



# KPMG 2021 India CEO Outlook

**Towards a digitally driven and  
purpose-led recovery**

October 2021

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# Foreword

Over the last 18 months, the COVID-19 pandemic has presented new demands on the leadership abilities of CEOs across organisations and sectors worldwide. With this backdrop, KPMG in India is back with its annual India CEO Outlook 2021. In brief, India's C-Suite seems set for recovery, but with expectations tempered with caution.

CEOs in India, much like their global counterparts, are reasonably optimistic about the prospects for the global economy, despite being a bit low on confidence when it comes to growth prospects for their own company and industry. The unprecedented crisis has led to constant reassessment of strategies for business continuity and growth.

An interesting observation this year was that CEOs in India have shown a high appetite for Mergers and Acquisitions (M&A), with 55 per cent of them stating they are likely to undertake acquisitions which will have a significant impact on the overall organisation. Also, compared to their global counterparts,

CEOs in India perceive lower levels of threat to organisational growth from risks such as supply chain and climate change. They have indicated operational risks as their top concern.

CEOs in India are now focusing on building digital resilience along with agility, as a part of the accelerated digital transformation the pandemic has wrought. Keen on improving their digital preparedness, about two-thirds of CEOs in India have a plan to address a ransomware attack and establish a strong digital and cyber risk culture in the organisation to be championed by senior leaders.

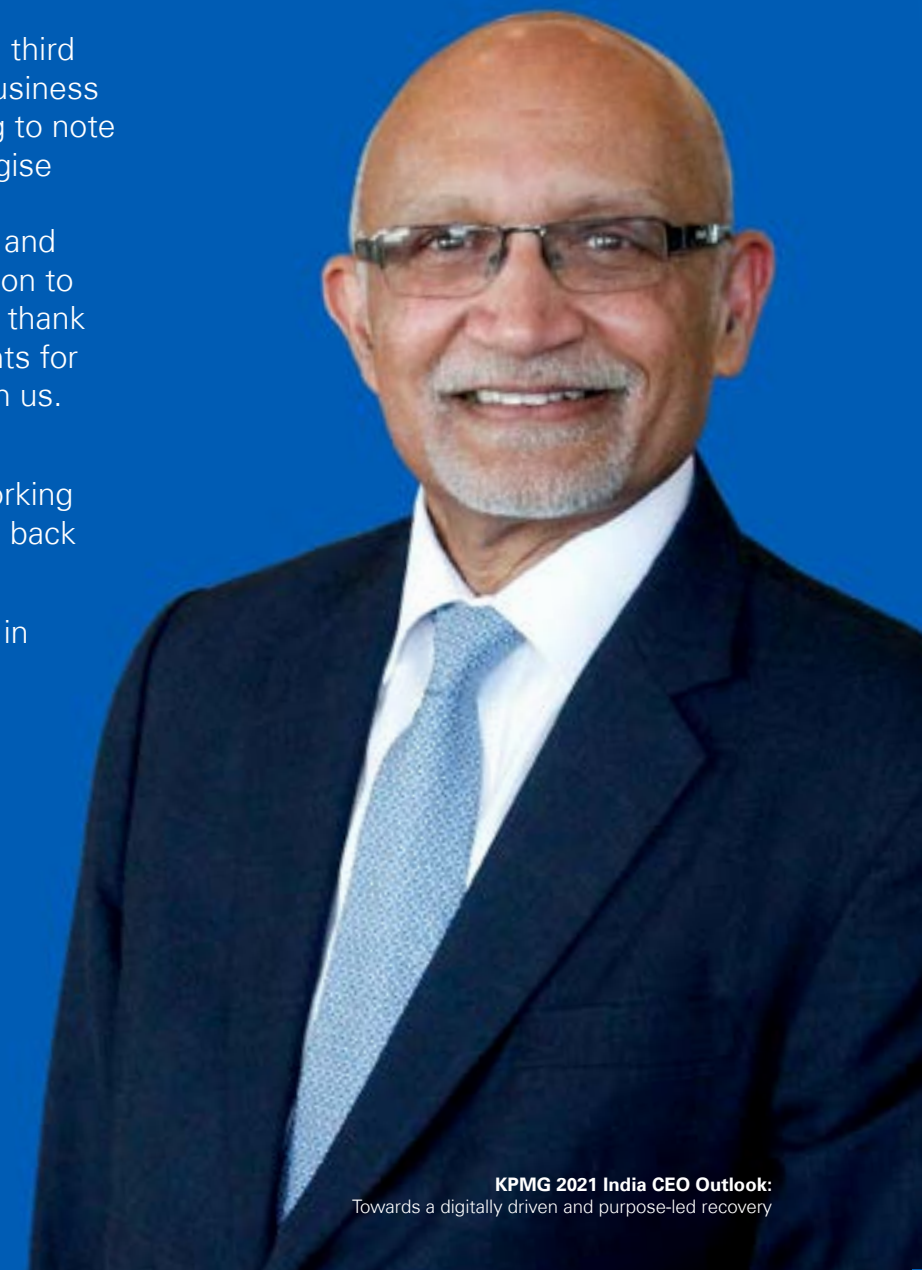
Our results also show that the path to recovery and growth is one that is guided by purpose. Consequently, there is an increased emphasis on Environmental, Social and Governance (ESG) as a business priority. While the focus on the 'social component' of ESG has decreased significantly for India after the second wave of COVID-19, CEOs in the country are looking to co-create a net-zero future with government support.

With the threat of new variants and of a third wave in India, we may not be back to business as usual just yet. But what is heartening to note is that CEOs in India are ready to strategise operational priorities such as advancing digitisation, reconfiguring supply chains and amplifying the employee value proposition to hire and retain talent. I extend a sincere thank you to each one of the survey participants for taking the time to share their views with us.

We now have the opportunity to build a stronger, more sustainable future by working together, and most importantly, building back better.

Thank you for the trust you have placed in KPMG in India.

**Arun M. Kumar**  
Chairman and CEO  
KPMG in India



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# Key findings

The KPMG CEO Outlook series presents an in-depth analysis of the impact of this once-in-a-lifetime crisis COVID-19 and the prospects for economic recovery amid growing uncertainty. Since the onset of the pandemic, KPMG has stayed connected with business leaders across the country, through our August 2020 and March 2021 Pulse survey to garner valuable insights from India Inc. KPMG's 2021 India CEO Outlook brings out pertinent viewpoints on the future from 125 CEOs in the country.

Some of the key developments are focused on how today's connected CEOs are ready for a recovery that is digitally driven, and purpose-led, so as to build better and stronger organisations than ever before.

**While CEOs in India are confident about the growth prospects of the global economy, their confidence in organisational and sector growth has seen a considerable dip. But that has not stopped them from having a high appetite for M&As and investing more in developing their workforce's skills and capabilities. Having identified operational risk as the biggest threat to organisational growth, they are ready with aggressive growth strategies to recover stronger.**

**CEOs in India are now focusing on building digital resilience along with agility. At present, digital risks include cyber threats, service disruptions from technology failures and reputational damage from data privacy issues. One of the key steps CEOs in India plan to take to build digital resilience over the next three years include establishing a strong digital and cyber risk culture in their organisation, championed by senior leaders.**

**While ESG continues to be a business priority, the focus of CEOs in India towards the social component of their ESG programmes has decreased significantly after the COVID-19 second wave. They are, however, keen on building a net-zero future and strongly believe that government stimulus would be required to turbo charge climate investments being made by the business community.**

*Overall, three key themes emerged from this year's survey.*





## A solid roadmap to recovery: 1

Confidence of CEOs in India on the growth prospects of their country and company has declined. However, their confidence in growth prospects for the global economy has increased.

### Confident approach

**82 per cent** CEOs in India have shown confidence on the growth prospects of their company, compared to **87 per cent** CEOs globally. Despite this, CEOs in India are ready to combat all kinds of risks and disruptions to recover better. **55 per cent** CEOs in India have faith in the prospects for the global economy, which is slightly less than their global counterparts at **60 per cent**.

### Aggressive growth strategies

About **35 per cent** CEOs in India consider organic growth to be crucial to realise their organisational growth. This is marginally higher compared to CEOs globally at **31 per cent**. Simultaneously, CEOs in India have shown a high M&A appetite, with **55 per cent** of them stating they are likely to undertake acquisitions which will have a significant impact on the overall organisation compared to **50 per cent** globally.

### The risk factors

Even with a solid roadmap to recovery, pandemic-related issues are still a cause for concern. While globally **cyber security, supply chain and climate risk** are perceived to be the **top three risks**, which seems to reflect the broader sentiment of the business community, surprisingly CEOs in India perceive **operational risk**, as the topmost risk, followed by **cyber security and risk regulatory risk**.

## Digital Edge: 2

Having focused on accelerating digital transformation for the last 18 months, CEOs in India are now focusing on building digital resilience along with agility.

### Planning for digital resilience

**48 per cent** CEOs in India (higher than their global counterparts at **42 per cent**) say they want to establish a strong digital and cyber risk culture in their organisation championed by senior leaders. About two-thirds of the CEOs in India (**64 per cent**) compared to **65 per cent** globally stated that they have a plan to address a ransomware attack if faced with one.

### Active disruption

**74 per cent** CEOs in India (higher than their global counterparts at **72 per cent**) are actively looking to disrupt the sector they operate in, rather than waiting to be disrupted by competitors. **68 per cent** CEOs in India see technological disruption as more of an opportunity than a threat. This is lesser than CEOs globally at **76 per cent**.

### Active disruption

**28 per cent** CEOs in India are looking to downsize their organisation's physical footprint. **42 per cent** organisations in India are looking at having their employees work remotely, which is slightly higher when compared to CEOs globally at **37 per cent**. Additionally, **56 per cent** CEOs in India compared to **51 per cent** globally have said that they will be looking at shared office spaces to allow employees to work more flexibly.

## Guided by purpose: 3

As they look forward to embedding purpose in the fabric of their organisations, CEOs in India are increasingly focusing on meeting their ESG goals.

### ESG is a critical business priority

**78 per cent** CEOs in India compared to **81 per cent** globally have mentioned that their response to the pandemic has caused their focus to shift towards the social component of the ESG programme.

### Co-creating a net-zero future

**79 per cent** CEOs in India (higher than their global counterparts at **77 per cent**) believe that government stimulus is imperative to turbo charge climate investments being made by the business community. **50 per cent** CEOs in India said that they struggle to articulate a compelling ESG story while communicating to the wider society. This is again higher than CEOs globally at **42 per cent**.

### Influence of purpose on decision-making

**66 per cent** of CEOs in India, slightly higher than CEOs globally at **64 per cent** say that their principal objective is to embed their purpose into everything they do to create long-term value for their stakeholders - including customers, employees, investors, and communities.



# A solid roadmap to recovery

The pandemic has put business leadership through the test of fire. India Inc. adapted to the 'new' normal and a virtual environment and made big decisions, while working towards safeguarding the health and mental well-being of their employees, amid growing uncertainty.

Even as they continue to manage the impact of the pandemic and face new risks every single day, CEOs in India are driven to transform their business, achieve growth and build a sustainable future.

Understanding that recovery is the only way forward, CEOs in the country are looking at implementing aggressive growth strategies on their road to recovery. This entails innovation, Research and Development (R&D), capital investments and partnerships with other organisations and the government. It also means enhanced investments, and buying new technology and further developing their workforce's skills and capabilities. Having identified the operational risks to their business, they are now moving ahead to set their top operational priorities to achieve growth in the next three years.

Strategic planning for CEOs in India also includes building digital resilience and agility, while developing human ability for the same. Lastly, CEOs in India are weaving purpose into the fabric of their organisation by making ESG their business priority and winning the trust of their stakeholders.

They are realising that a more prosperous, equitable and sustainable world is created when these three priorities are linked and worked on.

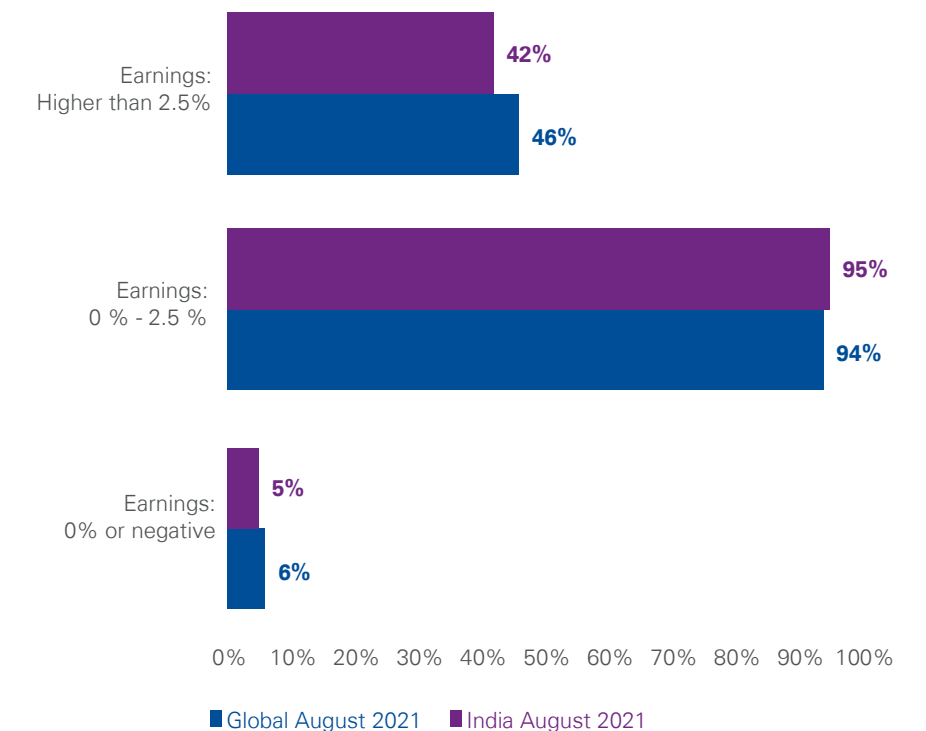


Flexibility at the workplace has become a top priority, more than ever before. Survey results indicate that CEOs in India are mindful of the fact that people are at the core of organisational success and are working to safeguard the workforce. Steps such as downsizing physical office space, developing solutions and processes that allow remote working, focus on employee wellbeing and Human Resource (HR) policies that align with this 'new normal' are redefining how companies will develop their business models in future. ”

## Nitin Atroley

Partner and Head  
People, Strategy & Corporate Affairs  
KPMG in India

Chart No 1: Organisation's earnings outlook over the next three years



Source: KPMG 2021 Global CEO Outlook

Note - The negative outlook by CEOs in India (5 per cent), is less than that of CEOs globally at (6 per cent).



## Confident approach

The Indian C-suite's confidence on the growth prospects has seen a significant decline. While they are confident about the growth prospects for the global economy, their confidence on organisational and sectoral growth has seen a considerable dip.

**82 per cent** CEOs in India have confidence in the growth prospects for their company. This number is marginally lower compared to where it stood at **92 per cent** in March 2021 and much higher than **42 per cent, in August 2020**.

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**However, despite being low on confidence, they are ready to combat all kinds of risks and disruptions to recover better, with 55 per cent CEOs in India having faith in the prospects of the global economy (up from 18 per cent in August 2020).**

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Keeping with the declining confidence in growth prospects, we also see a decline in confidence amongst 95 per cent CEOs in India when it comes to their organisation's earnings outlook over the next three years.

At the same time, 90 per cent of CEOs in India are slightly more optimistic that the headcount of their company will increase over the next three years compared to that of their global counterparts at 88 per cent. Given this sentiment, CEOs in India are placing more investment in developing their workforce's skills and capabilities. However, compared to CEOs globally, CEOs in India are lesser focused on buying modern technology but are more focused on developing their workforce's skills and capabilities.



For many industries and companies, the prolonged pandemic was also an opportunity for transformation. At OYO, we used the last 18 months, to become a company that creates value for our patrons (hotel and homeowners) and customers by building first class solutions aided by innovative technology. For us, the next phase of sustainable growth will come from enabling business recovery and resurgence for hundreds of thousands of entrepreneurs who operate hotels and homes across the world. ”

**Ritesh Agarwal**

Founder and Group CEO  
OYO

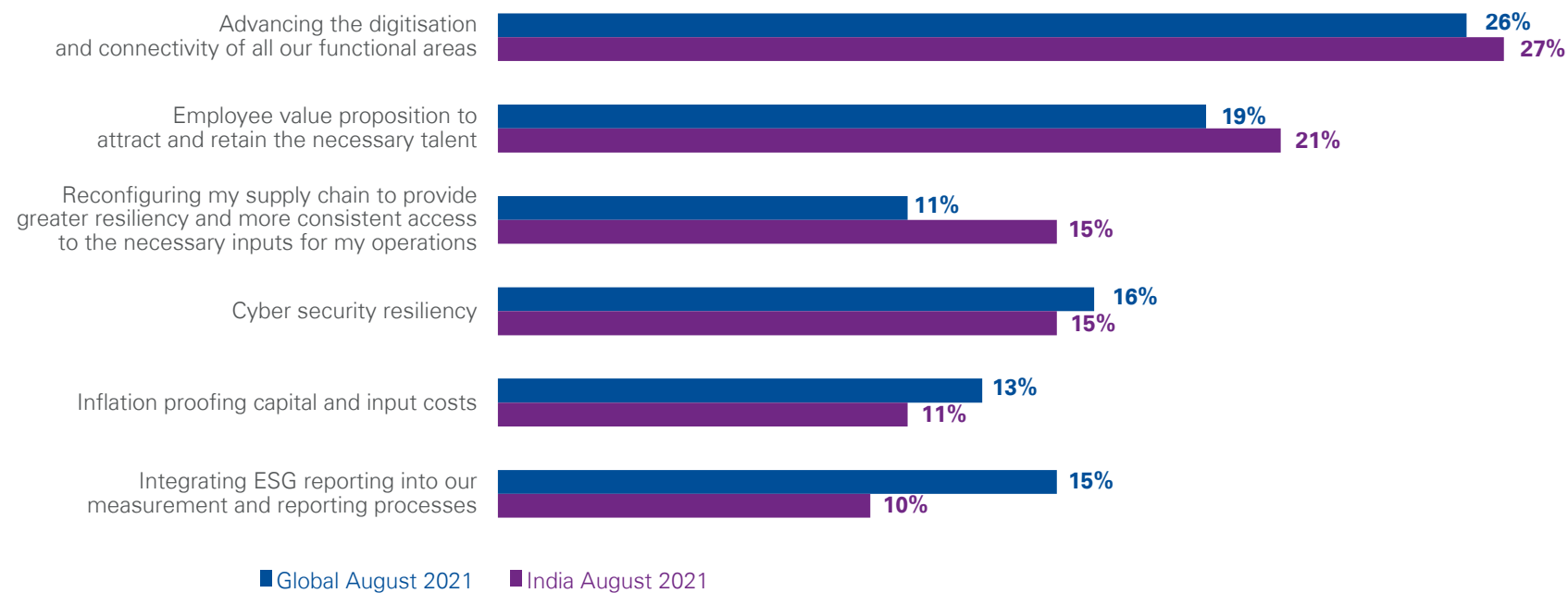
## Aggressive growth strategies

Coming to growth strategies, 35 per cent CEOs in India believe that organic methods such as innovation, R&D and capital investments will be crucial for realising their growth objectives over the next three years.

At the same time, the M&A appetite of CEOs in the country has increased significantly. Data suggests that 55 per cent CEOs in India (up from 26 per cent in March 2021) have said that they are likely to undertake acquisitions which will have a significant impact on the overall organisation. This is also slightly higher compared to CEOs globally at 50 per cent.

With cautious optimism and realistic confidence, CEOs in India have set themselves the below top operational priorities to achieve growth over the next three years.

Chart No 2: Comparison of operational priorities set by CEOs in India and globally



Source: KPMG 2021 Global CEO Outlook

Note - Compared to CEOs globally, CEOs in India are to some extent inclined towards operational priorities such as reconfiguring supply chain, advancing digitisation and employee value proposition



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With an aggressive vaccination drive under way, I remain optimistic that India's economic revival and growth will get further momentum, going forward. My company too is poised to grow in the coming decade, aided by our strategic investments in raw material security, upstream, downstream, sustainability and technology spheres, thereby enhancing our contribution towards the 'Atmanirbhar Bharat' initiative. ”

**Dilip Oommen**

CEO

ArcelorMittal Nippon Steel India Limited

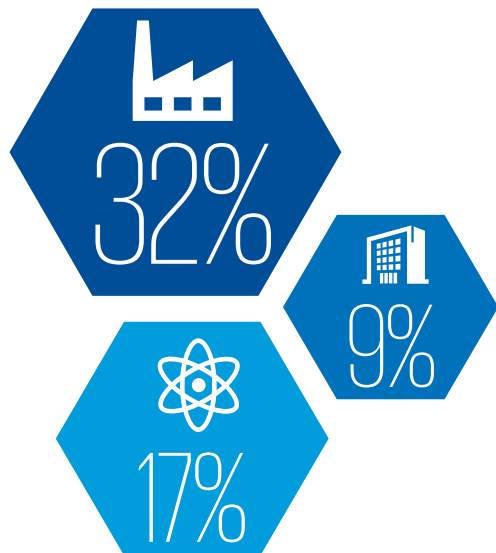




## The risk factors

Even with a solid roadmap to recovery, pandemic-related issues are still a cause for concern for CEOs in India. While supply chain, cyber security, regulatory and environment continue to be risks to organisational growth, 19 per cent CEOs in India (up from 6 per cent in March 2021 and 11 per cent this time last year in August 2020) perceive the most threat from operational risks.

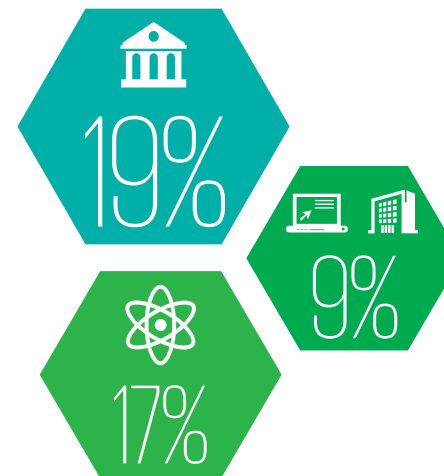
Today, the perception of risks among CEOs in India, in areas such as cyber security (14 per cent), regulatory (13 per cent), supply chain (10 per cent), reputational risk - including misalignment with customer/public sentiment (10 per cent) and climate change (6 per cent) has either declined or remained similar to findings from March 2021.



At 32 per cent, operational risk is highest for the manufacturing sector, compared to only 9 per cent for the infrastructure sector and 17 per cent for energy sector



At 50 per cent supply chain risk is highest for the consumer/retail sector followed by the infrastructure sector at 18 per cent and manufacturing sector at 16 per cent



At 19 per cent regulatory risk is highest for the banking, financial services and insurance sector followed by the energy sector at 17 per cent and technology and infrastructure sector at 9 per cent.

“ Even as CEOs in India perceive the highest operational risk for the manufacturing sector, on the back of the current slowdown, we expect the rest of the year to be a different year. With consumer sentiments undergoing a steady transformation, demand is expected to rise, and industries will have to be ready to cater to these newfound needs in the ‘new’ world. Another interesting area to watch out for is India’s electric vehicle (EV) mobility landscape. As the country embraces energy efficient mobility, a lot will also depend on the government delivering on their intent to localise cell manufacturing. Overall, we expect good days for manufacturing ahead. ”

### Vinod Kumar Ramachandran

Partner and National Leader  
Automobile and Industrial Manufacturing  
KPMG in India



48 per cent CEOs in India compared to 56 per cent globally, say that their supply chains have been under increasing stress over the past 18 months. That said, CEOs in India are scoring high on strategies to mitigate supply chain stress over the next three years. Data shows that 22 per cent of them are looking to onshore more inputs in their supply chain to enhance production and/or operational resiliency and 33 per cent are wanting to diversify sources of input by adding new locations of inputs to make it more resilient.

CEOs in India believe that the roadmap to recovery is one that is led by intentions to achieve realistic growth objectives. The acceleration in digital technologies we have seen during the pandemic has meant that markets now operate more quickly. There has been a reset in the velocity of business, in areas such as customer behaviour, and CEOs in India need to ensure their companies are plugged in to this new dynamic and are leading the pack. More importantly, they are shifting toward a cloud-first mindset, with 45 per cent saying that they intend to partner with third-party cloud technology providers in the next three years in pursuit of their growth objectives.

Furthermore, CEOs in India also seem to have become increasingly mindful of the fact that together is the only way forward, as 61 per cent have said that they will join industry consortia focused on developing innovative technologies. Innovation is on top of their minds, and they are openly encouraging new potential. This is evidenced by the fact that 54 per cent CEOs in India compared to 46 per cent globally have said that they are planning to set up accelerator or incubator programs for start-up firms.

“After over a year of adapting to the new playbook for survival in the pandemic, retailers are regaining trust and confidence in the consumers’ minds today. As per the survey, those in the consumer and retail sector seem to be most worried about supply chain risks (50 per cent). In the light of this perceived threat, retailers need to modify their supply chains and develop capacities to plan and enable the logistics to meet the fluctuations in demand. The situation calls for extra precautions in the manufacturing lines, procurement, and production operations. Further, it is extremely important for the back-end infrastructure to operate seamlessly with the front-end activities.”

### Harsha Razdan

Partner and Co-Lead - Clients and Markets

Head - Consumer Markets and Internet Business

KPMG in India

**Only 48 per cent CEOs in India compared to 56 per cent globally, say that their supply chains have been under increasing stress over the past 18 months.**



# Digital Edge

The sudden overnight transference to a virtual working environment for most or the entire workforce made accelerating digital transformation a core business priority throughout the pandemic. After taking successful strides in this aspect, business leaders in India are now moving beyond and focusing on building digital resilience along with agility.

Based on their learnings and experience of digital adoption, CEOs in India are ready to achieve a much-needed digital edge when it comes to embedding technology in operations.

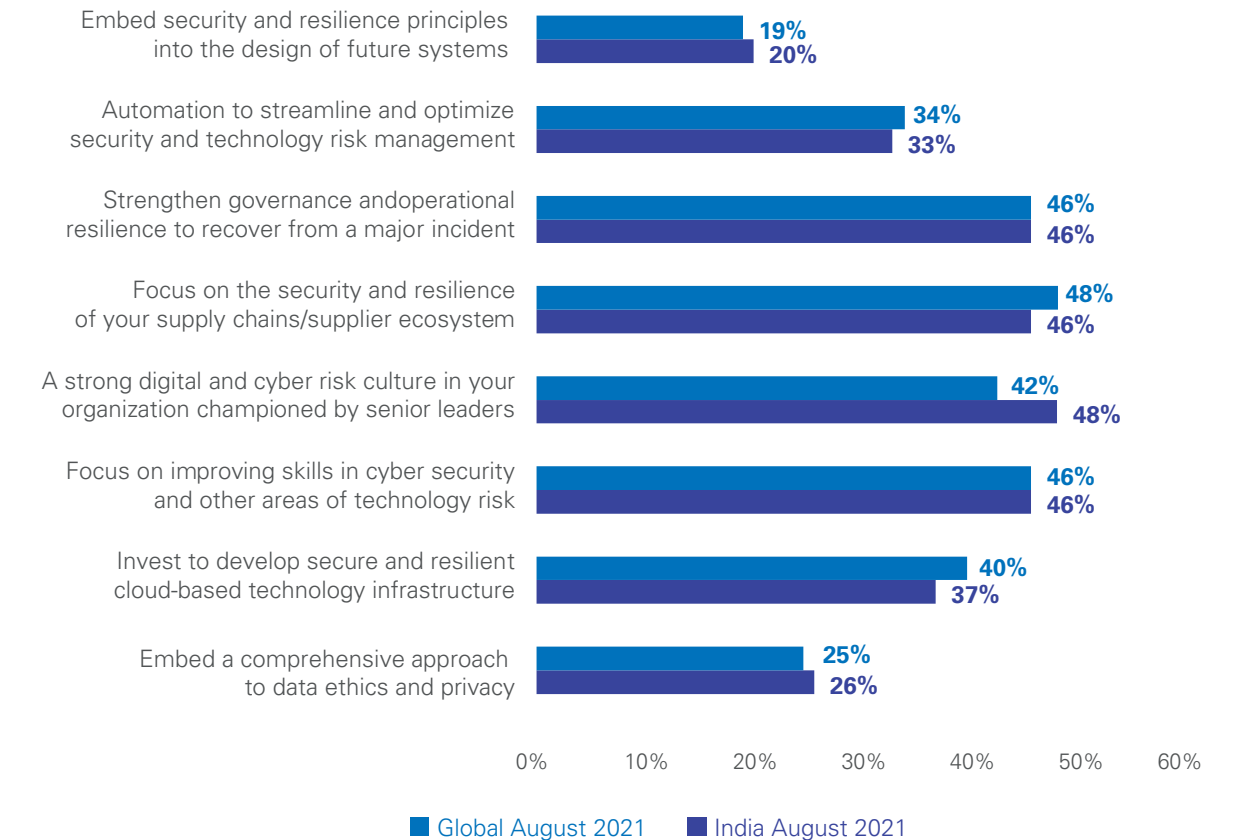
They are aligned with their global counterparts when it comes to planning digital resiliency.

## Planning for digital resilience

The survey shows 48 per cent CEOs in India (higher than their global counterparts at 42 per cent) stating they want to establish a strong digital and cyber risk culture in their organisation championed by senior leaders. Moreover, about two-thirds of (64 per cent) CEOs in India stated that they have a plan to address a ransomware attack if faced with one.

However, while they are quite aligned and have immense clarity on how they will bring in digital resilience and agility into their organisation, CEOs in India have laid lesser emphasis on cyber strategy and digital transformation strategy compared to their global counterparts.

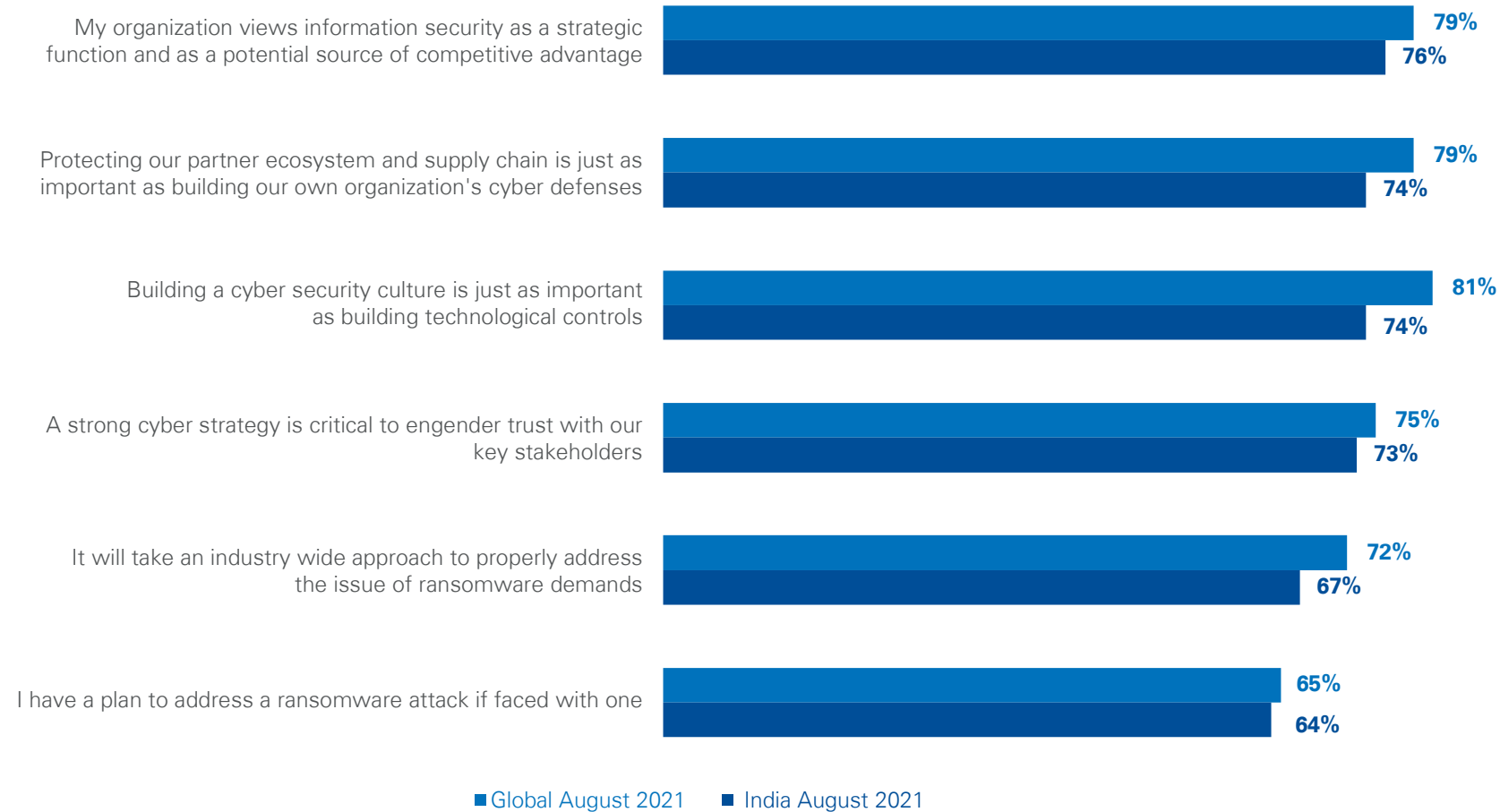
Chart No 3: What are the key steps you plan to take to build digital resilience over the next three years?



Source: KPMG 2021 Global CEO Outlook



Chart No 4: Comparison of CEOs in India and globally, indicating perceptions on cyber security



Source: KPMG 2021 Global CEO Outlook

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As cyber security continues to be one of the top three risk areas, its relevance in the new world has never been more significant. For senior executives whose world has changed and who are also perhaps more conscious than ever of the fragility of their digital infrastructure, both from work and personal perspectives, cyber security becomes more personal. Perhaps the more striking outcome of extreme digitalisation is the realisation and acceptance of cyber security as a real business issue. This is clearly evident in the survey findings, which show that 64 per cent of CEOs in India, have a plan to address a ransomware attack if faced with one. ”

**Akhilesh Tuteja**

Global Cyber Security Leader  
and Head - Digital Consulting  
KPMG in India



## Active disruption

CEOs in India recognise that digital lies at the heart of how they can create new sources of value. While this is an opportunity, it is also a risk: the acceleration of digital technologies means that business models that have existed for years can quickly become obsolete and irrelevant.

The data shows that CEOs in India are embracing the need to push the boundaries of their business and question long-held assumptions of what it will take to succeed in the mid- to long-term.

Similar to last year in August 2020, 74 per cent CEOs in India (higher than their global counterparts at 72 per cent this year) are actively looking to disrupt the sector they operate in, rather than waiting to be disrupted by competitors. At the same time, 68 per cent of CEOs in India compared to 78 per cent in August 2020, see technological disruption as more of an opportunity than a threat.

## A hybrid comeback

While the virus continues to mutate and the threat of new variants continuing to linger over a return to normalcy, CEOs in India have had to ensure that the workforce remains motivated and productive amidst a different type of uncertainty.

In a world where hybrid work is becoming increasingly common, CEOs in India are also upskilling their employees for the 'future of work' with investment in digital tools. With majority of employees working remotely, CEOs in India are looking to downsize space and invest in shared office spaces.

Chart No 5: Comparison of CEOs in India and globally, indicating views on digital transformation



Source: KPMG 2021 Global CEO Outlook



Trends that have emerged in the report are truly optimistic for India's growth story. Indian companies are recognising that by supporting and promoting flexibility at work they are encouraging a diverse and inclusive workplace and gaining long-term benefits that go beyond optics. ”

### Sarthak Ranade

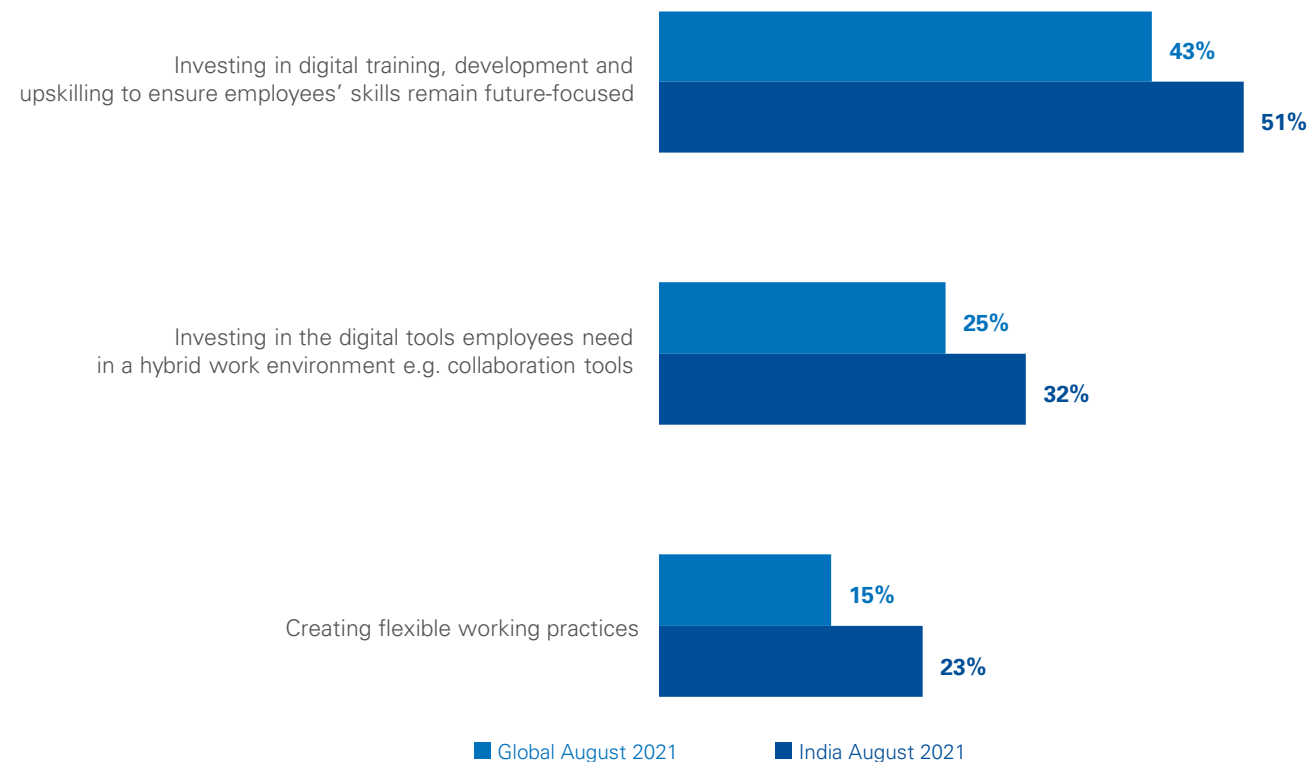
Managing Director

Janssen India - Johnson & Johnson Private Limited

Our research shows that 51 per cent CEOs in India are investing in digital training, development and upskilling to ensure employees' skills remain future-focused. 28 per cent CEOs in India have or will downsize their organisation's physical footprint, which is much lesser than 48 per cent, in August 2020. While downsizing has seen a considerable decline, of about 20 per cent since last August, 42 per cent CEOs in India agree to having the majority of employees working remotely for at least two or more days a week, compared to CEOs globally at 37 per cent.

In fact, CEOs in India compared to CEOs globally have indicated a higher focus towards investing in digital tools and preparedness for a hybrid work environment.

Chart No 6: Comparison of changes in hybrid workplace by CEOs in India and globally



Source: KPMG 2021 Global CEO Outlook



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Post securing our workplace environment, we have strategically focused on ramping up our business operations and have hired over 100 employees in Q2 2021. COVID-19 has demonstrated that a highly ingrained ESG model and dynamic work culture has helped us stay resilient. We are riding high on the success of our back-to-workplace outreach and are optimistically poised to take on H2 2021-22 business objectives. ”

**Ashok Agarwal**

Managing Director and CEO  
GreenCell Mobility



# Guided by purpose

As they look forward to embedding purpose in the fabric of their organisations today, CEOs in India are increasingly focusing on meeting their ESG goals. Key stakeholders — from customers to institutional investors expect companies to have a positive impact on a range of areas, from fighting climate change to driving diversity.

But a common challenge with purpose is how CEOs can turn it from a statement of intent to real actions by executing on their high-level commitments. Focusing on a bold ESG programme can help identify key opportunities and challenges and allow them to demonstrate how they can deliver on their purpose.

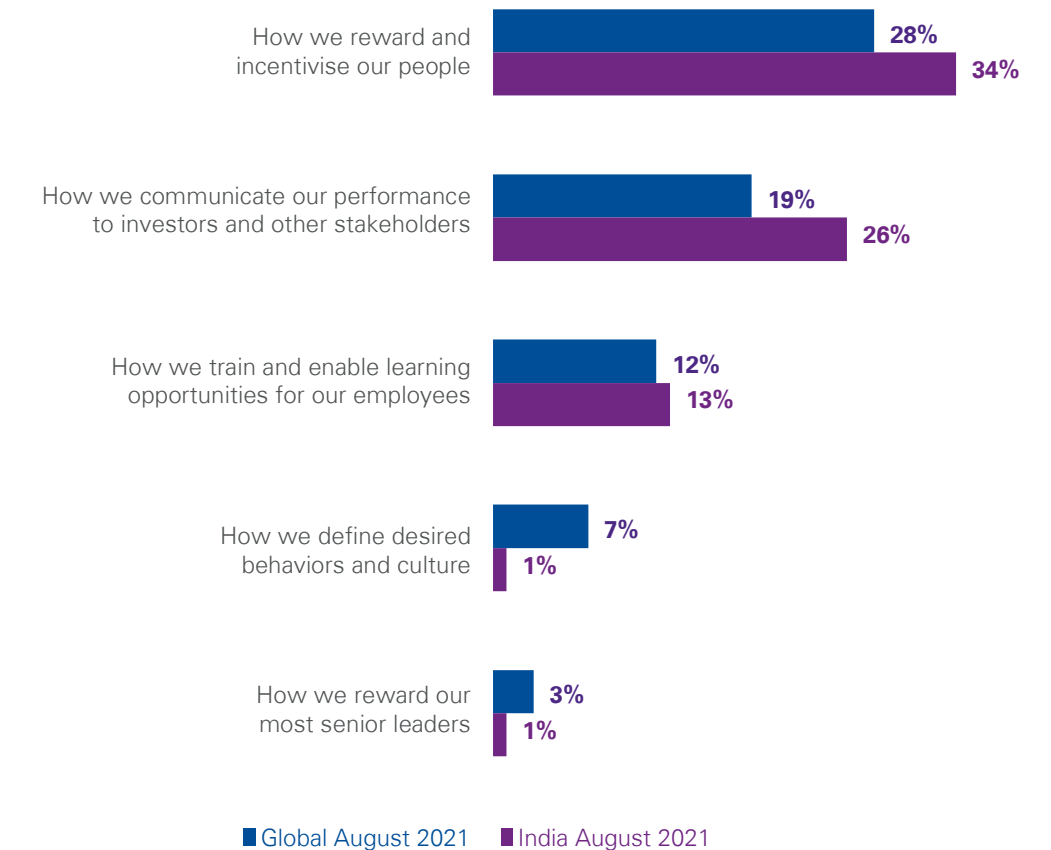
## ESG as a critical business priority

78 per cent CEOs in India stated that it is their response to the pandemic's second wave that caused their focus to shift towards the social component of their ESG program. This is significantly down from 96 per cent in March this year and much lower compared to CEOs globally at 81 per cent in August 2021. In August 2020 this number for CEOs in India stood at 64 per cent.

When asked whether they want to lock in the sustainability and climate change gains they have made as a result of the crisis, 71 per cent CEOs in India more than 67 per cent in August 2020 agreed.

Guided by purpose in their business decisions, 34 per cent CEOs in India mentioned that they intend to reward and incentivise their employees.

Chart No 7: Comparison of rewards and incentives to embed purpose in the fabric of their organizations by CEOs in India and globally



Source: KPMG 2021 Global CEO Outlook



We have a strong focus on reducing carbon footprint and tackling climate change and are continuously expanding our renewable power of 274 MW wind and 40MW of solar under our greenhouse gases (GHG) reduction goals by converting 50 per cent of our total power to renewable power in next five years. Our ambition is to convert all our mining equipment to battery operated EVs and we are committed to embrace technology and digitalisation in everything we do. We continue to strive towards giving back to mother earth while strengthening our ESG footprint. ”

#### Arun Misra

CEO and Whole-time Director  
Hindustan Zinc Limited

### Co-creating a net-zero future

CEOs in India want to build synergies in their quest to mitigate the impact of climate change. And the focus is more on garnering indigenous support rather than an international push.

Our study shows that 79 per cent CEOs in India (higher than global counterparts at 77 per cent) believe that government stimulus is required to turbo charge climate investments being made by the business community. At the same time, 61 per cent CEOs in India are not banking much on world leaders at COP26\* to inject the necessary urgency in the climate change agenda.

Even as 42 per cent CEOs in the country are seeing demand from stakeholders – such as investors, regulators and customers – for increased reporting and transparency on ESG issues today, 50 per cent CEOs in India have said that they are struggling to articulate a compelling ESG story. At the same time, only 46 per cent CEOs in India stated that to meet stakeholder/investor expectations around consistent and robust sustainability reporting, they would rely on external assurance of ESG data.

Assessing the origin of demand for greater ESG transparency and reporting in India, we found that Institutional investors (55 per cent) have the highest demand. These are followed by regulators (26 per cent), Customers (17 per cent) and a meagre (2 per cent) from employees and new hires. Given the low demand from employees, when it comes to meeting expectations of climate change, 36 per cent CEOs in India feel that disengaged employees and recruitment challenges are the biggest downside.

66 per cent CEOs in India compared to 71 per cent globally feel they will personally be held responsible for driving progress in addressing social issues. In their quest to achieve inclusivity, 46 per cent CEOs in India (same as global) have said that the global pandemic's negative impact on women in the workplace has made it difficult to achieve their gender parity goals at the leadership level.





## Influence of purpose on decision-making

Overall, 66 per cent of CEOs in India say that their principal objective is to embed their purpose into everything they do to create long-term value for all their stakeholders including, customers, employees, investors, and communities.

However, research shows a steep decline in emotional connection with purpose. 71 per cent CEOs in India compared to 79 per cent in August 2020 have said that they feel a stronger emotional connection to their purpose since the crisis began. Similarly 68 per cent CEOs in India mentioned that they are using their corporate purpose to help drive action in addressing the needs of their stakeholders. This is down from 82 per cent in August 2020 and 98 per cent in March 2021.

90 per cent CEOs in India see their corporate purpose having its greatest impact on building brand reputation. 89 per cent of them see their corporate purpose having the second biggest impact on customer relationships. Conversely, CEOs globally see their corporate purpose having its greatest impact on driving financial performance and similar to India they see the second biggest impact on customer relationships.

Moreover, CEOs in India stated that the greatest benefits of being a diverse and inclusive organisation is that they are able to encourage innovative thinking and unique ideas. The figure stands at 18 per cent for India. 17 per cent CEOs in India also saw this aspect leading to a stronger focus on customers. It is important to note that 24 per cent CEOs in India consider attracting talent including Gen Z and millennials as the greatest benefit of being a diverse and inclusive organisation.

When asked about company reputation being closely tied to having a trusted CEO, and how willing would they be to take the following actions to demonstrate personal integrity-50 per cent CEOs in India in August 2021, significantly more than in August 2020 at 18 per cent said that they are willing to link the pay of the senior team with trust and reputation metrics. For CEOs globally this number stood at 61 per cent in August 2021.

Chart No 8: Comparison of intended actions to demonstrate personal integrity by CEOs in India and globally



Source: KPMG 2021 Global CEO Outlook



Global Warming is a hard reality today and businesses have to find sustainable solutions to work and deal with it. This has led to many companies working towards cutting down Greenhouse Gas (GHG) emissions. The combination of switch to cleaner fuels and the general reduction in demand is taking the capital away in a big way. That makes it hard for service providers like us. That said, the future is uncertain and we are doing everything to adapt to the change and embrace the disruptions that may come our way. ”

### Subramanian Sarma

CEO and Managing Director  
L&T Hydrocarbon Engineering



# Reflections on the way forward

CEOs in India who are ready for a digitally driven and a purpose-led recovery, have embraced tough leadership challenges with panache. There are three action areas that today's connected CEOs can focus on as they look to grow and manage the ongoing impact of the pandemic.

First, equipped with aggressive growth strategies that include both organic and inorganic methods of growth considering all kinds of risks, CEOs are looking forward to real sustainable development.

Second, is agility and resilience which is the next leg of their digital transformation journey, that had to be boosted overnight on back of the pandemic. They also need to continue to flex their technology muscles with a higher focus towards investing in digital tools and preparedness for a hybrid work environment. Additionally, they are also aiming to ensure that these aggressive technology investments are matched by investment in human capabilities and skills.

Third, the pursuit of driving profitability and long-term growth is not one without purpose. Recognising their wider responsibilities to the planet and its people, CEOs in India want to make ESG a business priority and keenly want to focus on co-creating a net-zero future to accelerate climate investments with government support. Moving away from the social component of ESG, they are not worried about being personally held responsible for driving progress in addressing social issues. At the same, they are looking for avenues to articulate a compelling ESG story to all stakeholders, especially investors, who demand greater transparency and reporting.

As the world continues to train itself to live with the virus, CEOs in India have used the pandemic as a tipping point to prepare for all kinds of uncertainties that the future may throw at them and more importantly, for the future of work.

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As business leaders tread carefully on the path to a digitally driven and purpose-led recovery, setting and achieving ESG goals remains a key business priority across sectors. The need to curtail emissions is one of the most vital steps to mitigating the ill-effects of climate change and an important imperative for CEOs across industries. With 79 per cent CEOs in India voicing the need for government stimulus to turbo charge climate investments being made by the business community, it is clear that they are looking to co-create an emission free future for the planet and its people. ”

**Anindya Basu**

National Managing Partner

Head-Advisory and Clients and Markets

KPMG in India



# Methodology

The KPMG 2021 Global CEO Outlook provides an in-depth three-year outlook from 1,325 global chief executives of major organisations on enterprise and economic growth. The KPMG 2021 India CEO Outlook is an executive summary of the Global CEO Outlook covering the viewpoints gathered from 125 CEOs in India.

This latest research is part of the KPMG CEO Outlook series, which offers a unique perspective on the mindset shift of global CEOs over the lifetime of the COVID-19 pandemic and looking forward to post-pandemic recovery. As well as this survey which took place in July/ August 2021 we also conducted a CEO Outlook Pulse Survey of 500 chief executives in March of this year. This allowed us to examine how the thinking of CEOs

in India as well as globally has evolved over the course of 2021. CEOs are drawn from companies with annual revenue over USD 500 million and a third of the companies surveyed have more than USD 10 billion in annual revenue, with no responses from companies under USD 500 million.

The July/August 2021 survey included leaders from 11 key markets (Australia, Canada, China, France, Germany, India, Italy, Japan, Spain, the U.K. and the U.S.) and 11 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 100 per cent due to rounding.

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The views and opinions expressed herein are those of the quoted third party/survey respondents and do not necessarily represent the views and opinions of KPMG in India.

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OUR DRIVE TO ACHIEVE THE EXTRAORDINARY  
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