



TATA COMMUNICATIONS



Media Release

New study: Culture determines digital transformation success

Academic study proves a link between culture, organisational readiness and willingness to change

Singapore, 20 November 2018 (Tuesday) – Singapore Management University – Executive Development (SMU-ExD), [Tata Communications](#), [DBS Bank](#) and [KPMG in Singapore](#) today launched a new study entitled '*Cultural Transformation in the Digital World*' that looks at the digital transformation journeys of major businesses. The study provides a deeper understanding on how business leaders view their journeys towards digital transformation, the culture within their organisation and what challenges they encounter as they seek to propel their businesses forward in the digital age.

The study was conducted in partnership with Fons Trompenaars of [Trompenaars Hampden-Turner \(THT\)](#) and is based on quantitative and qualitative insight from 48 C-suite leaders and 401 anonymous executives.

Culture determines transformation, not technology

The study found that leader effectiveness is directly correlated with perceptions of organisational readiness for digital transformation and that transformation initiatives will only succeed if they are championed by the actions – not the words – of an organisation's leader.

87% of respondents agreed that culture created bigger barriers to digital transformation than technology and 70% agreed that their leaders had the ability to lead on digital transformation, but only 50% believed that they were appreciative of implementational challenges.

CEOs must assume the role of 'chief evangelist' of digital transformation to persuasively, persistently and convincingly articulate and communicate the "why" behind each initiative and champion changes, to create positive business impacts.

Digital transformation only succeeds if it's rooted in behavioural change

The study identified that teams will only embrace change if they understand why transformation is needed and if they have faith in their leaders.

Interestingly, 100% of C-suite level executives agreed that digitalisation is the "new normal", with a universal belief that embracing digital transformation was urgent and critical for the organisation to survive and thrive.

Furthermore, 80% of C-Suite interviews highlighted the importance of purposefully focusing on 'people aspects' during digital transformation journeys, suggesting an emphasis on the importance of inclusiveness.

“Readiness” was perceived to transcend well beyond technological readiness into the realm of organisational culture, new mindsets and leader behaviours. The “readier” the organisation was perceived to be for digital transformation, the greater the need was felt for cultural change and for embracing conducive leadership behaviours.

Open, flexible and agile organisations are better able to innovate

Each transformation journey is unique, but the research suggests common cultural attributes for those who are successful – openness, flexibility and agility. Today’s winners are focused on incremental change, flatter structures and experimentation. 71% of mid-level respondents acknowledged that they needed to adopt new leadership behaviours including agility, risk-taking, accountability, leading change and digital adoption.

The creation of small, agile, nimble-footed teams that are highly empowered to drive digital transformation, as opposed to making large-scale enterprise-wide changes that could be intimidating for employees, is a preferred implementation tactic. However, only 41% of those surveyed believed they had the skills that are necessary for the digital age, suggesting there is a pressing need to increase access to training to plug the ever-present skills gap.

Dr Fons Trompenaars, Founder, THT Consulting said: “There are so many changes happening in our current times that are linked to the introduction of ever more powerful digital tools and machines. Our focus is often technical and there is not so much attention devoted to the human and cultural side of digitalisation. I think that this research will reveal many of those insights and also how they relate to the technical side of digitalisation.”

Dr Katharina Lange, Executive Director, SMU Executive Development said: “Many leaders described the digital age as another change phase. Interestingly, the digital change process forced them to eventually address the many challenges that sometimes get pushed aside in daily work life: integrating more diverse views, becoming truly customer-centric, reconciling cultural dilemmas, speeding up innovation cycles. The underlying binary code of the digital age shapes the way humans and machines work together. Managing the interface of human machine interaction becomes critical for future success in business - and life in general.”

Vinod Kumar, Managing Director and CEO at Tata Communications said: “In a fast-changing world, this research shows that business leaders must lead from the front and focus on building an innovation culture, where staff can become life-long learners. Today’s transformation leaders have focused on sparking a change in mindset by championing cultural traits like openness, flexibility and agility. As a result, they have more engaged teams that are better able to flex to market trends, spot opportunities and react fast.”

Lee Yan Hong, Managing Director and Head, Group Human Resources, DBS Bank said: “Our focus is on saving people rather than saving jobs. Jobs will become redundant, but people are capable of learning and reskilling. We embrace digital tools as it helps eliminate mundane transactional work, creating capacity for our employees to do higher value and more interesting work. It is also important for leaders to champion traits of a start-up culture, focus on agility and continuous learning, have a relentless focus on the customer and leverage data in their transformation journey. We hope this research will provide invaluable insights into the human and cultural dimensions for all who are also on this transformation journey.”

Ram Lakshminarayanan, Head of People and Change, KPMG in Singapore said: “A closer look at organisations that have undergone or are going through digital transformation will show that more attention is needed to address the people and cultural aspects of change management and change

leadership. What is needed for true transformation is to combine technology, mindset and processes to remain competitive. The growing awareness and recognition of the impact of transformation underscore the urgency to place cultural change as the focal subject of this study.”

To read the full Cultural Transformation in a Digital World report, click [here](#).

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About the study

The study was conducted by Singapore Management University – Executive Development and Fons Trompenaars of Trompenaars Hampden-Turner (THT). Weighted toward today’s leading innovation markets in APAC, but drawing upon a global sample, the research focuses on the cultural, organisational and mindset facets of digital transformation. It is based on quantitative and qualitative insight from leaders from the world’s premier businesses. Insights are based on in-depth interviews conducted with 48 C-suite leaders across a variety of corporate functions and industry sectors, as well as 401 anonymous responses from executives who are responsible for implementing changes.

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About Trompenaars Hampden-Turner

We are a global firm. Working in teams, we combine and apply our skills as effective boardroom advisers, senior consultants, coaches and expert trainers in most parts of the world. Consequently, we have been recognized as the leaders in our field for the last ten years.

We help business leaders, managers and their organisations deal with cross-cultural challenges and dilemmas by actively supporting them in managing the business value of cultural diversity. Our consulting, training, coaching and (un)learning activities assist leaders, managers and professionals from a wide range of companies to recognize and respect cultural differences in values, attitudes and behavior and to systematically reconcile these differences to realise competitive advantage and secure the future sustainability of their organisation.

In summary, we will show you how to make culture work for your business.

<http://www2.thtconsulting.com/>

About Singapore Management University ExD

Established in 2000, Singapore Management University (SMU) is recognised for its high-impact multi-disciplinary research that addresses Asian issues of global relevance, and for its innovations in experiential learning. With 10,000 students, SMU offers bachelors, masters and PhD degree programmes in Accountancy, Business, Economics, Information Systems, Law and Social Sciences, and executive development programmes. Through its city campus, SMU enjoys strategic linkages with business, government and the wider community in Singapore and beyond.

SMU-Executive Development supports executives throughout their careers; from individual contributors gaining self-understanding, empowerment and foundational skills, through to seasoned CEOs and c-suite leading multinational organisations with purpose and mission. We support global executives managing the complexities in Asia and Asian executives navigating in local and international firms and contexts. Its pedagogy of *Knowledge - Application - Empowerment*

transforms personal development, whilst the pool of 350 faculty, from across the six schools of SMU, provides both depth and breadth of insight to match the needs and context of each participant and corporate client. <https://exd.smu.edu.sg/>

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About DBS Bank

DBS is a leading financial services group in Asia, with over 280 branches across 18 markets. Headquartered and listed in Singapore, DBS has a growing presence in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named “**Best Bank in the World**” by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named “**World's Best Digital Bank**” by Euromoney. In addition, DBS has been accorded the “**Safest Bank in Asia**” award by Global Finance for ten consecutive years from 2009 to 2018.

DBS provides a full range of services in consumer, SME and corporate banking. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region's most dynamic markets. DBS is committed to building lasting relationships with customers, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. The bank acknowledges the passion, commitment and can-do spirit in all of our 26,000 staff, representing over 40 nationalities. For more information, please visit www.dbs.com.

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KPMG in Singapore is part of a global network of professional services firms providing Audit, Tax and Advisory services. With 200,000 people in the network working together to deliver value in 154 countries and territories, we offer a globally-consistent standard of service based on professional capabilities, industry insight and local knowledge.

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