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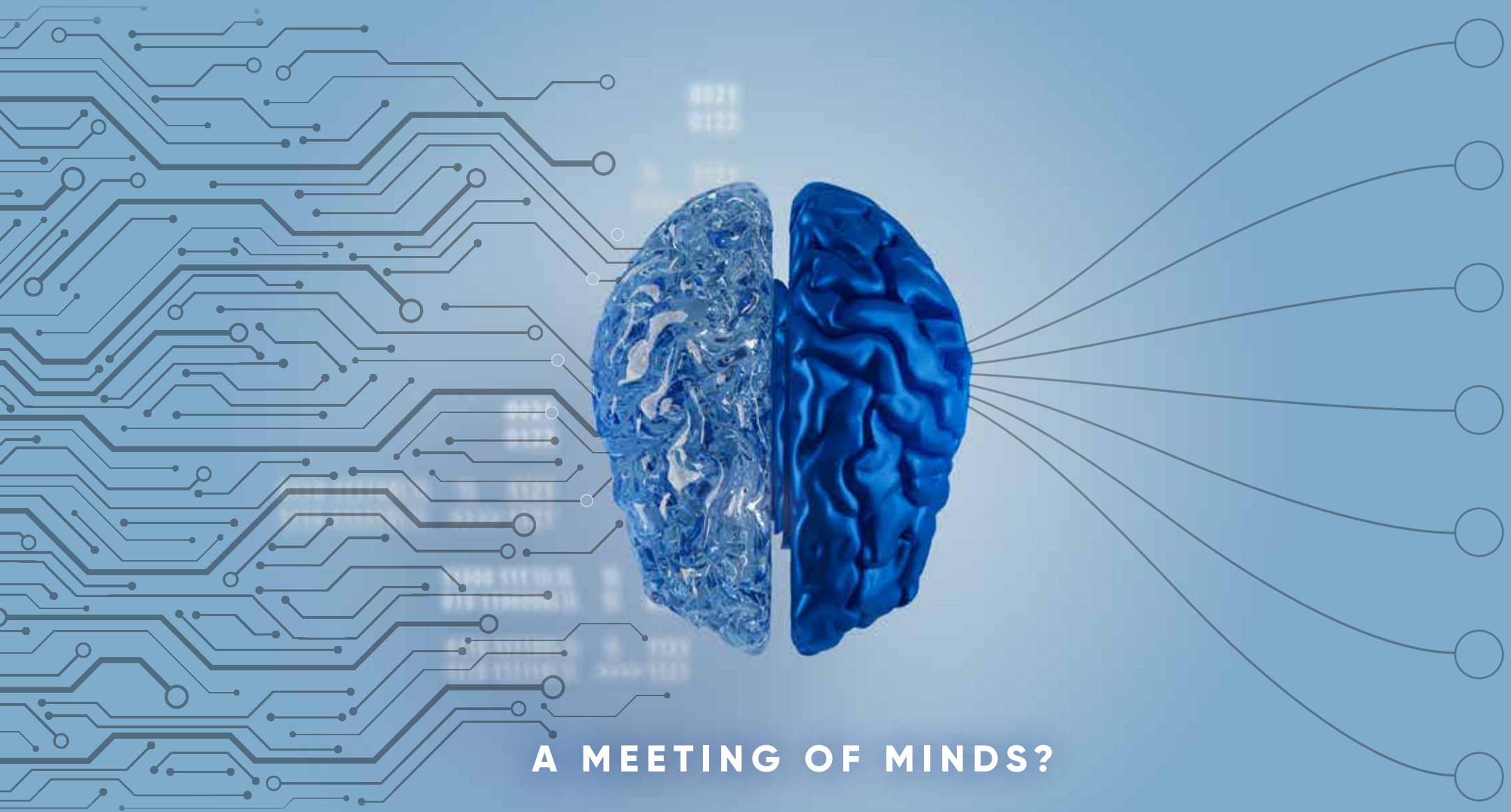
Nash Squared/Harvey Nash
Digital Leadership Report



A MEETING OF MINDS?

A meeting of minds?

Bev White
CEO
Nash Squared

It won't surprise you that this year's Nash Squared/Harvey Nash Digital Leadership Report (DLR) focuses heavily on artificial intelligence (AI). We've been tracking AI adoption since 2009. Like other pivotal technology shifts we've seen (cloud in the 2010s, remote working in 2021) this feels like a moment when all the dials are moving at once.

But it's not just technology that's changing. Geopolitical uncertainty is making business planning tougher and, for many, budgets tighter. At the same time, evolving expectations around corporate responsibility and the role of business in society are prompting organisations to rethink their purpose.

Back in 2021, we thought we'd seen the peak of disruption in the post-pandemic world. Now, we're not so sure.

Almost every organisation has to re-evaluate how it transacts business in this new volatile world, and how to connect more deeply with the customer.

Amid the chaos, bringing the human-like 'mind' of AI together with the creative, nuanced world of real-life humans offers enormous potential. At its core is data, helping organisations understand their business on a deeper level and deploying AI and robotics to turn ideas into realities. It really is an exciting time to be in business.

But unlocking that potential requires more than meeting the 'minds' of machines. It calls for a meeting of human minds – between customers and companies, between the tech function and the teams they serve, and between digital leaders and their people.

At a global level, alignment between minds – across cultures, sectors and countries – has never been more vital. These issues may stretch beyond the boundaries of this report, but our 26-year perspective gives us a window in.

Progress happens not when minds compete, but when they connect.

5 THINGS TO DO WITH THIS REPORT

AI in action

Read real-world experiences of how your peers are using AI

Trend spotting

Explore trends by sector, region and organisational size

Tech spend

Benchmark your investment across sectors

Build your business case

See how others are justifying spending in times of uncertainty

Salary check

Engage with our teams locally to benchmark your salary

CONTENTS

ABOUT THE SURVEY

2,015
respondents

122,000
data points

62
countries

26
years of data

About this report

The 2025 Nash Squared/Harvey Nash DLR is the world's largest and longest-running survey of senior technology decision-makers. Launched in 1998 and previously called the CIO Survey, it has been an influential and respected indicator of major trends in the technology and digital industries for 2 decades. This year, a survey of 2,015 technology and digital leaders took place between 13 December 2024 and 26 March 2025, across 62 countries. This period captures the impact of major geopolitical changes that occurred following the change of administration in the US.

The last DLR was published in late 2023. In response to digital leader feedback we've timed the current edition earlier in the year to better align with investment cycles. The period between the 2023 and 2025 DLRs was 16 months.

8 key takeaways

1. Investment slows, but priorities sharpen

Technology budgets and headcount growth have slowed to the lowest level in a decade. Global economic pressures and political uncertainty are weighing heavily, but investment hasn't vanished – it's just more selective. Boards are most attracted to clear business cases tied to operational efficiency and AI-powered growth.

2. AI moves from pilot to productivity

AI has shifted from experiment to execution. The proportion of organisations running large-scale AI implementations has nearly doubled, and 1 in 3 report clear return on investment (ROI). But the biggest barrier isn't the tech – it's proving the business case. AI is also changing the kind of people leaders want to hire.

3. Cybercrime jumps

After years of decline, major cyberattacks are rising again. Half of leaders now worry about threats from foreign powers, while insider risks are also on the rise. With cybersecurity seen by many as the cost of doing business, the pressure to justify prevention spend is growing, but so is the damage of inaction.

4. Skills gaps shift – and AI tops the list

AI has jumped to the number 1 skills shortage, up from sixth last year and the steepest rise we have ever seen. But it's not alone: cybersecurity and automation are also in short supply. Meanwhile, demand for software engineers and enterprise architects has dipped, partly due to AI helping bridge long-standing gaps in these areas.

5. Outsourcing up, retention uncertain

As markets stay unpredictable, more digital leaders are leaning on outsourcing to flex with demand. While 80% expect to retain their top people, 44% of tech workers say they plan to leave. Engagement, not just retention, is the new battleground – especially as hybrid models evolve and candidates demand flexibility.

6. Hybrid harmony – or tension?

3 days in the office is the new norm, but not everyone's happy. While leaders feel their hybrid approach is working, employee dissatisfaction is higher in organisations with stricter mandates. Flexible working remains key to attracting talent, and what feels fine today could quickly shift as hiring picks up.

7. Diversity in focus, but gender equity flatlines

Diversity, equity and inclusion (DEI) efforts remain strong despite shifting political winds. This is partly because it makes business sense. Around one-fifth of a tech team could be considered neurodivergent, and nearly half of leaders are supportive. Organisations that engage with Gen Z are making more progress in AI. But progress on gender is stuck: just 23% of tech teams are women – the same as 2 years ago.

8. Digital leaders get pragmatic

The influence of digital leaders remains steady, but staying power is short – most expect to leave their role within 3.3 years. AI and data success are driving the biggest pay rises, but it's the hunger for challenge that keeps leaders motivated. When asked why they took the job, nearly half said: "exciting, rewarding challenges".

DIGITAL LEADERSHIP REPORT 2025
AT A GLANCE

2,015 respondents

62 countries

BUDGETS & GROWTH

39% expect tech budget growth – slowest in a decade

big jump in **operational efficiency** as a board priority

geopolitical uncertainty driving caution

SKILLS & TALENT

Top 3 in-demand skills

1. **AI**
2. **Data & Analytics**
3. **Cyber**

AI is the **fastest growing skills shortage in 16 years**

17% of **tech hiring** expected to be **fulfilled by AI** in the future

65% of digital leaders **prioritise AI skills** over experience

42% expect **outsourcing to grow**

AI

19% now running **large-scale AI projects** (up from 10%)

33% report **clear ROI**

BUT

51% **not upskilling** employees

Top use cases for AI

1. **Software development**
2. **Helpdesk**
3. **Marketing**

HYBRID WORKING

mandated office days up

employee dissatisfaction up

ROLE OF THE DIGITAL LEADER

65% are on the **exec committee**

53% have **received a pay rise**

AI a key driver of **salary increases**

CYBERSECURITY BACK IN FOCUS

29% experienced a **major attack**

BUT

challenges **justifying investment in the invisible** remain

organised cyber-crime remains **number 1 fear**

50% fear attacks from **foreign powers**

42% fear attacks from **insiders**

GOOD FOR THE WORLD?

53% have a **net-zero target** and expect to meet it

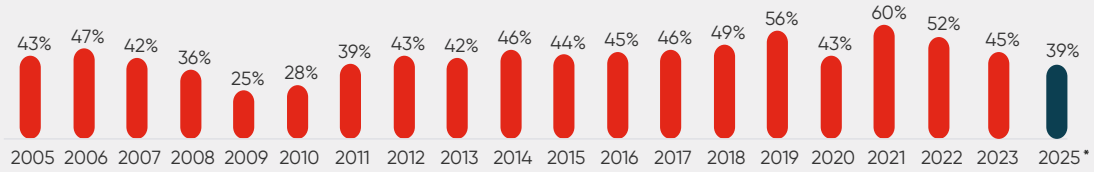
62% believe **tech will help** achieve **net zero**

BUT

47% believe **regulation** of big tech companies **not heading in the right direction**

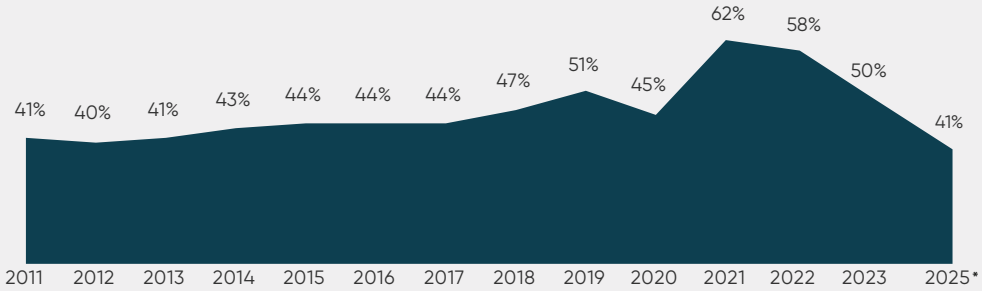
1. INVESTMENT TRENDS, BUDGETS AND MACRO FACTORS

Expecting technology budget increases



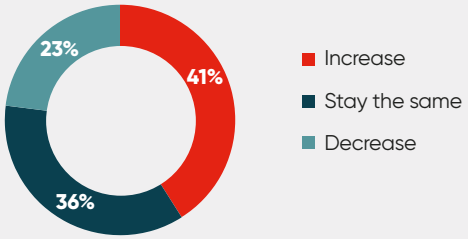
Organisations expecting tech budget increases in next 12 months.

Expecting technology headcount increases



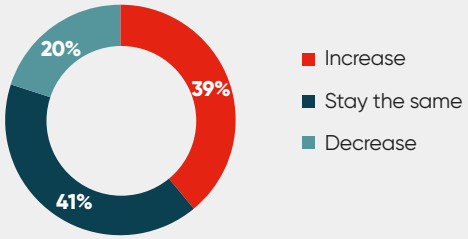
Organisations expecting IT technology headcount growth in the next 12 months.

Organisations plan for headcount



How do you expect your technology headcount to change in next 12 months?

Organisations plan for budget



How do you expect your technology budget to change in next 12 months?

*The last DLR was published in late 2023. We've timed the current edition 16 months later to better align with investment cycles.

Budgets and headcount

This year, we've seen continued downward pressure on technology budgets and headcount. Globally, there's still growth, but at its lowest point in a decade. Sluggish economic conditions and geopolitical uncertainty, coupled with the drive for efficiency, have made organisations more cautious about their investment.

In our previous DLR, we observed that expectations for technology budget and headcount growth peaked in the immediate post-pandemic period, before declining to levels more consistent with long-term trends.

This year, while global technology investment continues to rise, its growth rate has declined further – to the lowest level in a decade. And while there remains growth, the post-pandemic investment boom appears to be over – for now.

The bigger picture

Technology investment reflects the wider economy. For most countries economic growth has been sluggish and for some there has been none. And where organisations have seen growth it has often been hard fought for.

Fiscal pressures have also had an effect. In parts of Europe, higher corporate and employment tax rates and social security levies have placed additional strain on businesses, while in the US, discussions around payroll tax adjustments continue to shape hiring decisions.

As we show in this report, investment does remain, but the digital leaders attracting budget growth have a clear-cut business case often centred around the organisation's overall operational efficiency aims or revenue growth. AI is a common theme.

Moving forward, concerns caused by an increasingly unpredictable geopolitical and economic environment have fuelled uncertainty and caution. Businesses thrive on stability and would often rather contend with bad news than operate in a climate of ambiguity. However, ambiguity can often create opportunity.

Of course, with any data, details are crucial and investment growth is not evenly distributed across sectors. 'Technology' leads the way (48% of respondents expect budget increases), continuing the high growth we reported in our last DLR. Across the world, many governments and large organisations have announced big investments in the infrastructure to support digital transformation (much of it with an AI flavour), and we see this reflected in budget expectations.

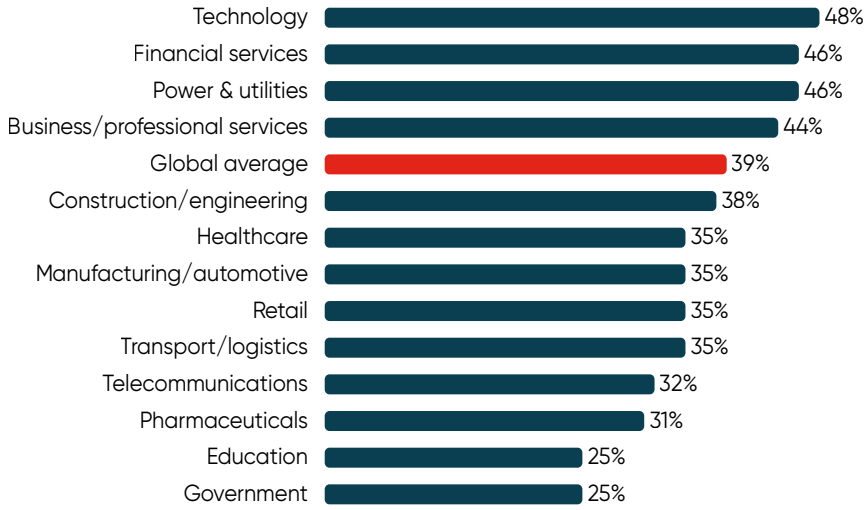
There are also strong expectations in both 'financial services' and 'power/utilities' at 46%. While traditional banking remains resilient, the wider financial ecosystem – particularly fintech innovation and alternative lending – appears to be experiencing even greater momentum.

The power/utilities sector has seen increasing global investment in energy infrastructure, renewable projects, and grid modernisation, as industries and governments prioritise energy security and sustainability.

Meanwhile, 'government' and 'education' face notable challenges, reflecting broader funding and economic pressures and shifting consumer behaviours.

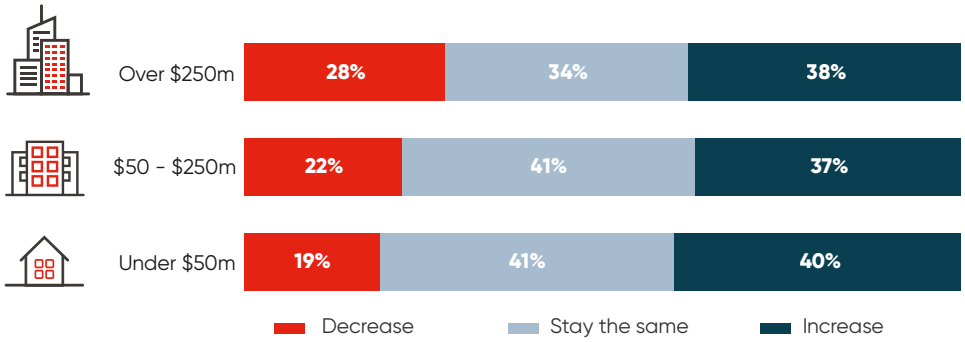
In our last report, 'manufacturing/automotive' topped the table, and has since dropped significantly. There is a wide range of factors influencing this sector, from the switching of focus to electric vehicles to its exposure to a global supply chain network that is particularly susceptible to geopolitical changes.

Organisations expecting a budget increase by sector



How do you expect your technology budget to change in the next 12 months? 'Increase'.

Budget increase expectations by organisational size



How do you expect your technology budget to change in the next 12 months?

Smaller organisations – those with technology budgets below $50 million – are the most likely to anticipate an increase in spending. Those that are start-ups and scale-ups may have access to funding that is less susceptible to short-term macro trends. Smaller organisations also often have greater agility, enabling them to explore new markets or adjust their operating models more rapidly than larger enterprises.

Being small also removes many of the 'ceiling' effects that larger organisations encounter when trying to penetrate a market. While major enterprises often face saturation points or regulatory hurdles that limit expansion, smaller companies can scale without the same level of organisational inertia.

Board priorities

	2025 (%)	Previous DLR (%)	Change
Improving operational efficiency	53%	46%	↑ 7%
Developing new products and services	36%	35%	↑ 1%
Enabling the workforce to be more productive	30%	28%	↑ 2%
Gaining actionable insights from data	28%	28%	→ 0%
Improving customer experience and accessibility	27%	34%	↓ 7%

What are the top business aims that your management board is looking for technology to address?

It's no surprise that the board's focus on technology remains inward-looking, with 'operational efficiency' its top priority. This was the case last year as well, but the urgency has intensified – rising from 46% to 53% of digital leaders citing it as a key focus.

While operational efficiency is the top priority, when given a choice between using technology to 'make money' or 'save money,' two-thirds of CEOs prioritise growth. Outward-facing initiatives – such as 'developing new products' and 'improving customer experience' remain critical.

They all need to be on the agenda of your next board meeting, but – as this report highlights –just make sure you put operational efficiency first.

Further reading

Datasheet: Technology budgets as a proportion of revenue by sector, Nash Squared.
Page 38-39 of this report.

Datasheet: Technology budget and headcount growth by region, Nash Squared.
Page 37 of this report.

Andy Heyes
Managing Director,
Harvey Nash UK & Ireland, Central Europe and Spinks

Challenging times or a time to challenge?

Organisations crave certainty. But as this year's report shows, digital leaders are navigating a landscape where predictability is in short supply. Markets, regulation, politics, customer demand, and the pace of technological change are all moving targets – making it harder to plan with confidence.

Yet beneath the turbulence, one trend stands out: a renewed focus on operational efficiency.

That might sound like business as usual, but it isn't. In 2025, efficiency isn't just about costs, it's about precision. It's about sharpening the organisation's focus on what truly drives value. And increasingly, it's about using technology – especially AI – not just to streamline, but to amplify what teams can achieve.

Time to challenge

By freeing up time, expanding capacity and improving decision-making, operational efficiency becomes a platform for reinvention. It allows organisations to challenge assumptions, reimagine processes and strengthen relationships with customers, partners and employees alike.

In uncertain times, it's not just about coping. It's about challenging the status quo and using this moment to build something stronger.

Q: What improves a pitch to the board for tech investment, beyond simply the business case?

Jon Chu
CEO, Revolv, New York, US

"The best tech investment pitches aren't just about ROI — they create urgency. Board members need to see how the investment secures a competitive advantage, mitigates risk, and scales efficiency. When rolling out an AI-driven data platform, I framed it around reducing decision latency and improving data accuracy — ensuring faster execution and regulatory readiness. The strongest pitches shift the conversation from 'Why invest?' to 'How soon can we implement?"

Slawek Soszynski
CIO/CTO, ING Bank Slaski, Warsaw, Poland

"As a management board member, the best tech investment pitch includes: (a) clear alignment with business strategy, showing support for long-term goals like efficiency and growth, (b) tangible outcomes with demonstrable ROI and a clear timeline, (c) use of narratives to simplify complex tech concepts and inspire with a compelling vision, and (d) positive energy and responsiveness to feedback from the pitch delivery team."

Ankur Anand
CIO,
Nash Squared, London, UK

"Boards are increasingly looking for assurances that technology initiatives are not only cost-justified but are integral to the firm's broader ambitions, be it growth, resilience, ESG, or competitive differentiation. A compelling pitch that links the proposed investment to the company's strategy, supported by clear metrics, risk mitigation, and a roadmap for adoption, helps shift the conversation from cost to value. Framing it in terms the board understands — outcomes, customer and shareholder value — rather than technical jargon, increases both clarity and confidence."

Jo Graham
Chief Digital Information Officer, Pharmacy2U, Leeds, UK

"If an investment/business case is part of a wider strategic journey with a roadmap, the board is more likely to see it as more than a piecemeal project. An investment that enables further benefits or is part of a tech ecosystem makes a powerful pitch. It shows planning 3-5 years out, with tech thinking beyond the immediate landscape and behaving strategically."

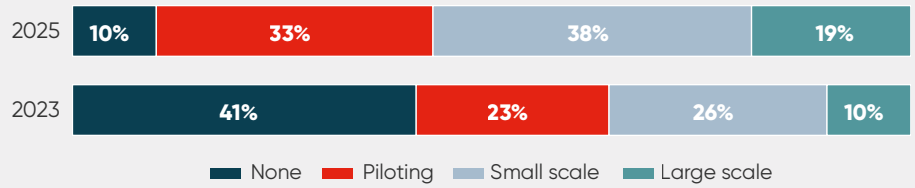
Jason Dunham
Chief Information Officer, Student Loans Company, Glasgow, UK

"When pitching to the board, remember these key points:

- Know the audience: tailor messages to different board members.
- Clarity: clearly articulate the customer proposition, market opportunity, and business model.
- Simplicity: keep presentations simple and highlight commercial success.
- Team: showcase your team and their strengths, as people invest in people, not just ideas."

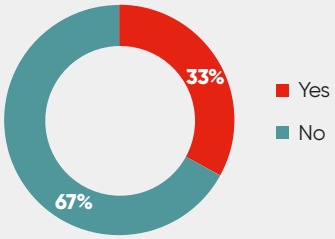
2. ARTIFICIAL INTELLIGENCE

Explosion in AI investment



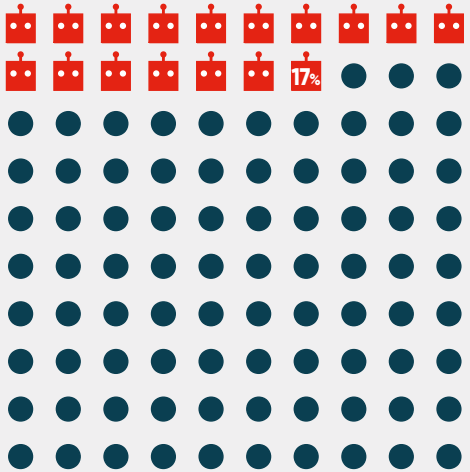
How would you characterise your investment in artificial intelligence/machine learning?

Demonstrable ROI



Have you seen a specific project using AI/GenAI where there has been a demonstrable ROI beyond initial piloting?

Reduction in existing tech hiring needs



To what degree do you think the use of AI/GenAI will reduce your future hiring needs for existing roles in the next 2 years?

Investment in AI increases

AI investment has accelerated over the past year as digital leaders uncover more use cases delivering measurable results. Although AI has been around for decades, many trace their 'aha' moment to their first encounter with ChatGPT. In that sense, AI is a mere baby in technology terms and there remain plenty of growing pains.

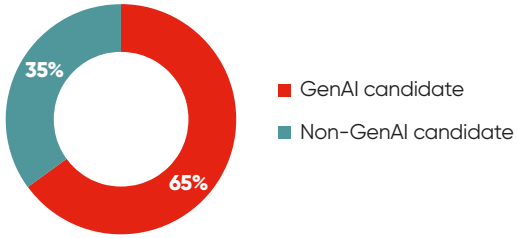
In our last DLR, we reported how the majority of digital leaders had experimented with AI. Some had shown promising results, but very few reported breakthroughs. And for many digital leaders, there are enough other things to be getting on with. "The biggest thing on my mind right now is how to deal with technical debt and legacy integration, not the opportunity of AI" reported a survey respondent.

But pushed by the board's drive for operational efficiency, a strong desire to get closer to the customer and fear of missing out (FOMO), things have moved on. Large-scale implementations have risen significantly from 10% to 19% (a 90% increase), with the majority (57%) having at least a small implementation.

1 in 3 organisations now report clear, demonstrable ROI from AI. The sectors leading the way are 'telecommunications' and 'technology', where the impact on call centre operations and customer experience is particularly significant.

Larger organisations – those with technology budgets exceeding US$500 million – are far more likely to see returns from AI. More than half of this group reports measurable ROI. This is largely due to their scale: they have more opportunities to test and scale initiatives, greater resources to invest, and often a structured approach to innovation and piloting new technologies.

Two-thirds consider AI the equivalent to 3 years' tech experience



If you were presented with a software developer with excellent GenAI skills and 2 years' experience, and someone with no GenAI skills and 5 years' experience, which candidate would be preferable?

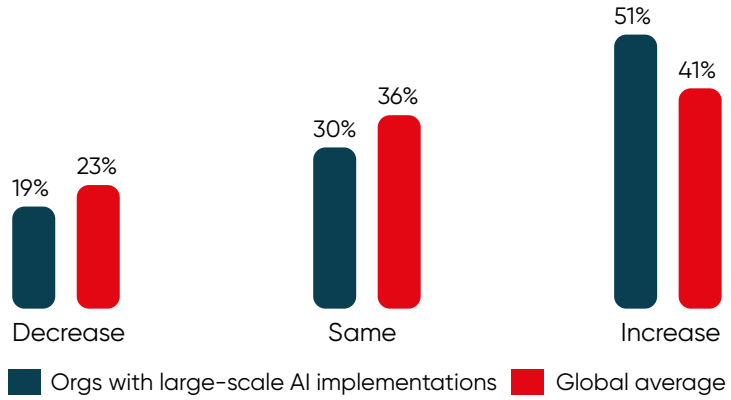
Digital leaders believe that their hiring needs for existing tech positions will reduce by 18% in the next 2 years. More broadly, respondents predict that around 18% of the workforce will be automated in the next 5 years.

This is not theoretical – digital leaders are already seeing its effects. Right now, 65% of digital leaders would choose an AI-enabled software developer with just 2 years' experience, over one with a 5-year career but without AI skills.

This not only implies the type of person a digital leader might want to attract, but also how they will want to develop the skills of their existing team. As we see later in the report there are many areas where demand outstrips supply, especially in AI itself, and the potential for AI to upskill existing team members is significant.

For most, this isn't a conversation about 'who can I automate?' Digital leaders see AI as an evolution rather than a revolution and they will stitch it into the organisation as it grows and evolves. But when looking at future hiring needs, its impact on hiring is more obvious and has been reflected in budgeting.

AI organisations recruit more people

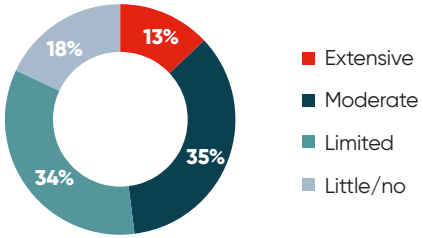


Organisations planning to increase tech headcount in the next year.

The headline-grabbing effect of AI on jobs is obvious, but the real story is in the potential. As one digital leader commented, "If I was faced with a binary choice for AI investment – make us cheaper or make us better – I would choose 'better'. It's the fastest way to sustainable profit."

The organisations that are most ahead with large-scale implementations of AI are 24% more likely to be increasing their tech headcount than their peers, mostly in areas of AI and data. For them, AI is correlated with more, not less, tech roles.

Over half are not upskilling in generative AI



To what extent is your organisation upskilling its own people in the use of GenAI?

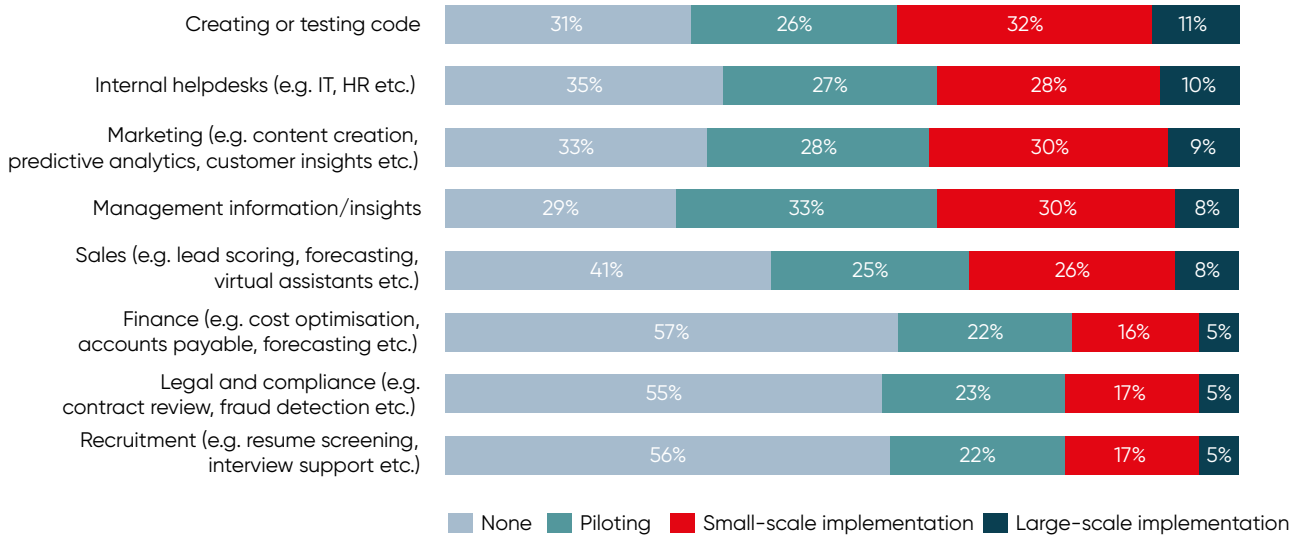
AI has the potential to change the type of person digital leaders hire, but it also changes the job roles of many existing employees.

One popular analogy of AI is that it's like everyone in your organisation having a PhD student by their side; an injection of knowledge so large it has the potential to change operational models. This may be true, but if anyone has had a smart intern come to work one Monday morning, they will know the key to productivity is knowing what to ask and how to ask it. Many smart interns find their first few weeks disappointingly boring.

Almost half of organisations have yet to implement meaningful AI training. Last year, a Nash Squared study found that 40% of digital leaders were concerned about the misuse of GenAI tools – whether it's employees pasting commercially sensitive documents into chatbots or decisions made based on incorrect or biased data.[1] Many businesses remain cautious about AI's impact, but like the early days of cloud adoption, employees often find ways to use these tools regardless of corporate policy.

1. The Nash Squared DLR Pulse Survey 2024.

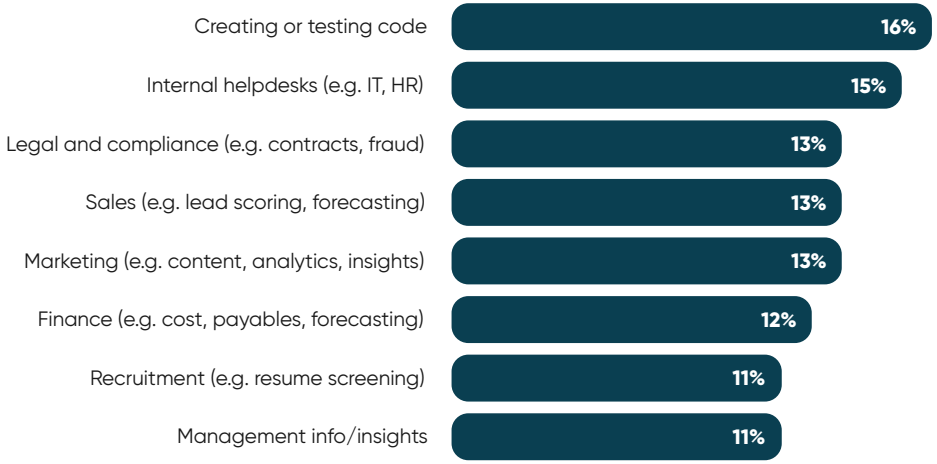
Software development is the leading application of AI



To what extent are you using AI in the following scenarios?

AI isn't a single technology, it's an 'everywhere' technology. It is rapidly reshaping business operations across multiple functions, from software development and customer service to sales, recruitment, legal and finance. While it clearly has limitations, businesses are already seeing productivity gains. As digital leaders navigate the adoption of AI, its impact is profound and wide-reaching.

Where is AI working?



Large-scale AI as a proportion of all implementations (pilot, small and large-scale)

We compared the size of large-scale implementations, with the overall number of implementations (pilot, small and large-scale) for each departmental function. It serves as a rough guide for how successfully AI projects are delivering on promises after reaching the pilot phase.

Creating or testing code leads the way in AI adoption. AI has generally been well-received by developers, allowing them to shift their focus to more complex and creative challenges. In particular, its structured approach has proved valuable in areas like code generation, automated testing and adding inline comments.

AI has also found success in supporting internal helpdesks. Service desks and customer interaction functions are fast becoming well-established use cases. One reason for this success may be that the teams delivering the technology are often the same ones using it – giving them deep insight into how best to apply it and unlock value.

'Recruitment' and 'management information' sit at the bottom of the table. In recruitment, there is potential for AI to aid resume screening and support the hiring process, especially in the earlier stages. Right now, the results are mixed, and concerns about data bias are holding it back. But this will improve in time.

In 'management information' there remain challenges in organising and validating the data. Many big aspirations fail in the operational reality of persuading busy employees to enter the right data. When we asked digital leaders for free text comments on how AI has delivered ROI, of the 471 comments made (and thank you to everyone who contributed), none mentioned management information. Admittedly this is not a statistically significant data point, but it may be a telling one all the same.

Top 5 large-scale applications of AI

Software development: AI is accelerating software development by helping developers write, test and document code more efficiently. AI's ability for structure, and the costs associated with software development, make this a natural application for the technology.

"We're using AI in code documentation, refactoring and development, and seeing around a 20% efficiency improvement."

Helpdesk and service desk: applications: chatbots and AI-driven knowledge bases are reducing response times and improving problem resolution rates. Its ability to capture and summarise conversations allows easier problem escalation and handover. However, the structured data needs to be there.

Marketing: AI-powered tools are proving helpful in generating functional content like fact sheets, social media posts and news announcements. However, it struggles with truly creative and inspirational messaging, requiring human input for compelling storytelling and branding.

Management information: AI can deal with the 'fuzziness' of data and bring together information from disparate systems with less need for getting data structures perfect. It's still a work in progress, as we cover in more detail in the next section.

Sales: AI is enhancing sales processes by streamlining lead generation, personalising customer outreach and optimising pricing strategies. AI-driven analytics help sales teams predict customer behaviour.

"We created a pre-sales tool for gathering information around potential customers. The tool achieves cost savings in the low 6-digit area and helps increase successful leads."

AI in action - digital leaders share their stories

We asked digital leaders for examples of where they are seeing ROI on their AI projects. Perhaps unsurprisingly the most common response was 'confidential', but where examples were shared, they paint a picture of AI touching almost every part of an organisation.

Software development

"AI code documentation, refactoring and development. We are seeing around a 20% efficiency improvement."

"The vast majority of our code is now maintained with the assistance of AI."

Document processing and fraud prevention

"Using AI to process invoices, which is less brittle than traditional AI/ML. As a result, a much higher proportion of documents are processed without the need to refer to a person."

"We have used it to automate processing of incoming documents, which has proved highly cost effective and more robust than traditional machine learning models. Success rates are significantly higher, reducing the number of incidents needing a person to review."

"Checking signatures against known good versions to make sure it was the right person."

"Fraud detection - using AI to spot fraud patterns, alerting security teams to instigate investigations."

"Risk management in loan applications determination."

Content generation

"Previously spent £10m+ on content generation (e.g. taking photos of product), now spend a lot less and can do it a lot quicker through generated content."

"We've used Suno.ai to generate songs with voice and rhythm. It has shown a demonstrable ROI by enabling users (musicians, content creators, and businesses) to create high-quality music at a fraction of the cost and time compared to traditional methods."

"Building International Student Counsellor AI Avatars (with knowledge of all University courses, programmes and entry criteria) to replace Counsellor staff performing this role."

"Content generation following expert roundtable events, using AI assistance to transcribe, structure and improve."

"Using OpenAI to create creative descriptions for our products and collections."

"Post-production editing workflow for video/fast format ads."

"Automatic subtitle generation from emitted TV episodes we are airing."

"More localised news and travel reports."

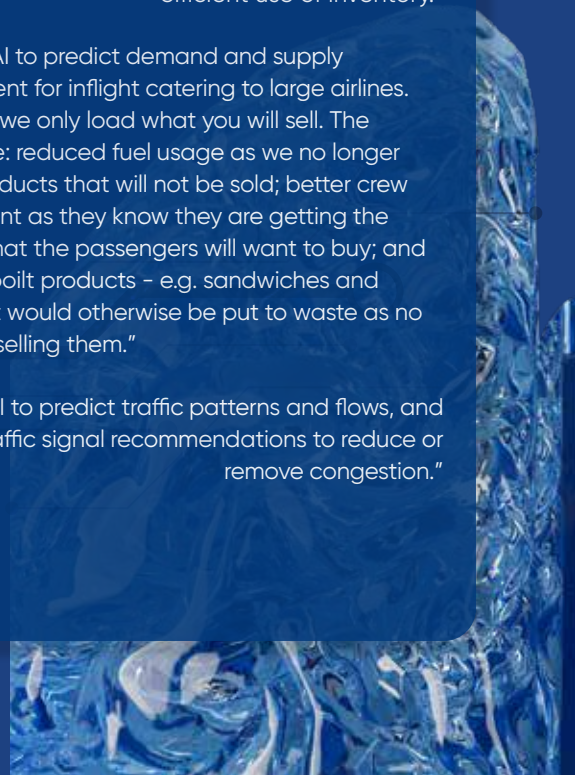
Field service and supply chain

"We implemented AI-driven predictive maintenance for a client in the manufacturing sector. During the piloting phase, we saw an immediate reduction in unplanned downtime and maintenance costs."

"Using AI in field service engineering. We trained it on prior errors, resolution activities and product documentation and it provides guidance to engineers around most likely causes of failures. This then reduces the potential for engineers to have to revisit site and also ensures the most efficient use of inventory."

"We used AI to predict demand and supply management for inflight catering to large airlines. Essentially, we only load what you will sell. The results were: reduced fuel usage as we no longer carried products that will not be sold; better crew engagement as they know they are getting the products that the passengers will want to buy; and reduced spoilt products - e.g. sandwiches and goods that would otherwise be put to waste as no chance of selling them."

"Using AI to predict traffic patterns and flows, and suggest traffic signal recommendations to reduce or remove congestion."



Legal

"Legal & property contract reviews."

"Translation of legal and compliance laws across Europe to assist internal compliance experts."

"Insurance policy coverage checking."

"Providing intellectual property (IP) services."

People and productivity

"Rolling out GenAI to employees has increased their level of engagement and job satisfaction. Most found it made them feel more efficient, and this was especially the case for neurodivergent employees."

"Rollout of personal productivity tools like Copilot (yielding c5% increase in productivity and associated reduction in resources needed)."

"I do not need to look any further than my own productivity. We (in my currently bootstrapped, soon-to-be-launched) business use AI and GenAI constantly to help with proposition validation and testing. It has allowed two of us to do very much part-time what would normally have taken a dedicated team of 3 or 4 people working full-time to achieve in years gone by."

"Solution for recording regulated meetings and auto-generating required documentation plus creating sentiment analysis of the meeting."

Sales

"Revenue Management, specifically using AI to predict better ROI of product promotions."

"We have launched a series of predictive and prescriptive models that enable our pipeline development team to more quickly and easily identify top potential prospects for solicitation, new prospects for identification or further cultivation, and throughout the stewardship cycle."

"Creation of proposal documents based upon a knowledge database. GenAI takes a few minutes with proofreading total of around 30 minutes for creation. By hand, this takes 3 hours, is tedious and boring."

"Multi-million revenue uplifts through recommended outreach lists for client advisors rather than previously 'human-led approach'."

"We created a pre-sales tool for gathering information around potential customers. The tool achieves cost saving in the low 6-digit area and helps increase successful leads."

"Designed and deployed a scalable MLOps pipeline for customer churn prediction. Achieved a 15% reduction in customer churn, leading to increased customer retention and revenue growth."

"We implemented an AI-powered sales forecasting system that accurately predicts revenue growth, leading to better resource allocation and a 15% increase in sales."

Service desk and chatbots

"Using AI within customer contact centre. Overall business case made up of many (many) small uses of AI which combine to deliver a use case that dramatically reduced agent numbers and improved customer experience."

"The triaging and supporting of ADHD and neurodivergent patients so they don't sit on waiting list. They are supported by the AI or signposted to the right service."

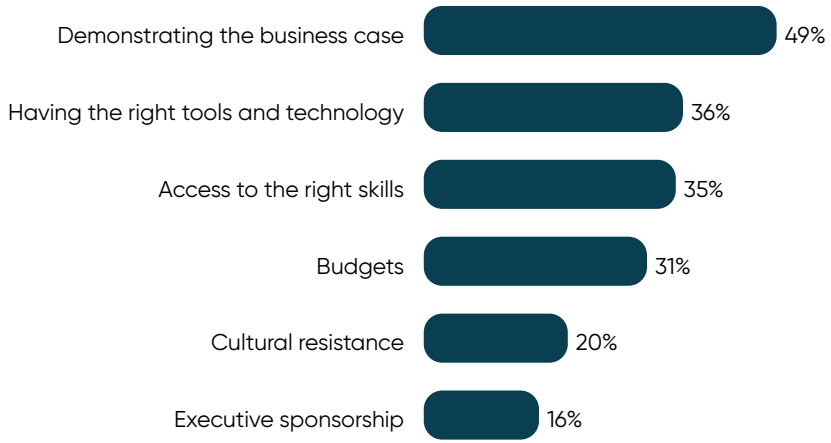
"In our telco customer service operation, we use AI to summarise key points of a customer call and record it in CRM. The agent approves the points and can modify if required. This means the agent saves time and the info is accurate. When a customer calls back the agent is able to familiarise themselves with the previous call much quicker. So overall - significantly improved CX due to greater accuracy and reduced call handling time."

"We implemented an AI-powered customer service chatbot for an e-commerce client. After the pilot, it reduced support costs by 30%, improved customer satisfaction, and increased sales conversions. The system continuously improved, demonstrating significant ROI beyond the initial phase."

"Our AI-powered customer support chatbot reduced response times by 60%, cutting support costs while increasing customer satisfaction."

"Automation of processing for new account setup and creation."

Business case is biggest challenge



What are the most significant hurdles in achieving an effective AI strategy? Select top 2.

49% of digital leaders say that the biggest hurdle for AI investment is convincing the board of the business case.

Importantly, the board don't need convincing of the potential, executive sponsorship is the least significant hurdle. However, finding a way to turn the promise of AI into business value remains a challenge. But things are changing, with 33% of survey respondents reporting a demonstrable ROI from their projects, this is likely to influence business cases moving forward. The best AI business case a digital leader can present is one that points to where it has worked elsewhere.

Culture club

Cultural resistance to AI is low. Last year, a Nash Squared study looked at automation (a close relative to AI) and found cultural resistance as the most significant blocker. Generally, employees like AI – it is easy to use, deals with 'fuzziness' and is broadly seen as helping them in their roles. People are happy to 'AI themselves'. They appear less happy to 'automate themselves.'

Jason Pyle
President and Managing Director,
Harvey Nash USA & Canada

Time to rethink your operating model?

AI is no longer just a personal productivity tool, it's embedding itself deeper into workflows, decision-making, and the core of how businesses operate. The question is shifting from "How can we make humans more productive?" to "How do we design organisations so that humans focus on what only humans can do?"

This shift has far-reaching implications for how we structure teams, hire talent and shape culture. But the landscape is evolving quickly. What works today may not work a year from now.

A strategic sandwich

Few leaders can predict exactly how this will play out. But, as with past technological leaps – like the web or cloud – the most successful organisations share a common approach: they combine a clear strategic vision at the top, with strong infrastructure at the base to make AI scalable. In between sits a tactical mindset – testing, learning, adapting.

With this sandwich of strategy, structure and experimentation, the 'doing' becomes easier. The real challenge isn't adopting AI, it's building the kind of organisation that can make it work.

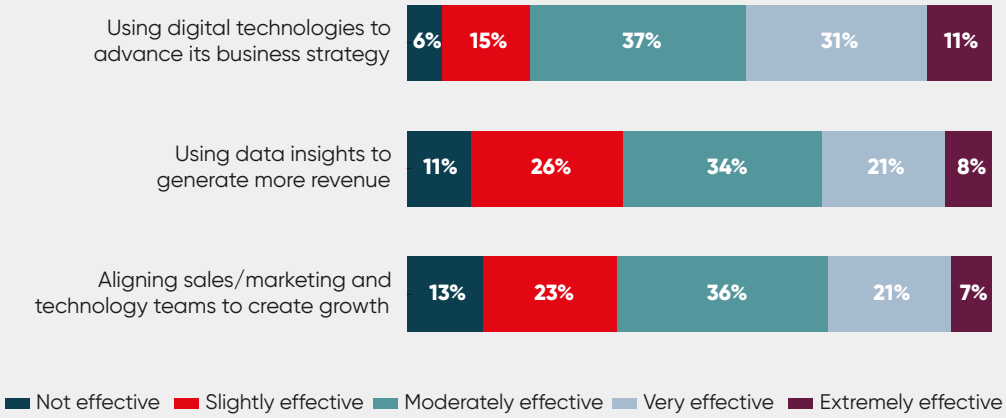
Further reading

Documentary: Robotics and AI – a future you're not prepared for, Nash Squared.
www.nashsquared.com/techflix

Do you need a chief AI officer? Nash Squared.
www.nashsquared.com/post/do-you-need-a-chief-ai-officer

3. TECHNOLOGY INVESTMENT AND CHALLENGES

Achieving digital excellence



Overall, how effective has your organisation been in...

The path to data excellence - close alignment with sales and marketing

67% Sales & marketing alignment

29% No alignment

Sales and marketing-aligned digital leaders are over twice as likely to report their use of data as excellent.

In pursuit of digital excellence

The effect technology has on an organisation is both wide and deep. The width is obvious, it touches almost every part of a business. But looking down, the depth is less clear. And as we see spikes of investment in data and AI/ML, the question for many digital leaders is "how far can we go?"

The proportion of digital leaders reporting that their organisation is digitally excellent ('very' or 'extremely' effective at using technology to advance business strategy) remains broadly the same as our last report (42%).

Among the 11% who are 'extremely' effective, data and AI/ML play a key role in their strategy. They are over twice as likely as the global average to have large-scale AI/ML implementations (49% versus 19%) and almost twice as likely to have large-scale big data/analytics implementations (57% versus 30%).

As we report elsewhere, data remains a challenge. Only 29% of digital leaders report themselves as excellent ('very' or 'extremely' effective at using data to generate revenue) – a proportion similar to last year. Data is a key factor in unlocking the value from AI, and the headache of 'getting data right' has intensified for digital leaders as more demands are being made on it.

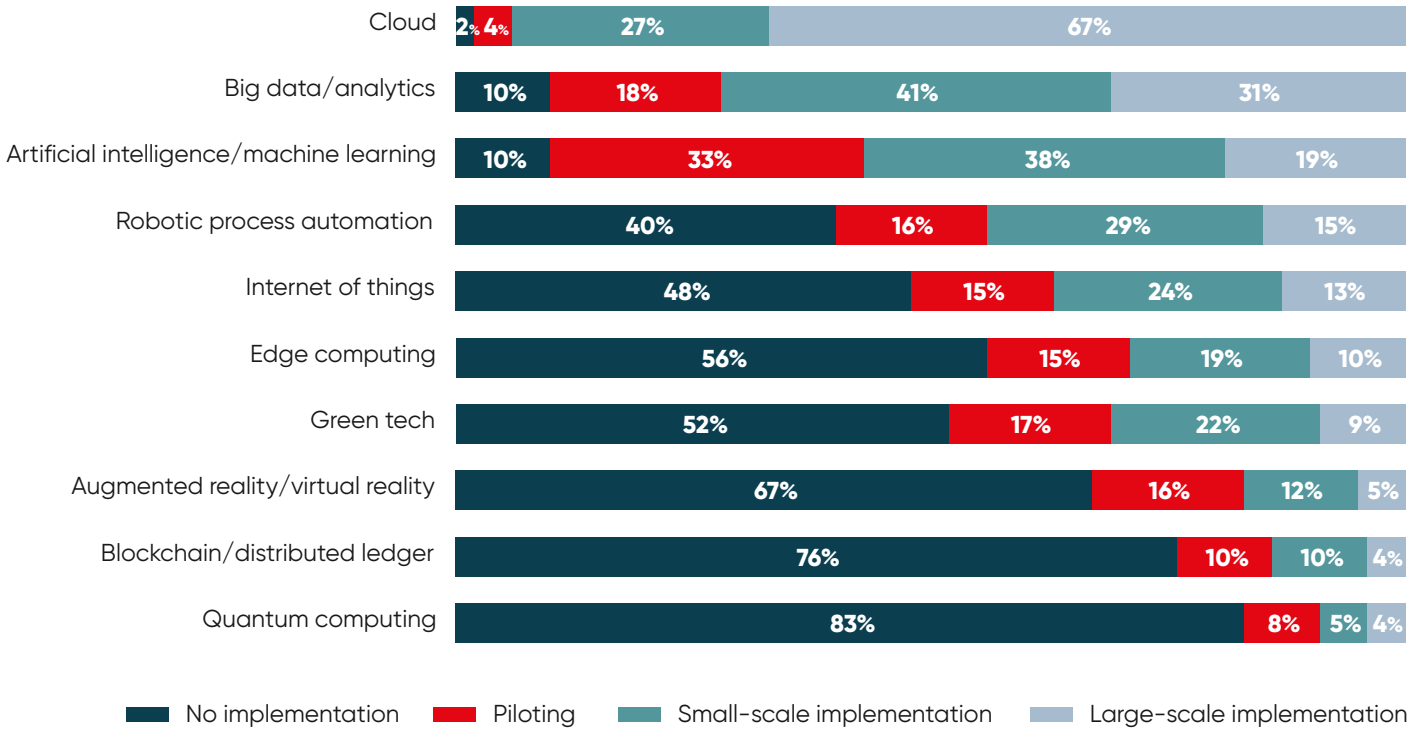
A coffee with the chief marketing officer

This year, we also asked digital leaders about the technology team's alignment with sales and marketing. 28% reported themselves 'very' or 'extremely' effective. Here the CEO's agenda is strongly focused on 'making' rather than 'saving money' with technology (75% versus 66% global average) and the top board priority for technology is 'new products and services' (which it shares jointly with 'operational efficiencies').

Sales and marketing-aligned digital leaders are over twice as likely to report their use of data as excellent (67% versus 29%) and are much more likely to have broken through with big data/analytics (53% report large-scale implementations versus 30% global average).

For many digital leaders, investing time in developing strong relationships with other functions can be just as valuable as investing in the technology itself. When was the last time you sat down for a coffee with the chief marketing officer?

The technology maturity index



How would you characterise your organisation's usage of the following technologies?

We've been tracking the scale of implementations for various emerging technologies for many years, so long that some, like 'cloud' and 'big data/analytics', may now be considered 'emerged'. However together they paint a broad picture of how technology is maturing in organisations.

Making it big

'Cloud' remains the most widely adopted technology on our index, although implementations are similar to last year, which suggests a ceiling has been reached.

The real story is AI/ML, where large-scale implementations have jumped from 10% to 19% (an increase of 90%). The US is significantly ahead in this area, with 38% of digital leaders reporting widespread adoption. Much (but notably, not all) of recent developments in AI technology have originated in the US and this is reflected in its early adopter status. Being geographically located in a market where AI advancements are happening not only generates more awareness, but there are fundamental advantages such as beta releases being available locally first (OpenAI's Deep Research offering being an example, much to the frustration of many digital leaders outside the US).

Investment in 'big data/analytics' has perhaps unsurprisingly jumped, but here it is targeted at small-scale implementations (this year 41% report such adoption, up from 33% in our last DLR – a 24% increase). Data has long been an important asset for organisations, but with investment in AI the focus on this area has become even more intense. But there remain challenges. Large-scale implementations remain roughly at the same level as the last DLR (31%). As we report later, digital leaders are struggling to find the right skills in this area, and becoming a data-centric organisation is as much of a cultural transformation as a technology one.

Tomorrow never comes

Robotic processing automation (RPA), blockchain and augmented/virtual reality (AR/VR) adoption remain static from our last DLR.

RPA has previously been a poster child for technology innovation, but many digital leaders feel the promise of AI/agentic AI may prove to be a faster route to operational efficiency. Agentic AI can act without the need for human intervention.

Blockchain remains a niche technology. Most sectors report very few large-scale implementations, with the bulk of adoption being in the telecommunications sector (20%), banking (10%) and 'other' (7%), which includes fintech companies.

AR/VR also remains niche, where wide-scale adoption is focused on telecommunications (27%), technology (10%) and construction/engineering (8%). AR/VR are particularly used in product design and field service/maintenance which may explain its adoption in these sectors. AR/VR's 'breakout' use case is in training and collaboration, but so far 2D video seems to satisfy the demand. However, rather like how the pandemic took video conferencing to everyone's desktop, maybe its day will come.

Finally, we must mention quantum computing. We've been tracking this for 6 years, and each time wondered if there would be an uptick in adoption. But that uptick has yet to come – watch this space; there's always next year.

Cyberattacks are up

32% 2019

27% 2020

24% 2021

28% 2022

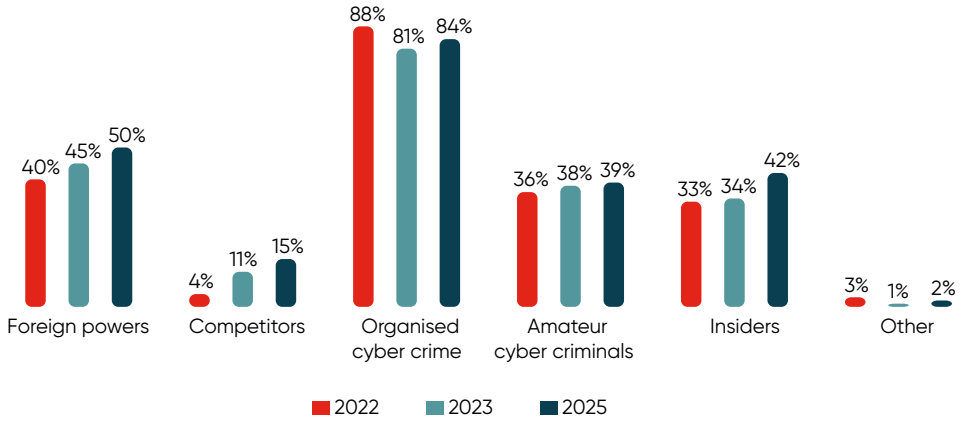
23% 2023

29% 2025*

Has your organisation been subjected to any major IT security or cyberattacks in the last 2 years?

This year sees a jump in cybercrime, with 29% of digital leaders subjected to a major attack in the last 2 years (an increase of 26%), breaking a broad downward trend we have reported in the last 5 years.

*The last DLR was published in late 2023. We've timed the current edition 16 months later to better align with investment cycles.



Which type of threats give you most cause for concern in terms of cyberattack? Select all that apply.

While organised crime remains the primary cause for concern, there has been significant growth in the threat from 'foreign powers' (40% in 2022 to 50% – a 25% increase) and 'insiders' (33% to 42% – a 27% increase).

It seems the world has become a riskier place, both externally and internally within an organisation.

Technology has introduced significantly more connections, but also complexity. One example is how software-as-a-service suppliers increasingly plug in technology from other service providers, who in turn incorporate technology from others. This seemingly never-ending supply chain tech stack can be difficult to manage and govern.

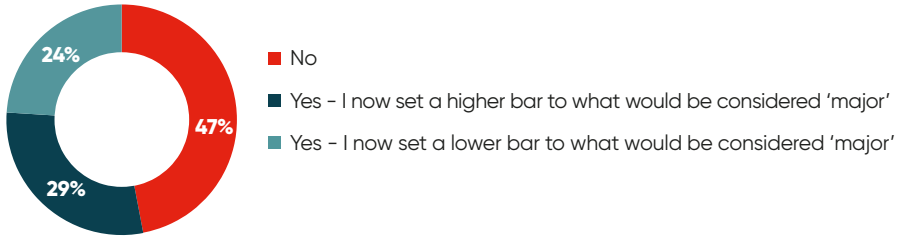
The challenge for digital leaders is to justify a 'prevention' business case – an investment in the invisible. Especially when cyberattacks appear to be rising.

Further reading

5 key principles for data insight success, Nash Squared.

www.nashsquared.com/post/five-key-principles-for-data-insight-success

Definition of major cyberattack changing



Compared to 5 years ago, has your definition of 'major attack' changed?

When it comes to what makes a cyberattack 'major', just over half of digital leaders have changed their view in the last 5 years. 29% have set the bar higher, implying mitigation has become more sophisticated. Also, with an increasing number of widely reported attacks (with some countries having legislation that requires organisations to report data leaks) some digital leaders feel that cyberattacks are becoming a 'cost of doing business'.

But 24% have set the bar lower, suggesting the impact of attacks is growing for them. As organisations become increasingly connected, the potential for damage grows. Legislation, like the General Data Protection Regulation (GDPR), can result in significant fines if organisations don't show the appropriate duty of care. Reputationally, the ability for bad news to spread via social media also magnifies the impact.

These 2 data points are clearly contradictory. There is little difference in the profile of companies raising or lowering the bar – technology investment, sector, size and board priorities are all quite similar.

It suggests each organisation is facing its own battle with cybercrime. For many digital leaders dealing with cybersecurity can be quite a lonely place.

Q: Apart from AI, where is the smart money being invested right now?

Myra Fulton
VP, Engineering,
Skyscanner, Glasgow, UK

"In a fast-moving world, investment is going into building adaptable foundations, APIs, event-driven architecture, and data platforms. These empower teams to deliver better customer experiences faster, while giving the business the flexibility to respond to evolving needs, markets, and partnerships."

Ankur Anand
CIO,
Nash Squared, London, UK

"While AI continues to dominate headlines, technology leaders are strategically directing investments into several critical domains that underpin long-term resilience, scalability, and sustainability. This ranges from cybersecurity to edge computing and beyond. However, smart organisations are investing in their people to augment human capability. Investing in skills should not be overlooked as this underpins the success of any cultural shift organisations are trying to make through technology - creating a more resilient and adaptive workforce."

Jon Chu
CEO, Revolv, New York, US

"Beyond AI, the real battleground for smart investment is infrastructure efficiency—cloud optimization, cybersecurity, and data orchestration. The future isn't just about generating AI insights; it's about making them usable, secure, and scalable. Investors are doubling down on vertical SaaS, alternative data, and security-first architectures as regulatory pressure and operational resilience become the new competitive moats."

Mark Koenig
CIO and VP Technology, Oregon State University Foundation,
Covallis, OR, US

"Cloud data warehousing is crucial. As of 2024, global data volume is 149 zettabytes and will triple by 2028. A zettabyte equals 1 sextillion bytes or 250 billion DVDs. Companies often undervalue their data until it's urgently needed. Data is the oil of their engines. Florian Zettlemeyer, in *A Leader's Guide to Data Analytics*, said, 'you have to think about the generation of data as a strategic imperative.'"

Eoin O'Connell
CIO, Background in Services, Hospitality & Retail sectors,
London, UK

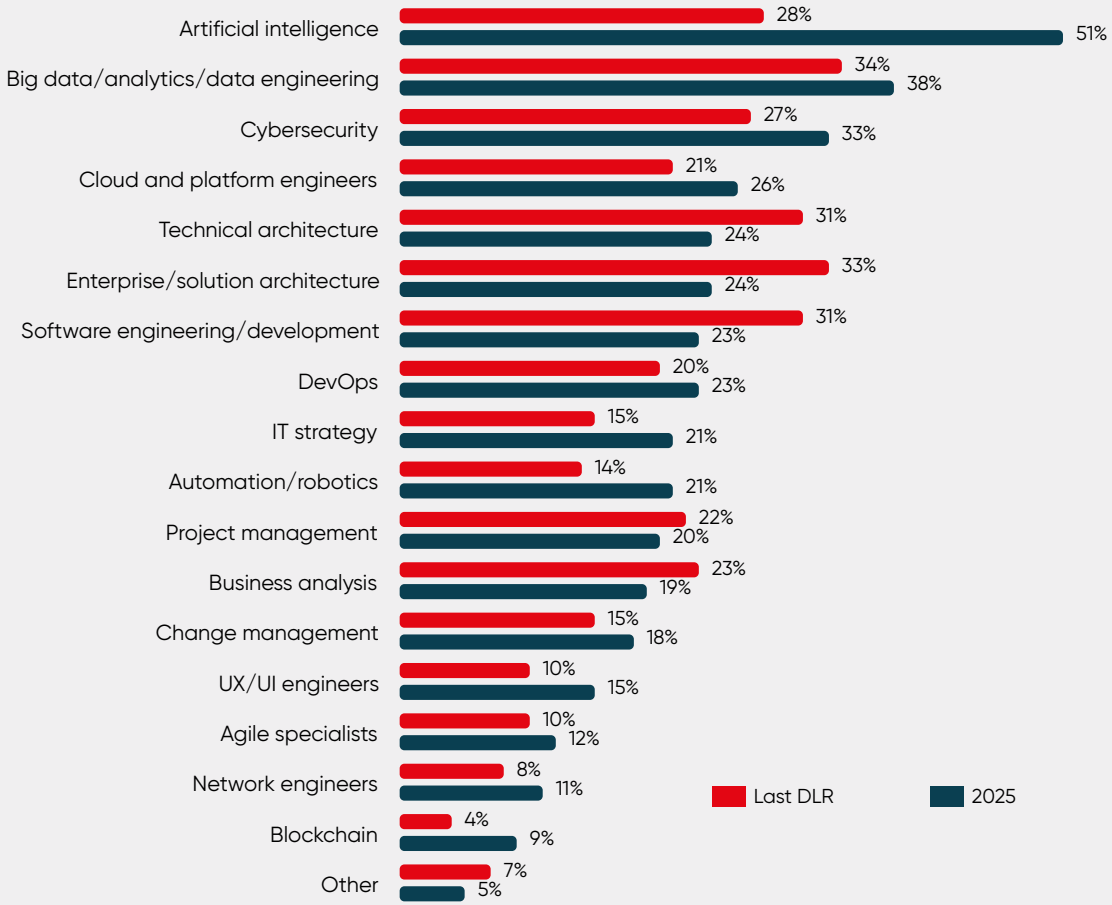
"Businesses are harnessing AI capabilities, but with great power comes great responsibility (spiderman?). IT security and CyberSec will remain priorities as AI introduces new threats if not properly managed. Focus will also be on data collection, integrity, and analysis. Data is the new currency, and AI LLMs rely on clean business data to produce meaningful output. Investing in these areas is crucial for future success."

Phil Barron
IT Director,
The Body Shop, Brighton, UK

"The most important area for investment is to turn your business data into an asset rather than a hurdle. I continue to see business operations which are not led by data insights or surfacing the right data in a consistent and meaningful way. It's 2025, and yet Excel continues to be one of the most used data tools - with all the limitations that implies. A well-structured data platform should form the foundations upon which businesses can grow."

4. TALENT AND WORKFORCE

AI jumps to the most scarce skill



In what areas are you suffering a skills shortage? Tick all that apply.

Talent shortages

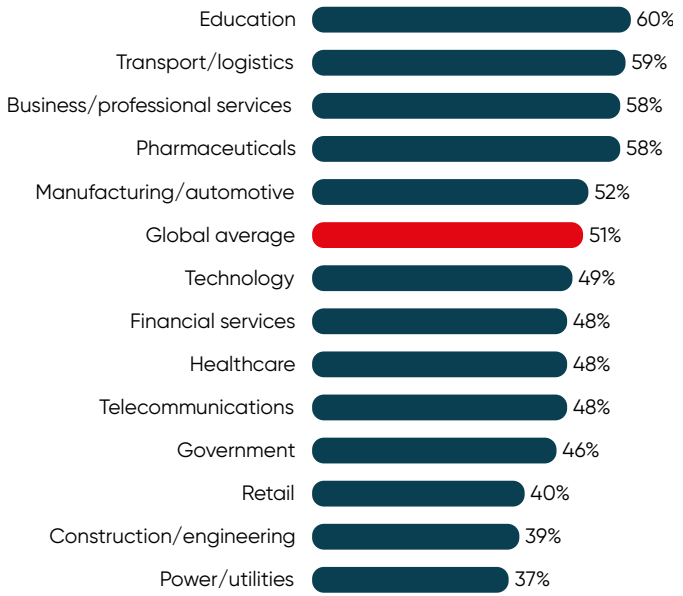
Any digital leader will know that good technology is the result of good people. But finding them, keeping them and engaging them remains a challenge.

As outlined throughout the report, AI is a key theme, permeating all aspects of tech strategy as organisations move from experimenting to implementation (57%). It won't be a surprise that AI, which was in sixth position in our last DLR, has jumped to the most scarce skillset this year. However, what is surprising is the sheer magnitude of this increase, jumping from 28% in 2023 to 51% in 2025.

We've been tracking skills scarcity for 16 years, and this 23 percentage point difference or 82% jump is the steepest rise we have ever seen. The last time we reported a significant one-year jump in skills scarcity was in 2015 when tech leaders reported a 38% increase in the shortage of 'big data' skills. Even with cyber skills, for which demand continues to grow, the increase in scarcity has been gradual – rising from 16% in 2009 to 33% this year.

Demand is clearly set to outstrip supply. In the race to harness the benefits AI promises, organisations will need a multidimensional approach for acquiring and developing AI skills. But the omens are not entirely encouraging: as previously highlighted on page 12 almost half of tech leaders report their organisation is yet to implement meaningful AI training.

AI skills scarcity does not discriminate by sector or size

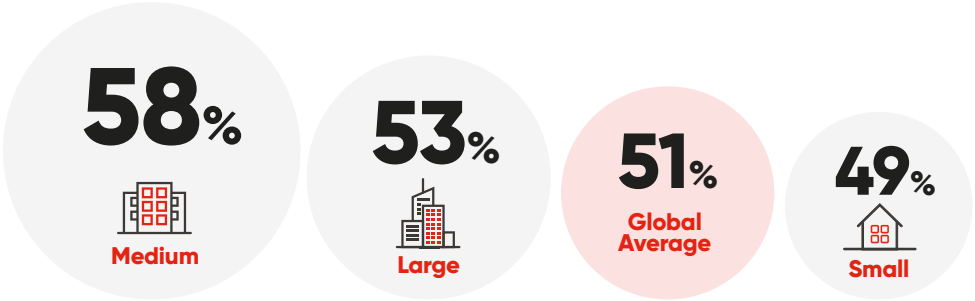


In what areas are you suffering a skills shortage? By sector.

No sector, it appears, is immune to the AI shortage, with education, transport/logistics, business/professional services, pharmaceuticals, and manufacturing/automotive all reporting the largest scarcity in AI skills – above the global average at 51%.

Turning to the size of organisations, again AI skills scarcity does not discriminate with medium-sized organisations more impacted than larger ones.

AI skills scarcity



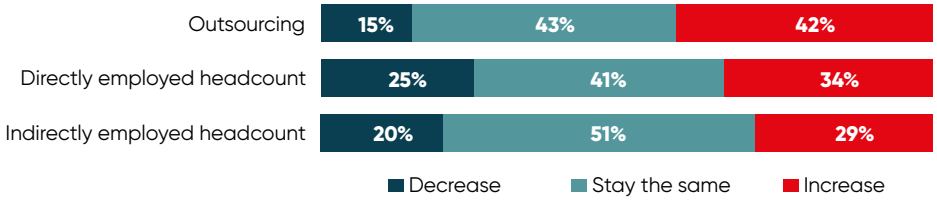
Cybersecurity and software

Cybersecurity has also jumped. As we see elsewhere in this report, after a period of decline, cyberattacks have once again increased, and the skill demand has grown in response, with a 22% increase since our last report.

Of the skills that have shown a decrease in scarcity, 'enterprise/solution architecture' sees the biggest fall. The growth in agile methods as well as the use of cloud technologies has decentralised much of project delivery and reduced the need for heavyweight roles.

Another major decline has been 'software engineering/development', which has dropped by 26% or 8 percentage points. Software development is the most widely adopted use case for AI, addressing a long-standing skills gap in recruitment.

Outsourcing grows



How do you expect the following IT/technology resourcing models will change in the next 12 months?

In times of uncertainty, having a resourcing strategy that can ramp up and down, away from direct headcount, can be appealing. In the next year, 4 in 10 digital leaders plan to increase their outsourcing spend and few will decrease it.

1 in 3 respondents will also be increasing their direct headcount, but many also plan to decrease it too. Some are looking to do both, hiring for what they feel is core to their success, and letting go of activities that aren't.

Inside out

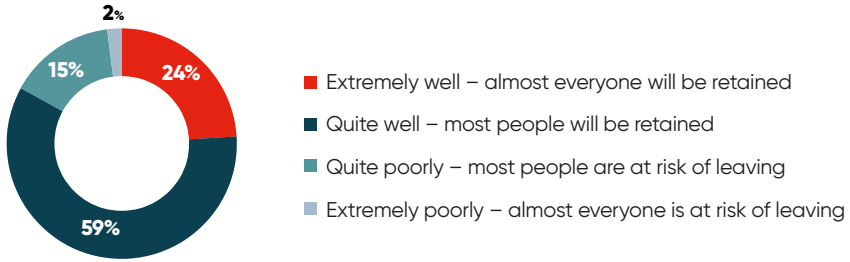
The key for digital leaders is to understand what should lie inside an organisation (typically hard to replicate activities like innovation, customer success and strategy setting) and what lies outside (typically operational activities).

Over time the inside/outside barrier has lowered. Technology itself, like cloud and the productisation of software and business activities that previously were home-grown, has made it easier for some things to be done externally. The explosion in remote working has lowered the barrier even further.

OpenAI founder Sam Altman talked of a "one person, one-billion-dollar company". While this may seem far off, there is no doubt that the possibilities of what can be done on the outside have increased.

How would you build your organisation today, if you were starting again?

Retention is high – or is it?



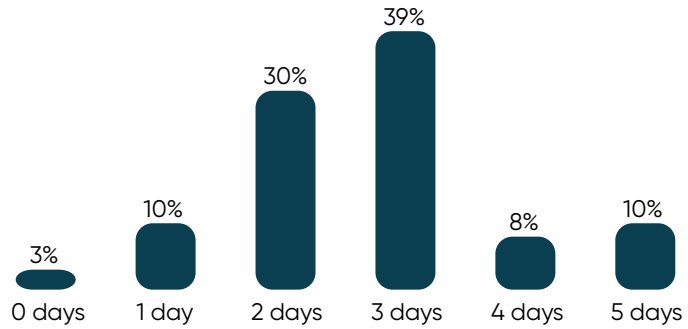
To what extent do you believe you will retain your best people during 2025?

Over 8 in 10 believe most of their best people will be retained during 2025. Some of these best people may disagree. In 2024, we carried out a study of people in technology teams, indicating that 44% expect to leave their employer during 2025.

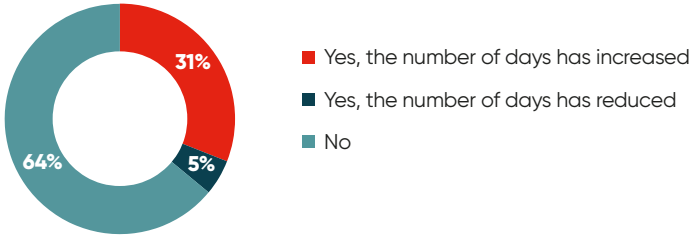
Right now, the current employment market in technology is subdued, which means many are staying because of a lack of choice of where to go.

This will probably change during 2025, but even if it doesn't, digital leaders need to be mindful of how they engage teams. Keeping people is one thing, but keeping people engaged is another.

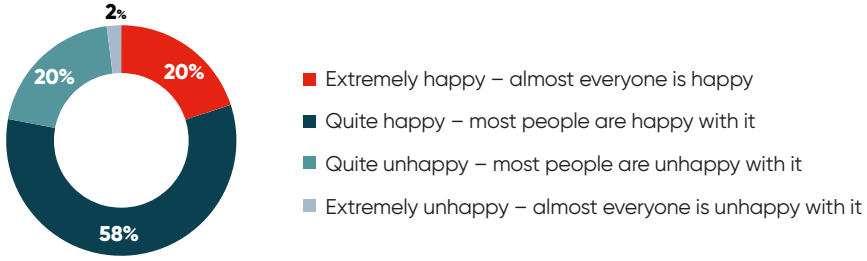
Hybrid working



How many days per week do you require that employees be physically present in the office?



Has your policy changed in the last 12 months?



To what degree are your employees happy with your work-from-office policy?

37% of organisations don't have a work-from-office policy, allowing employees to choose exactly how often they come into the office. Where organisations do have a policy, the typical number of days expected to be in the office is 3.

Over the last year, 3 in 10 have increased in-office working mandates. Organisations are realising that real-life connections and 'watercooler moments' are important to culture. In addition, digital leaders tell us that as the tech job market has softened during the downturn, employers feel more confident to create policies that work for them, and their people.

However, global brands like Amazon, Dell, JPMorgan Chase and Goldman Sachs have taken it further and shifted much of their employee base to a 5-day-in-office mandate.

Consequences

But there are potential consequences to more time in the office. Through the pandemic period, many people have realised the value of spending more time at home and adjusted how they balanced work and home life, especially those with caring responsibilities.

Commuting costs, pushed up by inflation and which for junior employees can be as much as 5% of salary, have resulted in some pushing for more pay.

Those organisations that have increased the number of in-office days report higher dissatisfaction with their policy (40% are at least 'quite unhappy' compared to the global average of 22%, which is almost double).

And, while broadly, digital leaders may be pleased with how their hybrid policy is accepted and not generating employee attrition, what may be less obvious is how attractive they are to potential hires. Besides salary (and sometimes over salary) having a flexible/work-from-anywhere offer is one of the most important factors in a technology job. Also, organisations that mandate 0-2 days in the office attract almost a quarter more women tech hires than those mandating 4 or 5 days (26% versus 21% – a 19% difference).

In the current 'softer' market for tech hiring, this may not feel like an issue, but as things pick up and candidates have more choices, it could become more pronounced.

Further reading

2024 Global Tech Talent & Salary Report, Harvey Nash.

www.harveynash.co.uk/research-whitepapers/global-tech-talent-and-salary-report

Hybrid working demands a proper reset, Nash Squared.

www.nashsquared.com/post/hybrid-working-demands-a-proper-reset

Q: What is the most important factor in ensuring the technology team has impact?

Steven Flockhart
CIO, NHS National Service Scotland, Edinburgh, UK

"Ensuring that we have the right mix of skills, experience and subject matter knowledge all heavily influence the impact the team will have. By continually measuring the intended benefits along with continual assurance of the tech development provides confidence that the outcomes will support the business needs."

Myra Fulton
VP, Engineering, Skyscanner, Glasgow, UK

"Empowered teams deliver best when they have clear priorities, understand the business value, and operate within thoughtful guardrails. It gives them the space to move fast — and the context to make smart, aligned decisions."

Adam Gerrard
CDIO, Halfords Group plc, Birmingham, UK

"Delivering desired outcomes consistently well is the most impactful thing a team can do. Excellence in service management and exceptionally strong cybersecurity are seen as hygiene factors today, when they go wrong, as they inevitably do, it's not the kind of impact you want to be having as a technology team."

Mark Koenig
CIO and VP Technology, Oregon State University Foundation, Covallis, OR, US

"The key to a technology team's impact is delivering and demonstrating value to customers, supporting organizational success. Align technology initiatives with business goals, engage in cross-departmental collaboration, and focus on customer-centric outcomes. Communicate achievements effectively through stories and metrics that showcase the benefits to the organization or technology recipients."

Jason Dunham
Chief Information Officer, Student Loans Company, Glasgow, UK

"Credibility and ability to deliver are two important factors that ensure the technology team make an impact. This coupled with understanding benefits and risk are crucial. Finally, being able to communicate using simple language and avoiding jargon will help!"

John Whitehill
IT Director, Peak Scientific, Glasgow, UK

"Everyone in the IT team has personal objectives that are clearly linked to our global business priorities. This helps us focus efforts and deliver on what adds value to our customers and colleagues. We can plan confidently on where we invest in skills development and training. I like that we talk to common goals with the rest of the business, it shows that we are all part of the same team."

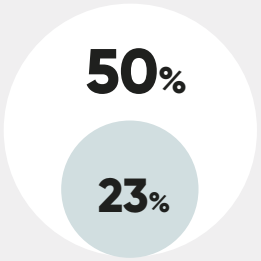
5. DEI – IS IT WORKING?

Increased focus on DEI – a surprise?

Investment and focus on DEI compared to 2 years ago.

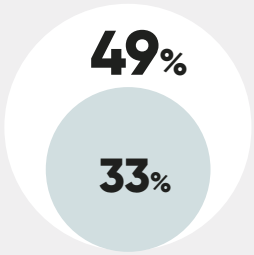
To what extent is your organisation positioned to attract, retain and incorporate the viewpoints of the latest/next generation of employees (people under the age of 30)?

Prepared for AI



Orgs which are extremely engaged with Gen Z and very/extremely prepared for AI.

AI demonstrating ROI



Orgs which are extremely engaged with Gen Z and report ROI on AI.

Equity, diversity and inclusion

There's been a lot of talk about diversity, equity and inclusion (DEI) recently. We've been researching it for years. Is it woke? Is it the right thing to do? Is it profitable?

Putting gender to one side (we'll cover that later) technology teams represent a highly diverse collection of people. Its engineering heritage attracts people drawn to its logical, problem-solving nature, and its focus on customer engagement and interaction attracts people drawn to creativity and human-centric design. A career in technology is both science and art.

Understanding that team, and how they may be different from marketing or finance, is not only important for their engagement, but as we will see has the potential to create value for the organisation.

Despite the recent anti-woke narrative around DEI initiatives from some (and survey responses were taken during this period so will reflect this change) 4 in 10 organisations have ramped up their DEI focus over the last 2 years, and very few digital leaders report it reducing.

Engaging Generation Z

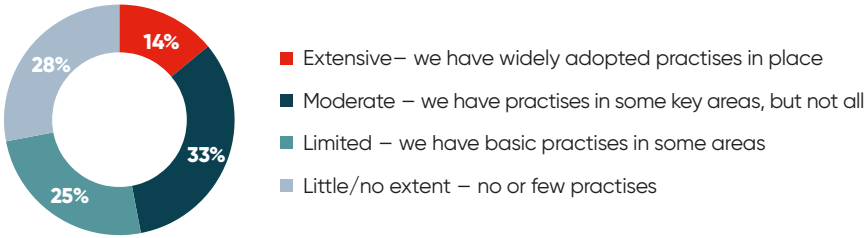
Gen Z, broadly people under 30, are one cohort that has attracted a lot of media attention. Called, unfairly, the 'snowflake generation', most have lived their working lives in slow economic growth, they are digital natives, and their flexible attitudes to careers and work patterns are distinct. They will also be the inventors, company founders, CIOs, CEOs and presidents/prime ministers of the future, long after everyone else has moved on.

It is promising then to see 63% of digital leaders engaging with this cohort at least to a moderate extent.

What is interesting is that the organisations engaging extensively with those under 30 show notable characteristics in other areas, especially in the use of AI. For instance, compared to the global average they are twice as likely to be prepared for the demands of AI (50% rather than 23%, an increase of 117%) and 49% more likely to report demonstrable ROI from AI projects (49% compared to 33%).

We have not studied what is cause or effect but clearly, finding ways to get the influence and opinion of this cohort could be an important trigger to wider benefit.

Neurodiversity



Proportion of tech team who are neurodivergent: 24%

Neurodiversity refers to the natural variations in the human brain that lead to diverse ways of thinking, learning and processing information. The term covers a wide range of conditions, including but not limited to, dyslexia, dyscalculia, ADHD, autism spectrum disorder and Tourette's.

Many people with neurodivergent characteristics may not have a formal diagnosis. The reasons behind this vary hugely from the length of time it takes to receive one, to individuals not considering themselves truly neurodivergent, but having neurodivergent characteristics they identify with. As one digital leader commented, "It was only when my son was formally confirmed with ADHD that I realised I probably was too."

Around 20% of the world is neurodivergent and digital leaders report a similar proportion in their teams. We feel the number of neurodivergent people in technology is probably higher, but underreporting, lack of data and sensitivity around the topic make it hard to get a complete picture.

"We are in the consulting industry so many folks who may be neurodivergent either don't disclose or perhaps are not hired due to our behavioural interviews and personality assessments. We are working to address both of these to build more awareness and support for neurodiversity."

Unlocking the benefits of a neuro-inclusive workforce

Having diverse ways of thinking, learning and processing information can have a real benefit for teams and the organisation. This is particularly true in technology, where many neurodiverse traits align well with roles that require focus, analysis, abstract reasoning and creative problem-solving.

While encouragingly, 47% of digital leaders have some kind of practice in place, the majority are doing very little.

Realising the potential of neurodiverse people starts with a cultural shift: a company culture that supports their inclusion. While this may sound significant, many of the adjustments are relatively simple to put in place. Harvey Nash, part of Nash Squared, has published a guide that provides some useful pointers (see 'Further reading' at the end of this section).

Legislation

Legislation is making accessibility and inclusive communications more important than ever. In the US, EU and UK compliance laws require products or services to be more accessible to people with disabilities, with the upcoming **European Accessibility Act (EAA)** set to reshape how businesses operate. Having both an internal and external grasp of what accessibility really means will keep organisations on the right side of the law, but just as importantly keep them engaging with what is a significant proportion of the world's population.

Benefits of a neuro-inclusive workforce

Economic impact

Employment of individuals with disabilities, including neurodivergent talent, could contribute to a GDP boost of up to 7%.

Source: FCDO disability inclusion and rights strategy 2022–2030. Building an inclusive future for all: a sustainable rights-based approach, February 2022.

Productivity gains

JP Morgan Chase's Autism at Work programme has found that neurodivergent employees can be 90-140% more productive, with fewer errors.

Source: JP Morgan Chase.

Return on investment (ROI)

Ernst & Young's Neuro-Diverse Centres of Excellence have reported high employee retention and an impressive US$650 million ROI.

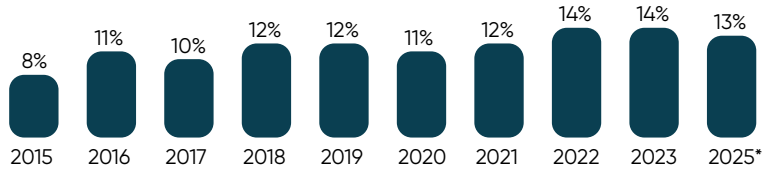
Source: EY.

Shareholder returns

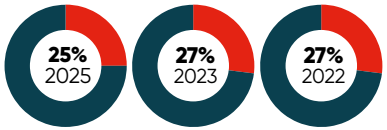
Organisations prioritising inclusivity for individuals with disabilities are 4 times more likely to achieve higher total shareholder returns.

Source: Accenture, 2018.

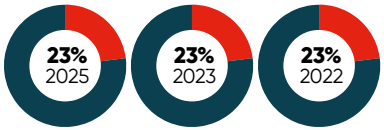
Women in technology



Digital leaders who are women.



Proportion of women new hires into the tech team.



Proportion of tech team women.

Broadly digital leaders seem satisfied with their diversity efforts, and yet with gender – a clear and measurable diversity factor – change is slow to come.

For many, this presents a paradox. Is it acceptable for gender participation to flatline? Or does it signal a deeper issue – one where existing initiatives, while well-intentioned, are failing to drive real progress?

We've said it before, and we'll say it again, diverse teams create better outcomes. It is true that for some roles there may be a tendency for more men or women to be attracted to them. It doesn't matter, if men and women have an equal opportunity to be aware of them, and are selected on merit.

But 'merit' is the key term here. The technology sector has long been focused on specific technical needs for their roles. As we've described earlier in this report, even if this was valid in the past, technology like GenAI can create 'experience'. It is also true that as technology becomes more prevalent and productised, the skills needed to weave it into the lives of employees and consumers widen. A career in technology is not always a career about technology.

Further reading

Nash Squared, *Is diversity more under threat in tech?*
www.nashsquared.com/post/is-diversity-even-more-under-threat-in-tech

Nash Squared, IT *employers guide to neurodiversity.*
https://cdn.sourceflow.co.uk/tov53rjle76lm396ygn9xv9jf6ls

Proven ways to get women's participation include:

- Ensuring representation from women on candidate shortlists. It may mean you widen your search and are surprised at what you find.
- Recognising and accommodating the impact of factors that either fully, or disproportionately, fall on women, such as maternity, caring responsibilities and the menopause.
- Checking that your job spec and advert uses gender-neutral language and visual imagery is representative.
- Promoting flexible/remote working. As we report elsewhere, organisations with flexible working practices attract more women candidates.
- Moving some of the 'essentials' on job adverts to 'nice to haves'. Studies have shown men are more likely to 'throw their hat into the ring' even if they don't meet all the criteria. Women are more likely to be stricter about what they apply for.
- Selecting people based on merit. If that means you select a man, great. If that's a woman, also great. No one wants to hire anyone other than the best person.

Andrew Neal
Chief People Officer, Nash Squared

Woke, anti-woke and anti-anti-woke

Paradoxically, the current wave of anti-woke sentiment may well prove to give DEI a boost.

The organisations that have not pushed the agenda, may feel freer to drop the external positioning, as well as awkward photos of CEOs shaking hands on Pride Day. The others, who see DEI as an important part of their DNA and driver of profit, will carry on regardless and use it as a differentiator.

Even some people who are passionate about DEI may have felt at times that initiatives in this area have overstretched themselves, becoming more of a product of marketing than truly about inclusion.

'I' = all of us

The challenge for many has been that DEI has become perceived as overly focused on particular groups, rather than being inclusive of everyone. And while rebalancing, supporting and gaining a greater understanding of the real challenges that people face has been absolutely necessary, ramping up the importance of 'I' – inclusion – is key.

This resetting may allow DEI to become more authentic and focus on where it counts – including the very best people, whoever they may be, to generate valuable outcomes.

*The last DLR was published in late 2023. We've timed the current edition 16 months later to better align with investment cycles.

6. THE CAREER OF THE DIGITAL LEADER

Time spent with employer

How long have you been employed with your current employer?

After the honeymoon period

How long with current employer?	How long expect to stay with employer?
< 6 months	2–3 years
< 1 year	< 6 months/2–3 years
< 24 months	< 6 months
2–3 years	< 6 months
4–5 years	2–3 years
6–7 years	2–3 years
8–9 years	10 years+
10 years+	10 years+

How long have you been employed with your current employer versus how long do you expect to stay at your employer?

Exco membership

For digital leaders who are 'CIOs/IT directors', membership of the executive team remains at 65%, a small drop from last time (68%) but broadly in line with historical levels.

Clearly, being part of the executive team has benefits, especially when it comes to understanding and influencing the strategy of the organisation. But the proximity to the top team doesn't bring a better chance of budget increases or indeed salary increases – both are in line with the global average.

Digital leaders often cite that the most important thing with the executive team is access, not necessarily membership, although in times of rapid change or uncertainty (both apply right now) having a finger on the pulse is very helpful.

The average amount of time a digital leader expects to stay with their employer is 3.3 years. But this figure varies greatly depending on the time they have spent so far.

In the first 6 months, the honeymoon period, the most quoted period is 2 to 3 years – a typical life cycle of a transformation programme.

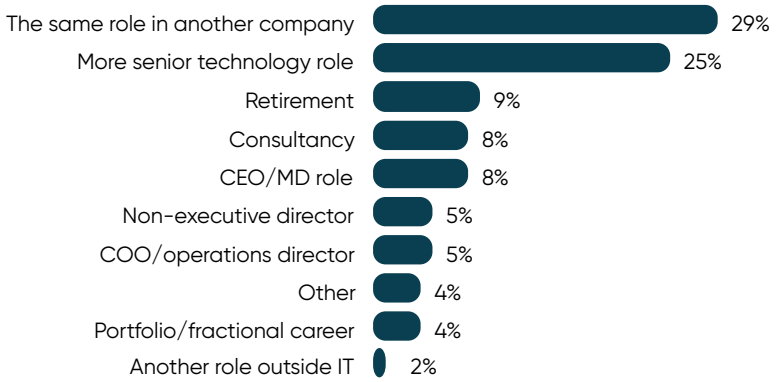
Once beyond that 6-month start, it appears reality bites, and many digital leaders appear to feel their career may be better spent elsewhere, expecting to change jobs within 6 months.

Expected longevity returns from year 4 onwards

No one said it was easy being a digital leader. And no digital leader asked it to be. Digital leaders are driven by taking on rewarding, exciting challenges. Almost half selected this as the primary reason for taking their current role and no doubt will be key to the next. Pay, flexibility and work-life balance were far less important.

It appears that the first 3 years of a digital leader's career can be the most challenging.

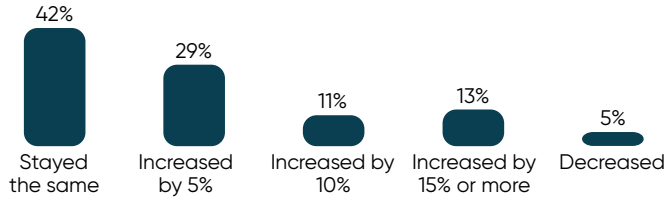
Where next?



Where do you think your next career step will be?

Most digital leaders expect to stay in a technology career, either through promotion in their own company or through taking a similar role in another.

1 in 10 plan to step into a wider role, like CEO, MD or COO. And for 9%, they believe their job is almost done – retirement is their next step.



How has your salary changed in the last year?

Over half of digital leaders have had a salary rise in the last year, and for 4 in 10 pay has remained static. Those that have had a rise of 10% or more are distinct in a number of ways. Firstly, their CEO is significantly more focused on technology making versus saving money for the organisation (73% selected this, compared to the 66% global average – a difference of 11%). They are also more likely to have a large-scale implementation of AI (27% versus 19% – 42% more) and more likely to be increasing tech headcount (55% versus 41% – 34% more). What unites all these factors is that they are about growth. And it looks like the digital leader's salary grows with it too.

Helen Fleming
Executive Director Search and Specialisms,
Harvey Nash

Not for the fainthearted

The role of the digital leader is a demanding one. It's full of complexity and challenge, but with that challenge comes opportunity. Just look at the environment in which digital leaders operate – the explosion of AI, ever present cybersecurity threats and that's without macro factors adding an extra layer of chaos - yet they are still expected to drive innovation and success. It's certainly not a career for the fainthearted. Resilience, a good dose of courage, adaptability, and a forward-thinking mindset are no longer desired skills, they are a must have.

But let's not forget it is also a career that offers excitement – and good financial rewards. With a seat at the top table, digital leaders are increasingly seen business enablers, leveraging technology to drive value across the entire business – requiring a unique blend of technical expertise and strategic vision. AI is a great example of this, driving closer working relationships with all parts of the organisation to realise its true potential – and currently, this is where the biggest investment and bonuses are to be had.

Further reading

All Change? The CIO challenge for the next 5 years, Nash Squared.
nashsquared.com/post/all-change-the-cio-challenge-in-the-next-five-years

Q: Besides the CEO, who in your organisation would you most want to have a perfect working relationship with?

Steven Flockhart
CIO, NHS National Service Scotland, Edinburgh, UK

"Having a strong relationship with my finance director is key to supporting our digital strategy. This ensures that we are aligned on our outcomes and recognises that investment in our digital strategy is key to achieving our aspirations for us to be 'great' rather than just 'legal'. Ensuring budget is in place to support this allows the teams to retain focus on benefits realisation rather than how we fund and run these services."

Myra Fulton
VP, Engineering,
Skyscanner, Glasgow, UK

"The chief product officer. A strong partnership and alignment on priorities accelerates everything from decision-making to delivery. When we're locked in on value and focus, the whole organisation moves faster and smarter, with no mixed messages."

Eoin O'Connell
CIO, Background in Services, Hospitality & Retail sectors, London, UK

"Ideally you need all C-suite and senior stakeholders in your corner and aware of the benefits tech can bring to a business. The old line 'I'm not technical' for senior stakeholders is generally not accepted anymore, particularly in a digital age. It's ITs role to be a trusted partner to the business and educate on the possibilities of technology. The more allies you have the more successful you'll be as a senior IT leader and the more successful IT can be."

Ankur Anand
CIO,
Nash Squared, London, UK

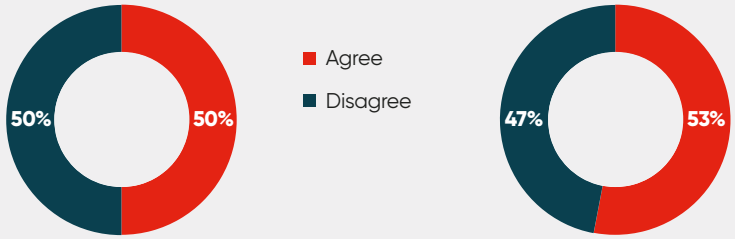
"CIOs must foster strong relationships right across the business, with the CFO, COO, CMO, and CHRO. Collaborating with the CFO ensures tech investments are financially disciplined, while alignment with the COO enables efficient execution of digital initiatives. Partnering with the CMO drives customer-centric innovation, while working with the CHRO ensures that people are skilled and culturally aligned to support transformation. Each partnership is crucial for sustainable, enterprise-wide impact through technology."

Slawek Soszynski
CIO/CTO, ING Bank Slaski,
Warsaw, Poland

"First of all is quite a hard question as the CTO in a complex organization, I'm operating with many different levels of seniority, functions and personalities. Each relationship is unique as objectives between CTO-Head of LOB, CTO-CFO, CTO-CRO, etc. are also different with obviously some overlap. However, such differences are most welcome as then management board constitute capacity to take the best and most optimal decisions for the firm. Diversity matters!"

7. NET ZERO AND CORPORATE SOCIAL RESPONSIBILITY

Regulation and duty of care



The pursuit of profits limits organisations' duty of care for stakeholders (for example, customers, employees, suppliers)

External regulation of global big tech companies like Google, X, Meta, OpenAI and Microsoft is heading in the right direction

Do you agree or disagree with these statements?

Good for business?

Organisations have an important role to play in society. They pay taxes, give valuable employment and purpose to millions of people, and create innovations that take the world forward. But they also can have a negative impact on people and the environment. Should organisations be 'good', or is it enough just to be 'legal'?

A sure sign of how technology increasingly influences our lives is how difficult it is to separate it from other conversations. Social media platforms like X, Facebook, and TikTok have evolved from teen outlets to influential entities that impact wealth and global politics. This raises concerns about data sovereignty, integrity and the accuracy of information.

Business runs on profit and ethical arguments alone are not enough to guide strategy – especially when money is tight.

But the choice isn't binary.

Half of digital leaders feel the regulation of big tech isn't heading in the right direction and a similar proportion feel a profit motive limits an organisation's duty of care to its stakeholders.

In the US, where much of the change is happening and where big tech is headquartered, digital leaders think differently. They are significantly less likely to be concerned by regulation (28% versus 53%), but significantly more concerned about the negative impact of profit motives (70% versus 50%).

There is a connection between purpose and profit. In the UK, the biggest miscarriage of justice in the country's history occurred when a system error led to Post Office managers being blamed for missing revenue. The board of the Post Office refused to believe their protests, and many managers went to prison. When the scandal was exposed, the reputational and financial damage to the company almost crushed it.

While the root cause of the problem was technology, the reason it became an issue was a relentless drive for profits, and an organisational culture that didn't value the perspectives of people who were part of it.

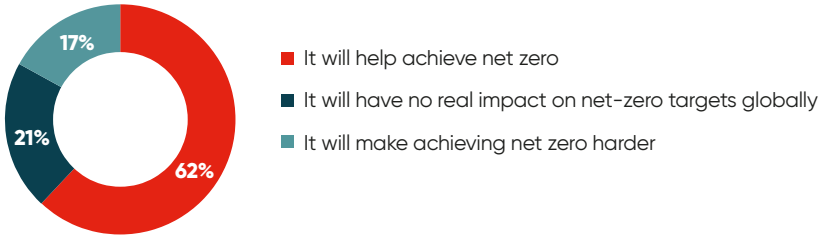
Net zero

Net zero is a particularly difficult challenge, and full of inequities. It's about the future but needs action now; the countries most affected are the least influential in driving change; the people who care most (those under 30 years old), are not the policymakers.

Rather like DEI, the global narrative about net zero has recently changed. And many organisations are using this to quietly, and in some cases publicly, step back from their net-zero agenda.

However, carbon dioxide doesn't care much about public discourse, preferring instead to obey the rules of chemistry.

Technology's role in achieving net zero



Do you believe technology will likely help or hinder global efforts to reach net zero?

Technology has a key role to play. It is a significant creator of greenhouse gases, with the technology sector responsible for around 3% of global emissions, similar to the aviation sector.[2]

This figure is set to rise. Images of pristine data centres may seem very distant from those of power stations churning out smoke, but they are connected, and every terabyte that's stored and calculation performed makes those power stations work a little harder. The explosion of investment in large language models (LLMs) and the need for more energy in training and operating these models will have an impact.

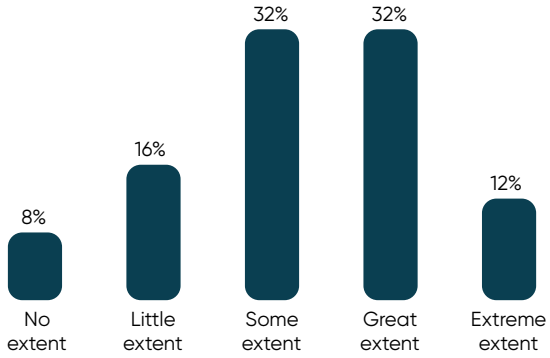
2. Charlotte Frietag and others, 'The real climate and transformative impact of ICT', 2021. Published on SCIENCEDIRECT.

But technology also has a role in helping solve the problems we are creating. A positive 6 in 10 digital leaders believe it is the solution rather than the problem. Net zero is increasingly becoming a data science and technology's role in understanding the vast array of data points that come from energy usage, offering insights that can tune and, in some cases, transform how energy is used is a key value.

Technology itself can solve problems of its own making. The launch of DeepSeek showed how creating LLMs, which previously required billions of dollars of investment and produced a big carbon footprint, could be achieved at a fraction of the cost, both financially and environmentally.

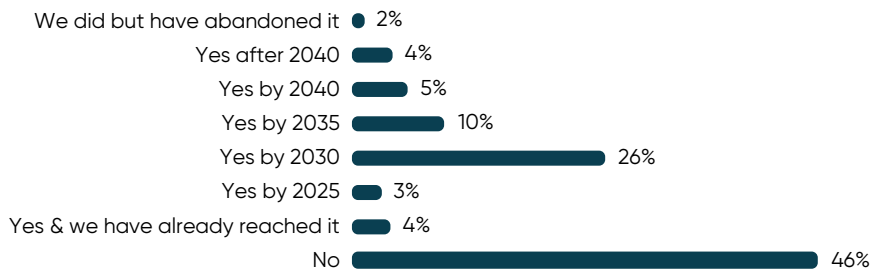
Simply framing each technology decision with the question 'is there a way this could be done with a lower carbon impact?' is helpful. Rather like the nudging effect the words 'does this need to be on?' might have above a light switch.

Board support for net zero

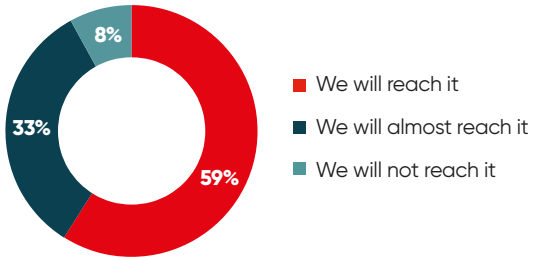


To what extent does the board value/recognise technology as crucial to improving your organisation's sustainability/carbon footprint?

Net-zero targets



Does your organisation have a net-zero target?



If yes – to what extent are you on track to achieve this target?

44% of boards actively support net-zero plans to a 'great' or 'extreme' extent and just over half of organisations have set targets, as seen in our last report.

It leaves half of the world disengaged from net-zero aims.

What our research shows is that where there is engagement, change happens. Of those that have a target, 92% either expect to reach it, or get close, and over half expect to achieve this by 2030.

Rather like DEI and CSR, net zero is often perceived as a nice to have, that is vulnerable to cuts when the core goal of profit is threatened. In part, there is truth to this, organisations are not rewarded directly on achieving contented employees or reduced carbon emissions.

But frame it another way. An organisation that uses the least resources it can, employs the best people it can and builds a strong reputation, results in increased operational efficiency, employee satisfaction and better customer acquisition. In other words, profit.

Jeroen Fries
Managing Director,
Harvey Nash & Talent-IT Belgium & Netherlands

Winds of change

2025 may be marked as a year when the conversation about CSR changed. But then again it might (and we hope) not. We'll be honest; it's hard to tell right now.

What this report shows is that almost half of digital leaders feel the pursuit of profit risks harming the people who do business with that company. A similar proportion believe regulation of big tech companies is heading in the wrong direction. Hardly a ringing endorsement for the world of work.

Moving forward

What we do know, through years of working with organisations as well as the thousands of insights and stories we uncover running this research, is that profit alone isn't enough to succeed.

You need profit, yes, but this is essentially a lagging indicator.

Ultimately what carries an organisation forward is what it stands for, and the culture and values of the people who are part of it. It is from here that new ideas spring, things get done, problems are overcome, trust is built and new markets grow.

Further reading

Founders in the Age of AI, Harvey Nash, Tech Flix.

https://www.harveynash.co.uk/videos/tech-flix-founders-in-the-age-of-ai

Q: Do organisations need to be 'good' or just 'legal'?

Slawek Soszynski
CIO/CTO, ING Bank Slaski,
Warsaw, Poland

"Both. Organisations need to be in line with applicable laws and compliance in order to operate in the market/sector. In today's world, to gain customers and investors' trust and loyalty as well as attract and retain employees, organisations need to be good, have and believe in values and see 'goodness' as a core differentiator. Ultimately, organisations that are both good and legal tend to have the longest-lasting success."

Phil Barron
IT Director,
The Body Shop, Brighton, UK

"As in all things, I believe in aiming high. "Good" today can easily become "Adequate" tomorrow. Don't overkill the day job with unnecessary and expensive compliance - but focus on where "Good" can be "Better" and what value that brings."

Adam Gerrard
CDIO, Halfords Group plc,
Birmingham, UK

"I believe that organisations don't just need to be good, they need to be excellent. As a customer I expect that the personal information I share with any company will make any interactions or experiences more tailored to me. It's often a differentiator for the brands I return to time and time again."

Jo Graham
Chief Digital Information Officer,
Pharmacy2U, Leeds, UK

"Organisations must be good, legal, and unimpeachable. Share prices tumble when perceived as wrong, so they should always aspire to do what is right, going the extra mile in regulation, legality, and ESG. This protects value and attracts a talented workforce. Employees now seek alignment with their values and moral compass, making it crucial for organisations to meet these expectations."

Mark Koenig
CIO and VP Technology, Oregon
State University Foundation,
Covallis, OR, US

"Organisations need to not only adhere to legal requirements but also need to take a proactive approach to managing their consumer's data privacy and security. This further enhances consumer trust and mitigates potential future risks. And it's ultimately the right thing to do. In this day and age, our moral compass is needed more than ever. "

Regional league tables

Expecting an increase in IT/tech headcount	
North America	54%
Australasia	43%
Global average	41%
Europe	40%
Asia	31%

Expecting a budget increase in next 12 months	
North America	58%
Australasia	48%
Asia	39%
Global average	39%
Europe	37%

Extremely/very prepared for demands of AI	
North America	55%
Asia	43%
Global average	23%
Europe	19%
Australasia	14%

Skills shortage prevents organisation from keeping up with pace of change	
Asia	53%
North America	53%
Australasia	52%
Global average	50%
Europe	49%

Proportion of tech team that's female	
Asia	31%
North America	27%
Australasia	27%
Global average	23%
Europe	23%

Proportion of organisation's revenue spent on tech	
North America	27%
Asia	21%
Global average	17%
Europe	15%
Australasia	15%

More likely to hire a candidate with GenAI skills but less software development experience	
North America	77%
Asia	76%
Global average	65%
Europe	63%
Australasia	62%

Organisation has a net-zero target	
Asia	61%
North America	61%
Europe	52%
Global average	52%
Australasia	50%

Sector league tables

Expecting an increase in IT/tech headcount	
Power & utilities	53%
Technology	49%
Construction/engineering	45%
Government	45%
Healthcare	44%
Business/professional services	41%
Global average	41%
Financial services	39%
Manufacturing/automotive	38%
Telecommunications	38%
Retail	37%
Transport/logistics	36%
Pharmaceuticals	33%
Education	23%

Expecting a budget increase in next 12 months	
Technology	48%
Financial services	46%
Power & utilities	46%
Business/professional services	44%
Global average	39%
Construction/engineering	38%
Healthcare	35%
Manufacturing/automotive	35%
Retail	35%
Transport/logistics	35%
Telecommunications	32%
Pharmaceuticals	31%
Education	25%
Government	25%

Extremely/very prepared for demands of AI	
Telecommunications	50%
Technology	41%
Construction/engineering	33%
Business/professional services	30%
Financial services	25%
Global average	23%
Power & utilities	16%
Transport/logistics	15%
Healthcare	13%
Pharmaceuticals	13%
Retail	13%
Education	10%
Government	8%
Manufacturing/automotive	7%

Skills shortage prevents organisation from keeping up with pace of change	
Construction/engineering	59%
Pharmaceuticals	59%
Healthcare	58%
Manufacturing/automotive	55%
Government	53%
Financial services	52%
Retail	52%
Telecommunications	52%
Education	51%
Global average	50%
Business/professional services	49%
Transport/logistics	48%
Technology	46%
Power & utilities	45%

Proportion of tech team that's female	
Government	30%
Power & utilities	28%
Education	25%
Financial services	25%
Healthcare	25%
Pharmaceuticals	24%
Global average	23%
Retail	23%
Technology	23%
Business/professional services	22%
Construction/engineering	22%
Manufacturing/automotive	21%
Transport/logistics	21%
Telecommunications	19%

Proportion of organisation's revenue spent on tech	
Technology	25%
Financial services	22%
Telecommunications	22%
Government	19%
Global average	17%
Business/professional services	15%
Transport/logistics	15%
Education	14%
Healthcare	14%
Construction/engineering	9%
Power & utilities	9%
Pharmaceuticals	8%
Retail	8%
Manufacturing/automotive	5%

More likely to hire a candidate with GenAI skills but less software development experience	
Construction/engineering	75%
Telecommunications	74%
Manufacturing/automotive	72%
Business/professional services	68%
Power & utilities	68%
Technology	67%
Education	65%
Global average	65%
Pharmaceuticals	65%
Healthcare	62%
Government	60%
Transport/logistics	60%
Retail	58%
Financial services	56%

Organisation has a net-zero target	
Construction/engineering	80%
Power & utilities	76%
Government	73%
Transport/logistics	70%
Education	64%
Financial services	54%
Manufacturing/automotive	54%
Retail	53%
Global average	52%
Healthcare	48%
Business/professional services	43%
Technology	43%
Telecommunications	43%
Pharmaceuticals	37%

Company size league tables

Expecting an increase in IT/tech headcount	
Small	44%
Global average	41%
Large	32%
Medium	30%

Extremely/very prepared for demands of AI	
Large	45%
Medium	25%
Global average	23%
Small	19%

Expecting a budget increase in next 12 months	
Small	40%
Global average	39%
Large	38%
Medium	37%

Skills shortage prevents organisation from keeping up with pace of change	
Medium	61%
Large	54%
Global average	50%
Small	48%

Proportion of tech team that's female	
Large	31%
Medium	26%
Global average	23%
Small	22%

More likely to hire a candidate with GenAI skills but less software development experience	
Medium	71%
Large	70%
Global average	65%
Small	64%

Proportion of organisation's revenue spent on tech	
Large	23%
Medium	17%
Global average	17%
Small	15%

Organisation has a net-zero target	
Large	79%
Medium	74%
Global average	52%
Small	44%

26 years of the Digital Leadership Report

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Nash Squared is the leading global provider of technology and talent solutions.

We're equipped with a unique network, that realises the potential where people and technology meet.

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- We apply technology expertise to solve complex problems
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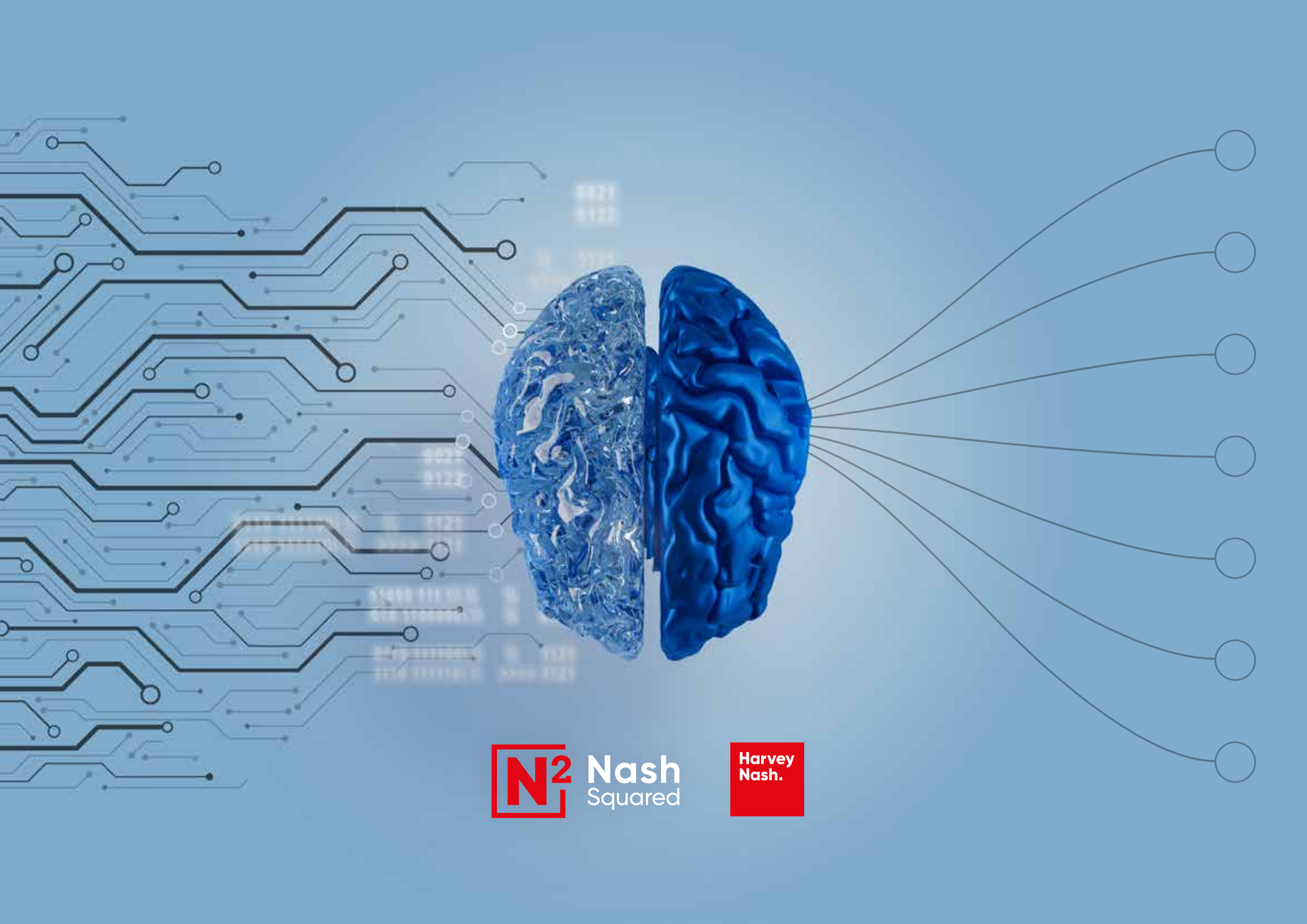
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