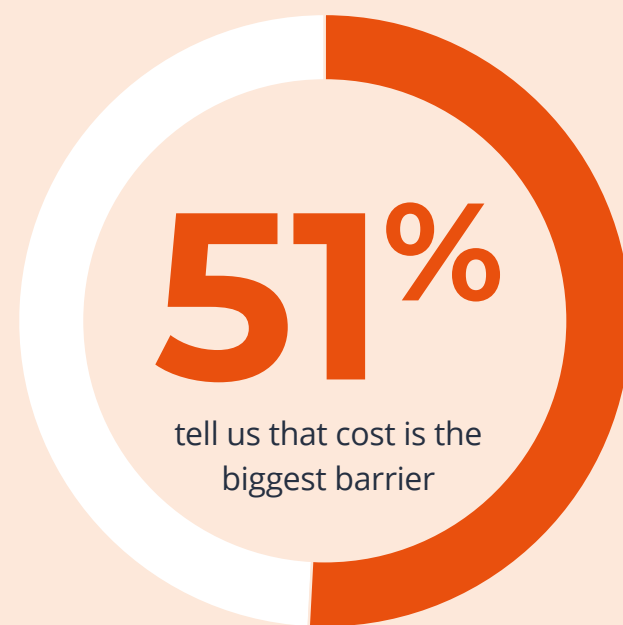
integrating current data with external systems would ensure proper management and security of data. As we might expect, this is an even higher concern for IT professionals, 40%, and of lesser concern to others, such as those working in Adult Social Care, 29% who may not interact so much with technology during their working day.

Lack of integration is a big issue and a recurring theme throughout our survey. Considering what would improve our respondents' current technology infrastructure and help them achieve organisational goals, the top response was to have 'Better systems integration'. Interestingly, this response was top of the wish list for technology infrastructure improvements in last year's survey too, and the lack of progress here may be one of the reasons that organisations are still not seeing enough growth in productivity.



### Biggest barrier when trying to implement new technology

The economic landscape has been challenging over the past few years and finding budget to invest in upgrading their systems for greater integration and improved interoperability has been difficult for many organisations. Indeed, more than half (51%) tell us that cost is the biggest barrier when trying to implement new technology.





# 66%

have plans to upgrade their digital systems, almost the same as the 67% who said this last year.

When budget is a factor holding organisations back, there are still options. Technology providers can help with integrating existing solutions, with the introduction of minimal new technology that virtually eradicates the issue of costly downtime during installation and onboarding. Some of the best-in-class business technology software operates using a single platform too, that not only saves time and reduces complication in processes with a single user sign-on, but also ensures that data is available across the organisation. This leads to better planning and more informed decisions, more effective data analysis, and enables meticulous governance and data protection measures. The benefits can be evident almost straight away.

Implementing more effective, easier to use technology supports better talent attraction and retention too, as powerful technology helps people do their jobs better. This drives greater fulfilment, potentially opening up more career opportunities, and ultimately also contributes to higher productivity. The connections between all of the challenges are a recurrent theme in this year's survey results – combining to create the perfect storm for organisations.

It appears many organisations have stalled in their technology ambitions during 2024. The majority of respondents (66%) tell us they have plans to upgrade their digital systems, which is virtually the same number - 67%, who said this last year too. Besides cost, which is clearly a factor, what else might be holding these organisations back from upgrading their technology? It is no surprise that the second biggest barrier to implementation of technology is integration issues with existing systems, identified by over one-third (34%) of respondents. Concerns that systems won't 'talk' to each other may be stopping leaders making the important step to achieving the integration they long for.

**Our findings also show that after better integration, the next most important things that leaders say they want from their technology is improved data management and storage (14%), followed by better customer support and service (13%).**



The cost of doing business crisis may have stalled technology upgrade projects, putting organisations in a classic 'Catch-22' situation. Without investing in new technology they cannot drive higher productivity, meaning they cannot achieve more profit, and are less able to invest. It is important to consider whether breaking out of this cycle and investing in cloud-based solutions that work effectively together could be the answer to the productivity problem.



# DIVERSITY UNDERPINS PERFORMANCE



05



# 65%

are using technology to support diverse hiring.

Many organisations recognise the value that a more diverse workforce can bring to their operations. Introducing a wider variety of experiences, backgrounds, and ideas can drive more innovation and creativity, help avoid the 'echo chamber' of homogenous behaviours, and identify new solutions. It also ensures that the workforce more accurately reflects the communities where it operates – including customers, suppliers, and other stakeholders.

Not surprisingly then, 30% of respondents describe their organisation's Diversity, Equity & Inclusion (DE&I) strategy as 'Very important', with increasing DE&I being a defined management objective linked to leadership performance. Another 25% describe it as 'Fundamental: We have a clear DE&I strategy which is owned and driven by senior leaders.' This is even higher for Governance & Risk professionals, 32%, but perhaps disappointingly, only 19% of HR professionals describe their organisation's DE&I strategy as 'fundamental'.

It's important to understand that DE&I considerations should play a key role across your organisation's activities, and

especially across the entire employee journey. Promoting diversity in hiring is an important first step, using methods that actively tackle unconscious bias, as well as focusing on future potential rather than previous experiences. This can be further supported by focusing on inclusive language in hiring communications, which promotes confidence in the organisation and its priorities. At OneAdvanced, we also take a focus on skills development and internal promotions, which supports greater diversity in higher levels of the career framework by creating greater opportunities for progression.



Almost one-fifth (19%) of respondents tell us their organisation works hard to remove bias in its recruitment practices and almost two-thirds (65%) are using technology to support diverse hiring and onboarding. That does however leave a significant 36% of respondents who claim to be using little, or no technology to support diverse hiring and onboarding. This technology exists, is easy to procure, with evidence that it can help, so why are so many recruiters stuck with traditional, manual hiring and onboarding processes? Technology is an important enabler for organisations seeking to increase DE&I and reap the benefits on performance and culture, so it makes sense to implement this at the start of the employee journey.

One contradiction in our survey findings this year is that 7% now tell us they conduct voluntary Diversity Pay Gap reporting, beyond mandatory Gender Pay Gap reporting. Last year (2023-24), considerably more respondents - 33% said their organisation undertakes both Gender and Diversity Pay Gap reporting, and in the previous year (2022-23), 57% told us their organisation published a Pay Gap report around Diversity. It is difficult to know why this figure has dropped so much, as Pay Gap reporting is one of the key metrics that help organisations understand where they are with their DE&I status, providing actionable insights to drive improvements. We prioritise our own Diversity Pay Gap metrics and reporting, because they provide important information about DE&I within our organisation, serving as indicators to our people and potential candidates that this really matters. It may be however, that as Diversity Pay Gap reporting is voluntary, many organisations are conducting it less frequently than every year.

# 77%

DE&I strategy is having a 'positive', or 'significantly positive' impact on performance and culture for 77% of organisations.

On a positive note, the perceived need for a DE&I strategy is growing annually. Just 7% of this year's respondents said they didn't feel it was a priority, or had no time to implement this, fewer than the 16% who believed this last year. This may indicate that DE&I remains an important strategy for organisational success, a conclusion borne out by responses to a new question we introduced this year when we asked about the impact of integrating DE&I on overall performance and culture. More than three-quarters (77%) indicated this was either 'positive', or 'significantly positive', with DE&I contributing to a stronger organisational performance and culture.



AI may become a game-changer for driving more DE&I. One-third (33%) expect AI will enhance DE&I initiatives, agreeing with the statement 'AI will help us increase diversity, equity, and inclusion in our organisation by improving workforce planning, attraction strategies, and recruitment processes'. Perhaps also, we should not assume that the organisations not prioritising DE&I strategies do not have a diverse workforce – an existing high rate of diversity may mean that these organisations no longer feel the need to make this a focus for strategy and resources.



# SUSTAINABILITY WITH PRODUCTIVITY



06



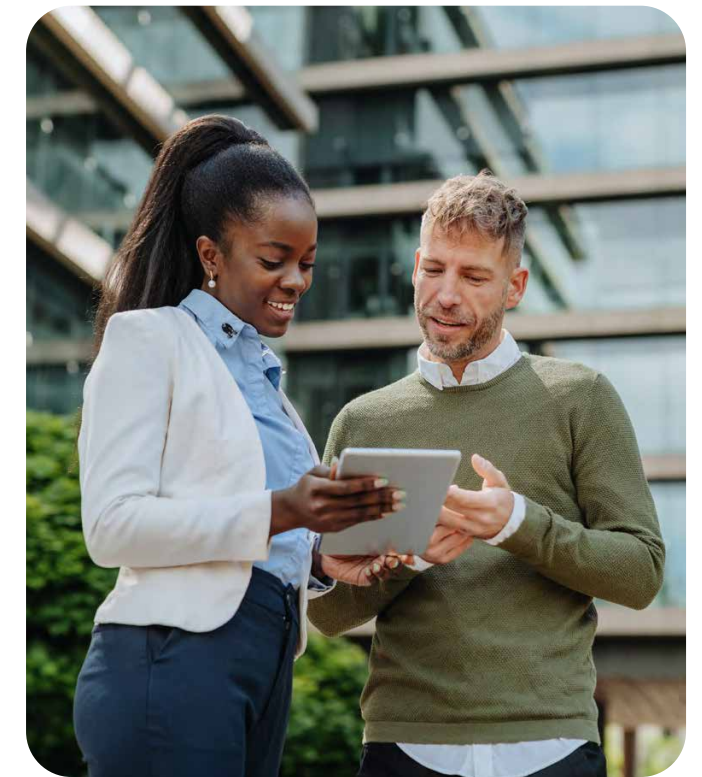


Environmental, Social, and Governance (ESG) continues to be a focus for many organisations and around one-quarter (26%) of respondents named 'greater sustainability' as one of their core priorities for the coming year.

As with DE&I, having a strategy to promote and drive greater sustainability is not just 'nice to have', it's an important organisational objective. There is an established expectation from a wide range of stakeholders now, including employees, customers, investors, and suppliers, that the organisations they interact with should be working hard to reduce emissions and carbon footprint.

Considering the tricky economic circumstances of recent years, we wanted to discover whether cost was making it more difficult for organisations to pursue greater sustainability. Or, whether organisations were finding that many of the sustainable processes being adopted were actually helping them reduce their outgoings. Some of these initiatives might include going paperless with digital technology, removing the costs of buying paper, copying, and printing, as well as reducing paper waste; installing passive lighting controls; and implementing technology to optimise journey times and reduce fuel costs for fleets.

In fact, only 16% named reducing business costs as a driver for ESG activity. This doesn't negate the value that implementing ESG practices can have on cost-savings, but clearly other drivers are more important to organisations this year.



### The biggest driver for ESG activity

The biggest driver, for 40% of respondents, is compliance with latest legislation which was also the headline answer given to this question in our previous year's report. There are already mandatory emissions reporting requirements with carbon-related financial commitments for large UK companies, and many expect these to extend to more organisations over time.





In second place, more than one-third (36%) cited seeking to improve their organisation's reputation with ESG, again, in the same position as last year, with 35% being driven towards ESG activities as a way to attract more customers and/or investors. Closely behind, almost one-third (32%) of organisations are using their ESG strategy to make a positive impact on their local community and communities in which they operate.

The negative and positive impacts that organisations have on local communities can be huge, for example potentially increasing traffic congestion and air pollution relating to transport and employee commuting, other emissions from heating and machinery, and an increase in waste generation. Also, there are other types of business-related pollution into the air and waterways, the potential to increase flood risk on a large, built-up area that affects run-off and drainage in heavy rainfall, and more. Of course, organisations bring many benefits to their communities too, including local employment opportunities, increased trading with local businesses and suppliers, and in many cases, acting as a magnet, attracting other organisations to locate nearby and investing in additional infrastructure. It is crucial for the sake of the planet, its people, and their own reputations, that organisations seek to mitigate the negatives and increase the impact of the positives with a carefully designed ESG policy.

# 37%

are using the cloud as the technology to reduce CO2 emissions – the top choice for three years in a row.

Looking back over the results from some of our more recent annual surveys, the trend shows that people's stated intentions have not matched organisational progress. Back in 2022, three-quarters (75%) of respondents told us that ESG was a growing priority in their organisation, and in 2023, 40% said they had an ESG strategy with key targets, with another 37% prioritising some ESG strategies where possible. It strikes us as odd then, that this year, less than one-third (28%) claimed that ESG had been a business-as-usual activity for at least three years, as it would appear from our previous surveys that this was a well-established endeavour. In fact, despite the growing focus on ESG in recent years, the largest group (35%) in 2024's survey, told us they had only recently introduced an ESG strategy for their organisation with key targets. It doesn't appear that organisations have made much, if any progress, embedding their ESG strategies and activities. Or, if they have, then many of their decision-making employees are not sufficiently aware of what their organisation is doing.

Using the cloud to reduce carbon emissions is a consistent trend, coming in as the top technology utilised by 37% of organisations this year, having also been at the top in the previous two years' survey results. AI is opening people's eyes to the potential for more effective processes in all areas and functions, so it is no surprise that this year, 25% believe AI will help improve ESG reporting processes, and achieve carbon footprint targets more easily.



Using technology, organisations may be able to identify stronger links between more sustainable business practices and cost-savings, which will help them improve return on investment and drive greater productivity. Technology can then help make the case for introducing additional sustainable practices, achieving ESG targets while also saving costs in an increasing cycle of benefit.



# 07

## CYBER SECURITY





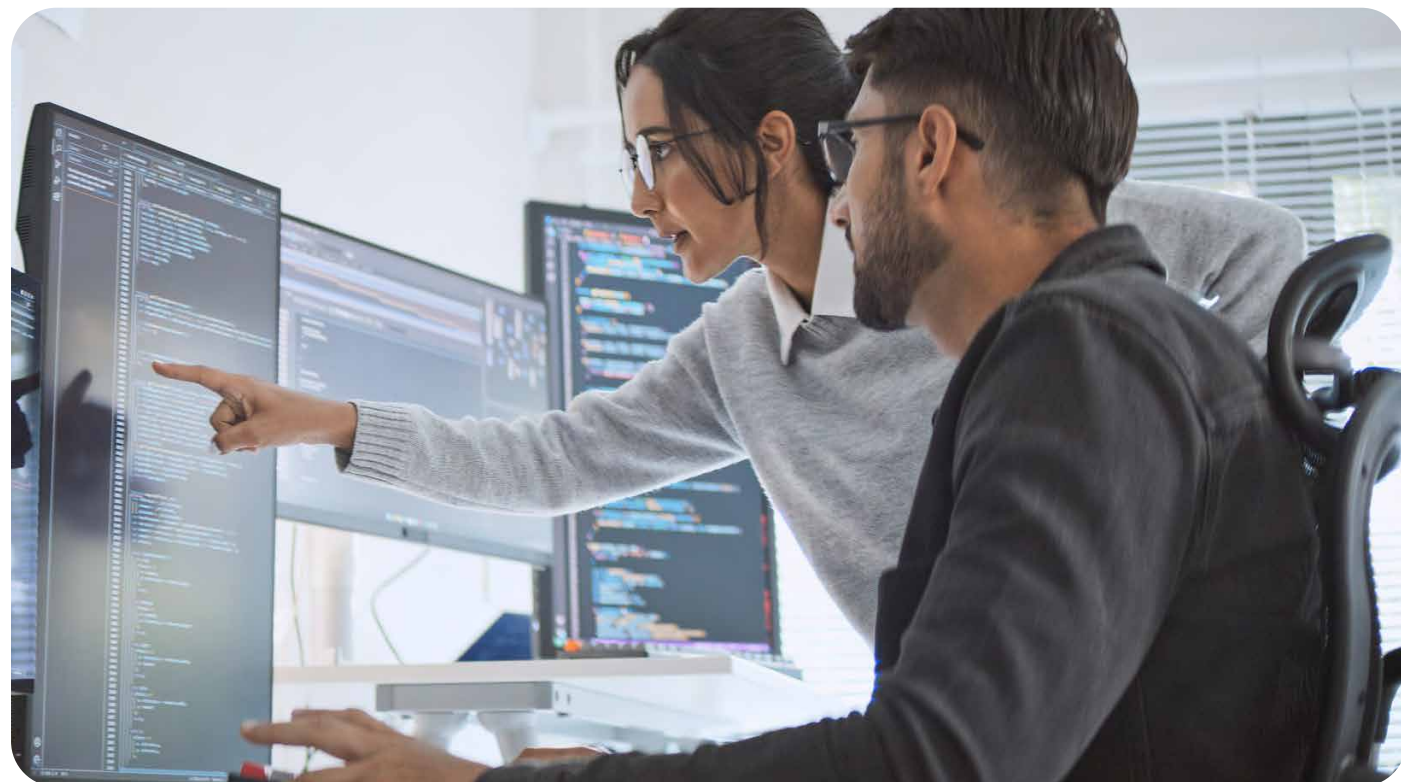
2024 has continued to see a rise in cybercrime – within business and our personal lives too. According to the Government’s Department for Science, Innovation, and Technology, (DSIT), *half* of businesses and 32% of charities reported experiencing some form of cyber security breach or attack over the last 12 months. This serves as an important wake-up call for any organisation that may be becoming complacent about its existing cyber defences.

Our survey reveals a worrying decline in preparedness. 14% of respondents tell us their organisation is less prepared for a cyberattack than 12 months ago, or not prepared at all, with another 9% saying they do not know how well prepared they are. We can contrast this with the data from the 2023 survey, when a smaller number, 9% said they felt less or not at all prepared for an attack than the previous year, and just 6% who didn’t know. This indicates that organisations are falling behind in their readiness to counter and mitigate the impact of cyberattacks.

Looking at the converse statistics, this year 72% say they believe they are more prepared for a cyberattack than 12 months ago, fewer than last year when 85% told us they were ‘more prepared’ or ‘somewhat prepared’ for this. A reduction in preparedness for a cyberattack is cause for concern for

everyone, as threats can grow exponentially and quickly get out of control. Underprepared organisations appear to be losing the battle against cybercrime, and many recognise the need to ramp up cyber security efforts.

With its increased layers of security, many organisations are turning to cloud-based technology to help protect their data and systems. In light of the chaos caused by faulty software in 2024’s CrowdStrike incident, many are more cautious about the trust they put in their technology. However, 39% of respondents in our survey agree that while cloud-based technology can create its own vulnerabilities, they were mostly confident in the security of the cloud-based technology they are using. A further 30% tell us they don’t believe any system can be 100% secure but are very confident in the security of their cloud-based technology.



72%

say they believe they are more prepared for a cyberattack than 12 months ago.

That’s fewer than last year when 85% told us they were ‘more prepared’ or ‘somewhat prepared’ for this.

85%



Just 3% say hearing about other cyberattacks has put them off using the cloud altogether, and 0% of those in IT, Technology and Telecommunications, which is positive, as cloud technology is more secure than on-premise software and brings so many important benefits enabling greater flexibility, agility, accuracy and immediacy of data, and more. Providers and server hosts are investing heavily in their defences, working continuously to improve security.

On average across all industries, 11% of respondents tell us they use a combination of cloud-based and on-premise technologies as a strategy to mitigate risk in case of a similar widespread breach in future. This may go a little way to explaining the 6% increase from last year in the organisations using both types of system side by side.

There is no room for complacency with cybercrime, but just 16% say they are very much concerned about the proliferation of cloud-based technology and are actively working with their IT provider or in-house team to enhance security and look at ways to mitigate risk in the event of

a future attack, rising to 43% of those working in the IT, Technology, and Telecommunications industry sector. Reassuringly it would appear that the best-informed professionals are the most concerned about the evolution of cybercrime, acknowledging the increasing sophistication of criminal activities.

Organisations recognise that employees are the weakest link in their cyber defences, with 45% telling us problems occur when employees fall for scams and phishing, and 40% also say it is when employees are careless with updating passwords. But organisations must take responsibility for the way they train employees, ensuring they are fully briefed and educated to help them work together to protect themselves and their employer. The Government's [data](#) reveals that only 16% of the businesses and charities it surveyed tested staff with things like mock phishing exercises and an average of 18% had undertaken cyber security training and awareness this year.

In our own survey, more than one in five (22%) blame high staff turnover for security breaches, as it can expose access via unsecured personal devices. This loops the challenge of cyber security back to the beginning of this report, providing another reason why increasing staff retention and engagement are so important. It is more than a straightforward productivity problem when high churn rates increase the surface of cyber security threat.

# 45%

of organisations identify their own employees as their main point of cyber risk.



Cyber criminals present a threat to everyone, in organisations and as individuals. Managing and mitigating that risk requires a concerted and collaborative approach, using a combination of technology and human understanding to identify threats and minimise impact. Sharing their experiences and offering support, advice, and help to others can transform this experience into an opportunity to band together to combat a common enemy. Also, having identified employees as a weak link, organisations can improve the way they train and support their people to shore up any deficiencies or vulnerabilities in their organisational defences.





# FUTURE OUTLOOK

08



Optimistic observers might suggest that 2024 is the year that things will begin to change for the economy, with a change in central government, a new direction for the business economy, for public services, and more. Leaders and policymakers are increasingly reliant on digital technology to help transform the way organisations operate.

For example, a widespread implementation of digital technologies has been suggested as one of the critical remedial policies for the NHS, if it is to survive as a free at point of care to all service. The 'tilt towards technology' described in Lord Darzi's 2024 [report](#) on the state of the NHS would, he claims, help unlock productivity, as he also flags the potential for AI to transform services.

Surveying decision makers in the months following a general election with a change of government required us to ask some questions around business confidence for the future. Almost half (49%) of respondents told us that although it was too soon to say whether the change of government will lead to growth, they were hopeful for a stronger economy in the mid to longer term. Nearly one-third (32%) were more optimistic still, saying they believe the UK economy is beginning to recover and were confident in economic growth soon.

The remaining 19% of respondents, almost one in five, stated they were less optimistic or had no confidence in any upswing for the economy soon. One of the areas that our survey respondents felt strongly about was in training and reskilling the current and future workforce to enable better implementation of technology, including AI. Less than one-third (28%) believe the UK workforce has sufficient skills to enable effective, safe use of AI at the moment.

Meanwhile, 20% think the government could invest more in training young people and reskilling the existing workforce. They recognise that organisations must bear the cost of this too, but there is appetite for more government investment and support for technology innovation that can make a positive impact for their organisations. 31% tell us they want to see enhanced support for technology education and skills development programs, 22% think the government should facilitate public-private partnerships for technological advancements, and 21% believe the government could foster a more innovation-friendly environment by implementing regulatory reforms.

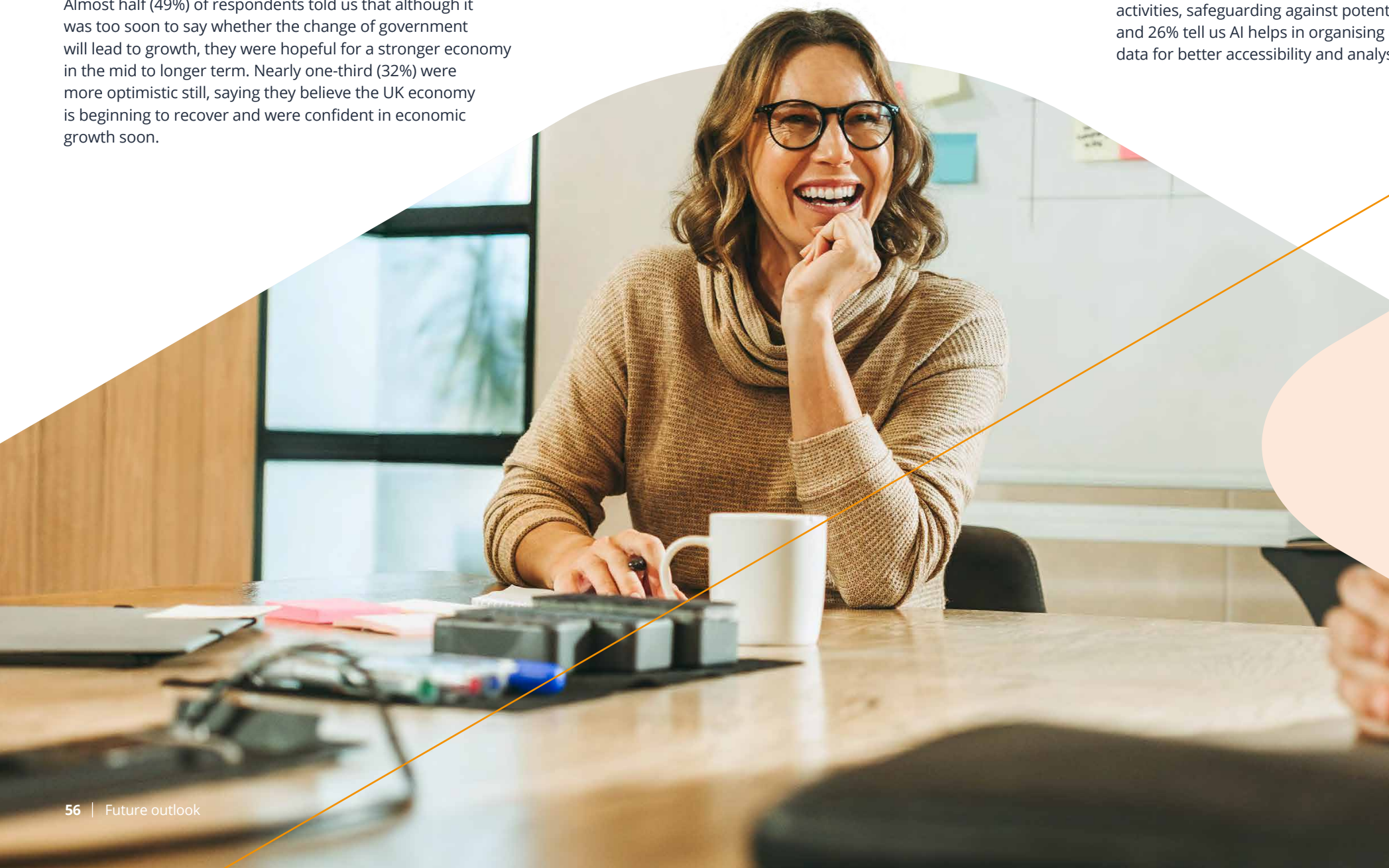
Looking ahead, we believe there is cautious optimism among leaders about what can be achieved using emerging technologies such as AI, even if many organisations appear hesitant to take the plunge right now. Nonetheless, many are already seeing the benefits. Of those organisations already using AI, 30% tell us AI enables more responsive and intuitive online customer service for a better customer experience. More than one-quarter (26%) are successfully using AI to assist in spotting irregularities in financial activities, safeguarding against potential fraud, and 26% tell us AI helps in organising and structuring data for better accessibility and analysis.

Perhaps because automation has already been widely adopted, the next step, AI-powered automation is easier for people to envisage being incorporated into existing processes, than some of the more dramatic, less apparently applicable forms of this emerging technology. Also, 44% told us the area where AI would make the most impact to their organisation internally was in reducing repetitive tasks, which is crucial for improving employee experience, and productivity.

AI will reduce the time spent on arduous repetitive tasks, giving more time to focus on the actionable insights and strategically important activities that benefit the organisation while creating a more fulfilling work life for people.

42%

of respondents expect AI will enhance customer service, improving customer experience.





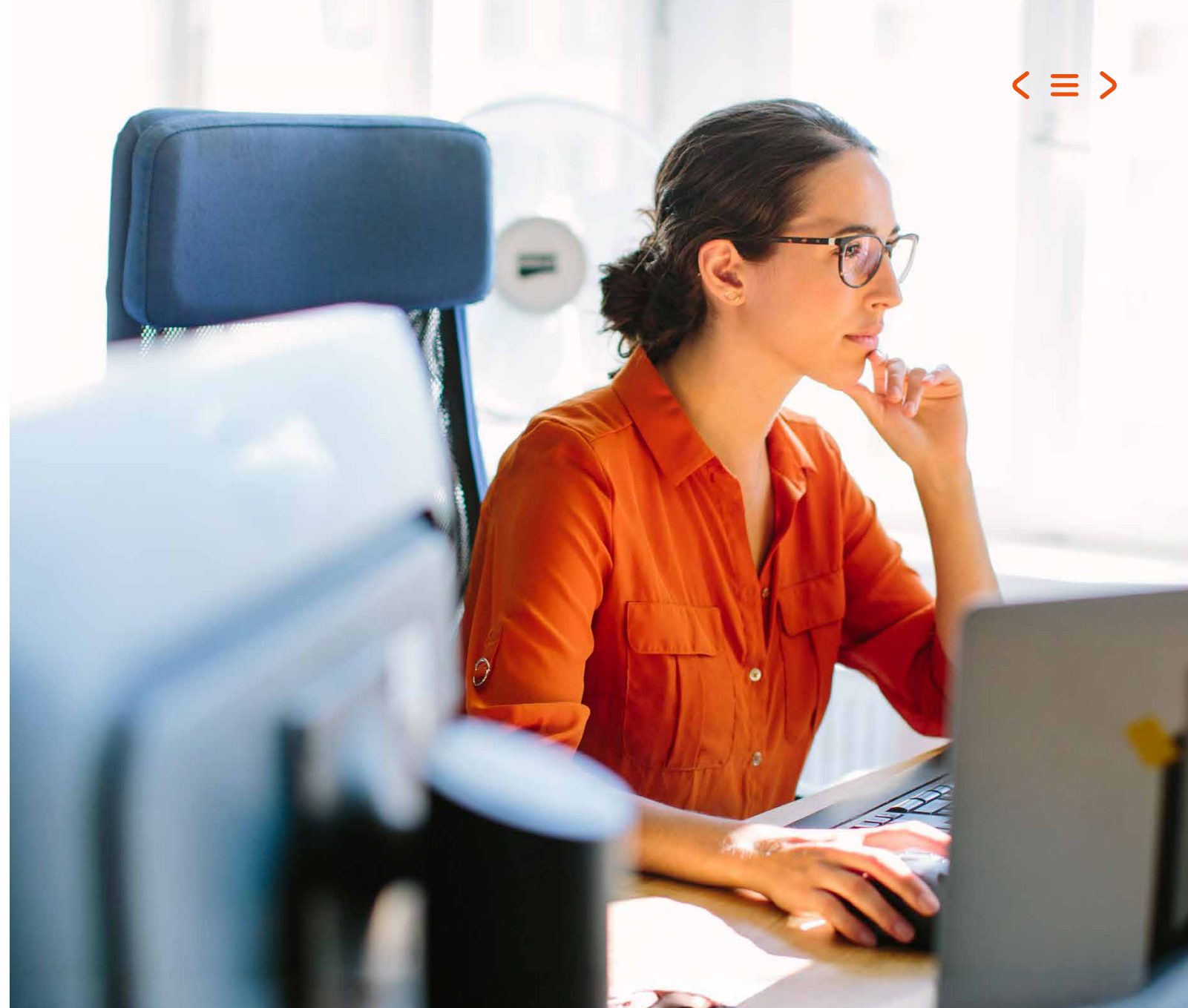


In a world where online reviews and rankings can make or break an organisation's reputation, driving a better customer experience is key. 42% of respondents expect AI will enhance customer service, improving customer experience. Many organisations are already using chatbots with AI for more intuitive, responsive replies and actions that drive faster delivery times and more efficient stock and resource management.

We note that the hesitancy around implementing AI continues. This caution is bound up in a number of factors, from cost of procurement and implementation of new technology, the potential risks of mismanaging data, the unforeseen consequences of AI-driven activities, insufficiently skilled and experienced employees, along with a need for more clarity around best practice policy and for some, adoption of the required cloud-based technology in the first place.

It is important to remember that the lack of success some organisations have experienced when trying to implement an AI-related project is not just down to a skills shortage. Many organisations appear to have embarked on projects using AI without fully understanding what is required for success. In many there is clearly a lack of organisation-wide strategy, with different functions doing their own thing.

**AI implementation, and risk mitigation, may therefore be subject to the specific needs of the function, or down to preference, attitude, and aptitude of certain leaders who are choosing to drive AI forwards, with or without the rest of their organisation being on board.**



### About OneAdvanced

*OneAdvanced* is a leading provider of sector-focused SaaS software, headquartered in Birmingham, UK. Our mission is to power the world of work through eight sector portfolios underpinned by a resilient cloud platform providing common services for data and analytics, security and AI. We understand the needs of the sectors we serve and provide solutions that effortlessly get the job done. We are a trusted partner allowing our customers to focus on thriving for the people who rely on them – their customers, their people, and their communities.



## Methodology

The research was carried out online by Research Without Barriers – RWB, on behalf of OneAdvanced, with all surveys conducted between 23rd August 2024 and 13th September 2024.

The sample comprised 6,005 UK senior decision makers (from organisations with 100+ employees). 3205 identified as male, 2779 as female, and 21 as other. Demographically respondents were grouped by age; 18-24; 25-34; 35-44; 45-54; and 55+, located in all four of the UK nations.

All research conducted adheres to the UK Market Research Society (MRS) code of conduct (2023) .

Research Without Barriers (RWB) is registered with the Information Commissioner's Office and is fully compliant with the General Data Protection Regulation (GDPR) and the Data Protection Act (2018).