



8x8

Permacrisis: The View from the IT Frontline

 Britannic

What's Inside

Introduction

Permacrisis: a modern phenomenon

The impact of permacrisis

A breakdown of permacrisis causes by sector

The need for change

Accelerating change: differences across the UK

Addressing future permacrisis

The supporting role of cloud communications

Conclusion

Introduction

Change, we are told, is the only constant in life, and most individuals and businesses accept that as fact, like it or not. People change, companies change, what consumers want changes, societies change. It's all change. For the most part, however, change is tolerable when it is gradual or controlled.

Recent years have seen the opposite. Large scale events, ranging from political uncertainty to the pandemic to climate change to armed conflicts have created a sense of instability for many people, which then permeates through their working life and personal life. That, in turn, then feeds back to institutions and workplaces. Everyone's uncertain, everywhere, all at once, all the time. Nothing has happened in a vacuum.

We call it a feeling of permacrisis. And everyone now knows that feeling. There's a reason it was a Word of the Year in 2022. However, the year 2022 came and went, but the unease remained and is still with us to this day.

To get a sense of things, we surveyed more than 550 decision makers in large UK organisations from a variety of sectors, digging deeper to get first-hand data and insights about the ongoing effect of operating in uncertain times, and the technology and approaches they're using to address it.

Businesses need to adapt to the permacrisis era. They need to know how to reassure their people while still getting the best from them, and they need to ensure that their technology is future-proof and resilient for the uncertainty ahead. I hope this report highlights the ways we all can help because we're all in this together, and we all have a part to play in coping with ongoing change.



Chris Angus

Vice President, Contact Centre Experience, 8x8

Permacrisis: A modern phenomenon

The concept of a “permacrisis” almost certainly predates the label. Permacrisis refers to an extended period of insecurity and instability, and it was one of the Words of the Year in 2022, a clear sign of just how tough the year had been. Even before 2022, it was clear that the world we live in has been fundamentally changed by seismic events that have increased a sense of insecurity and instability among organisations.

We now operate in a world that seems to be facing one business-impacting crisis after another, with little or no time to regroup and prepare for whatever is coming next.

As we have adapted to the incoming waves of crises, we experience changes in what we expect from our interactions with businesses and organisations. Our expectations as customers and employees have adjusted. Some suddenly and some gradually over time. Since the pandemic era restrictions on movement were lifted, many people have decided to adopt working from home as a standard. Fewer people than ever work in a traditional office environment, 9am to 5pm, Monday to Friday.



The changed working practices we adopted to prevent the spread of Covid-19 have become widely accepted norms, with more remote and hybrid working options than ever. Attitudes to work have changed as people have reevaluated their lives, ambitions, and priorities, leading to the "Great Resignation."

These changes have seen many businesses reshaping how they work to retain and attract staff. Increasingly, technology is being called on to accommodate the changes needed to adapt to a world in permacrisis.

The accelerated transition towards increased digitalisation is having an impact on the beating heart of an organisation: its people. Communication and collaboration are key to how we get things done. It's vital to use the right tools in the right way, to ease communication and reduce friction without adding to the burden on IT and digital teams.

To understand the impact that permacrisis is having on organisations and their IT teams, 8x8 commissioned research consultants, Censuswide, to survey over 550 IT decision makers in UK businesses with over 500 employees. Once we start to understand the nature of permacrisis, we can build resilience, learn from experience, and develop ways to ride the waves with minimal disruption.

This paper looks at the key findings from our research in terms of the impact, changes, future, and cloud communications needs arising from the permacrisis.

The impact of permacrisis

Top issues affecting organisations:

96%

of organisations
have experienced
extended periods
of instability

64%

see inflation as the
top impact

1 in 5

organisations are
impacted by the
Great Resignation

A breakdown of permacrisis causes by sector, ranked by impact



Education

Inflation,
Pandemic,
Brexit



Health

Pandemic,
Inflation,
Brexit



Insurance

Inflation/Pandemic,
Brexit



Legal

Inflation,
Brexit,
Pandemic



Local Gov

Brexit,
Inflation,
Pandemic



Manufacturing

Inflation,
Pandemic,
Brexit



Public Sector*

Brexit,
Pandemic,
Inflation



Retail

Inflation,
Pandemic,
Brexit

*Other (e.g., central gov)

The sense of a permacrisis is universal. Among the organisations surveyed, fewer than 4% of people said that their organisation hadn't experienced extended periods of instability.

The periods of uncertainty and instability were accounted for by a variety of external factors ranging from natural disasters to political and geopolitical change.

The three top issues affecting businesses across all sectors, were named as:

- Inflation
- The Covid-19 pandemic
- Brexit

These issues stood out over the other crises the world has experienced, including industrial action/strikes, domestic government policy changes, system failures and outages, and even climate change and natural disasters. These were all considered as having less of an impact, but were nonetheless contributing factors.

Additionally, over a fifth of organisations said that the Great Resignation has had a significant impact on their business operations.





80%

of manufacturing
businesses name inflation
as number one impact

Inflation — The overall number one issue leading to extended periods of instability and uncertainty

While the headline figure indicates that 64% of respondents considered inflation to be the major factor leading to extended periods of instability and uncertainty, it's felt more acutely in some sectors than others. Eighty percent of those involved in manufacturing businesses considered it the top issue. Manufacturers were the first to be hit by rising energy prices affecting production costs, and increases in the cost of materials. It is worth noting that these price rises may well be the result of some of the other permacrisis factors, such as armed conflict, Brexit, the pandemic, and industrial action.

Retail and insurance sectors also indicated that inflation was a significant cause of instability with 66% and 63.4% selecting it as the top factor respectively.

All of this means that increased costs are passed on to the consumer, fuelling further inflation. This is particularly the case in insurance where, for example, car insurance premiums have soared by 21.1% on average in the 12 months to March 2023.¹ This is down to the increased costs of repairs—both parts and labour—a solid reflection of the knock-on impact of rising costs in materials and salaries.

Sectors that are less impacted by inflation tend to be those that don't buy and process goods, but instead provide "people-powered" services. Local government and other public sector organisations put inflation second and third respectively.

Among the different sizes of organisations that we surveyed, only those with 5000+ employees didn't put inflation as the number one impact. Here, the pandemic was overwhelming at the top with nearly 74% ranking it as the primary issue leading to instability and uncertainty.

¹Report: motor insurance premiums skyrocket

A woman with voluminous curly hair and glasses is sitting on a light-colored sofa. She is wearing a white long-sleeved top and blue jeans, and is focused on working on a laptop. The background shows a bright, modern living space with a large window and a green plant.

68%

of women name the
pandemic as number
one impact

Pandemic — The number two issue leading to extended periods of instability and uncertainty

The immediate effects of the pandemic may be fading in some memories, but it has had a lasting impact on businesses and organisations. The change in attitudes and expectations mentioned earlier have had a cumulative effect on certain industries. Most notably, this includes those that involve a large workforce providing services to citizens. A significant amount of the services provided in health, education, local government, and other public sector organisations are delivered by women. Figures from the Office of National Statistics show that more women work in the public sector compared with men; 35% of workers are men and 65% are women, whereas the private sector is made up of 58% men and 42% women.² Across public and health sectors, the pandemic was named the primary issue, and it was joint top with inflation by insurers.

Overall, a fifth of organisations said that they had been affected by the Great Resignation—often cited as a direct consequence of the pandemic—and nearly 35% of those based in Scotland said that it had a major impact, the highest regional score. Of these, over 45% of Glasgow organisations called out the Great Resignation as a factor, making it the most impacted city, closely followed by Norwich.

Again, when it comes to organisation size, those with 5000+ employees showed the greatest impact of the Great Resignation, while those with 500-999 employees were the least impacted.

²ONS public sector workforce report

Brexit — The number three issue leading to extended periods of instability and uncertainty

The Brexit referendum in 2016 has had a major impact in every walk of life in the UK. Seven years after the vote, it still dominates the headlines and is far from being a done deal.

Regionally, the North West of England named Brexit as the joint top issue alongside inflation that are leading to periods of instability and uncertainty. It was the highest-ranking factor in Liverpool. Among organisations in Northern Ireland, unsurprisingly, Brexit was felt to have a major impact, but still ranked beneath the pandemic.

Over 71% of respondents considered it a contributing issue. In the South East, Brexit ranked above the pandemic, and 100% of respondents working in Plymouth named it as the most significant issue.

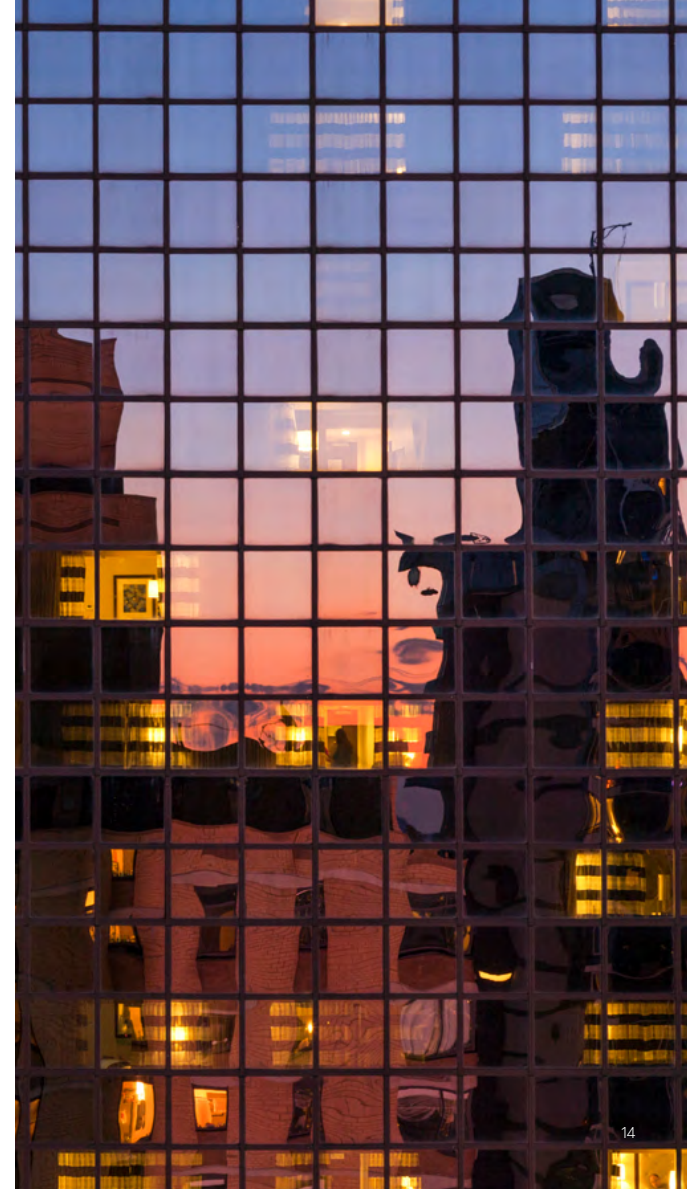
The spread of results across the various industry sectors was fairly even, with Brexit more of a factor for manufacturing (65%) than sectors such as health (40%). This could be due to new regulations governing buying from and selling to the EU, greater transportation costs, and changes in regulations governing quality marks, importing goods, etc.

75%

of respondents aged 55+ name Brexit as the number one impact

Internal factors

Internal and local factors also come into play during extended periods of instability, as well as broader geo- and socio-economic challenges. Over the last 18 months, many organisations have struggled with technology crises, such as a server outage or cyberattack (35%); financial crises, including drops in demand and increased competition (34%); and staff crises, such as an employee incident affecting the business reputation (30%).



Crisis fatigue

Unsurprisingly, the constant waves of crises hitting our organisations have led to a feeling of crisis fatigue. More than half of the people we surveyed said that they and their colleagues are feeling more fatigued than they were three years ago. On the face of it, this may seem a relatively low-figure. But think about it. This is telling us that over half the people you work with are feeling more fatigued now than three years ago. It's a significant proportion of the workforce. In fact, fewer than 9% of respondents said that their colleagues are not suffering from crisis fatigue. So, a staggering 91% of the workforce is feeling the effects of the permacrisis to some degree or other.

The results may be influenced by the empathy of the respondent. The perception that "my colleagues are feeling the effects of crisis fatigue more than they were three years ago" rises to 60% among women and is felt most acutely by those aged 55+ (64%).

The numbers are highest in sectors that are significantly frontline/customer-facing; 57% in education, and 67% in healthcare. This is possibly down to the impact of the pandemic in areas like child progress and healthcare appointments.

The regions feeling this most acutely are Northern Ireland, at nearly 86%, followed by the East Midlands with 65%.

The need for change

Where change makes an impact:

75%

see AI and automation increasing as a result of permacrisis

4/5

believe their organisation is committed to remote working

94%

said their organisation is implementing technology changes to reduce crisis fatigue and be future-ready

The disruption caused by permacrisis—the wave after wave of significant factors impacting our businesses and lives as consumers and employees—has driven organisations to look for answers. Clearly, business as usual is not going to cut it in a changed world. It's important to consider that change has to be perpetual. Simply changing to address an immediate need is important, but organisations facing challenge after challenge recognise the need to prepare to change for future crises. Change has to not only address the crisis that has already hit, but also those that are yet to come. Increasingly, organisations are looking to technology for those answers.



Accelerating change: differences across the UK

Two-thirds of total respondents told us that macro issues—inflation, Brexit, the Covid-19 pandemic and others—were accelerating their organisation's digital transformation plans. With figures for delaying change and no change equally splitting the remaining 35%. Across the different countries of the UK, however, we saw a divergence. In Northern Ireland (42.9%) and Scotland (48.3%), macro factors were seen to be less influential in accelerating change. Wales and England were roughly equal on 66.7% and 65.2% respectively. Across industry sectors, the results were fairly uniform, ranging from a low of 57.3% among local government to 76% in insurance.



Addressing crisis fatigue

Three quarters of the people (75%) we surveyed believe it's their customer-facing colleagues who suffer most from crisis fatigue. Encouragingly, over 94% of respondents said that their organisation is implementing technology changes to reduce crisis fatigue and be future-ready, indicating a readiness to implement change and use tools to embed it. Eighty-four percent of respondents told us that they believe their organisation has the ability to improve this by using communications technology to increase staff wellbeing.

Some people are already seeing structural changes being made, with 80% believing that their organisation is committed to remote working where it is possible. This sentiment is highest among 35-44 year olds (84.4%) and those working in the East Midlands (93.1%). It's significantly lower in Northern Ireland with just 57.1% considering their organisation to be committed to enabling remote working, and just 58.3% in Wales sharing that belief. The figures are uniformly high across most industry sectors with little divergence from 70-80+% range of agreement with the statement, "My organisation is committed to enabling remote working wherever possible."

Change through AI

The adoption of AI and automation is one of the key changes brought on by permacrisis. 78% say they're already seeing the use of AI and automation for increasing efficiency, and 76% of the total responses told us that they agree that their organisation is using AI and automation to better serve customers. AI and automation are being used to improve collaboration and enhance both the employee and customer experience.

There is a risk here, however, that an over-reliance on automation and AI removes the human element as people become too removed from interacting with others. It risks stripping away aspects that deliver empathy or connection between people—often a key differentiator for organisations as both product or service providers and employers. There is a well-known quote from Maya Angelou that says, "People will forget what you said, people will forget what you did, but people will never forget how you made them feel." The judicious use of remote technology and automation can be opportunities to add value to experiences that really matter to people.

Low implementation of change

The headline figure regarding the extent to which organisations are implementing technology to reduce crisis fatigue and be future-ready is high at 94%, however behind this lies a different story. The overwhelming majority (73%) said that only some or few changes were being implemented. It's the larger organisations with over 2,000 employees that are most likely to be accessing the innovative technology that is needed to stay connected.

Only 21% of respondents said extensive changes were being made in their organisation, and when we look into this further by sector, the figures vary dramatically. It's much lower for traditionally non-digital organisations, such as those in the legal sector (12%) and public sector (excluding healthcare and local government) at 8%. Yet in local government, the figure rises to 31%, which may be related to the greater number of distributed teams already working in these organisations.



Changing interactions

One of the major impacts of permacrisis has been that the distance between participants, enabled through digital technology, has become greater. Remote working means we don't interact as directly with colleagues as before. As more business transacts online, customers and organisations tend to interact remotely. Some of the human element behind our interactions is being eroded. Ironically, the very solution to some of the permacrisis factors could be contributing to crisis fatigue as we lose the human touch.

Our survey asked whether people believed that communications interactions between stakeholders would increase or remain static. The overall result saw a 57.3% to 40.3% split.

The remainder believed that there would be fewer communication interactions between stakeholders. The greatest variance was among businesses with 5000+ employees. 72.1% believed there would be an increase in communications interactions, with 26.2% believing it would remain the same. Among the health and local government sectors, there was more of a two-thirds to one-third split.

A big question then is how will the interactions change? The answer for many lies in using more innovative technology to stay connected.

Addressing permacrisis in the future

Preparation and planning:

99%

are planning to use communication systems to manage instability and uncertainty

94%

are implementing technology changes to reduce crisis fatigue and be future-ready

78%

have learnt lessons from crises to prepare for the future

By its very nature, permacrisis is far from over. There may be periods of calm between successive crises, but it's likely that they will overlap like waves, not waiting for the first to recede fully before the next one crashes on the shore.

While we cannot predict the future or where the next new crisis will come from, we do need to be prepared. The macro level issues could come from anywhere. It is looking likely that climate emergency and geopolitical conflicts may combine to take the form of climate-related geopolitical crises. Vast swathes of Europe and North America have been both scorched by wildfires and deluged by extraordinary volumes of rainfall in 2023. Already drought and flooding are contributing to conflict risk in Ethiopia, Kenya, and Somalia. It could also spark further conflict in Syria, Iraq, Afghanistan, and Morocco, while floods have put South Sudan and Pakistan at risk of conflict.



Learning the lessons of permacrisis

The reality of business today is ongoing macro and micro challenges; crises will continue to affect organisations long into the future. What we can do is learn lessons from previous crises, document our responses, identify what worked and what added to the challenge and be prepared for the next wave.

It is encouraging to see the optimism reflected among the technology decision makers who participated in our survey. Some 78.9% said that their organisation was good or excellent at detecting and assessing risks, and understanding the impact that different crises could have on the organisation. A similar number (77.7%) considered their organisation good or excellent at learning from crises, documenting the lessons, and preparing for the future. Women, at 80.9%, were rather more positive than men (76.1%) about this measure. And the 55+ age group was almost unanimous in its positive assessment at 92.3%. Among the regions, Northern Ireland (Belfast in particular) is again the outlier with only 57.1% considering their organisation good or excellent at learning from past crises. Those based in Cardiff share the same, less positive view at 54.6%.

Among the industry sectors, it's interesting to see that education (84%), public sector (88%), and manufacturing (80%) score their organisations highly in this area. This is possibly down to the rapid and far-reaching changes they made during the Covid-19 pandemic to ensure that lessons and services continued, and goods continued to make it into the shops.

It's possibly a bit trite to say that with great challenges come great opportunities, but many organisations that have ridden the waves of permacrisis and adapted their operations accordingly have been able to recover swiftly and even steal a march over their competitors.

Very nearly three-quarters (74.0%) of people we surveyed said that their organisation was good or excellent at recovering from crises, and followed steps to return the organisation to where it was before the crisis or incident. A similar number (77.7%) has the confidence of their employees that they managed crises effectively and put a crisis management plan into action to minimise damage to the organisation.

Taking action today

Across the board, organisations are already responding to the need to look to the future, with an impressive 94% actively implementing technology changes to reduce crisis fatigue and be future-ready.

Communication is one area where we expect to see significant change, with 57% of our survey respondents expecting to see an increase in communication interactions between stakeholders in the future. Many of these organisations are planning to use communication systems to:

- Automate processes (51%)
- Manage staff performance (47%)
- Predict customer and employee trends (44%)
- Improve staff wellbeing, e.g., through sentiment analysis (38%)

These priorities reflect the increasing pressure on businesses to demonstrate value for money and added value for customers. There is variance across the sectors however.

Among manufacturers, the most pressing need is to improve automation (68%), while for insurance organisations, it is the need to integrate communication systems (65%).

Among our customers at 8x8, we see that the permacrisis has accelerated the use of artificial intelligence and automation, particularly to streamline workloads, reduce manual work, and increase customer and employee satisfaction. We expect this to continue in the future—a view shared by 76% of survey respondents.

The benefits of innovative communications systems go far beyond better experiences for customers and employees. They also help to deliver significant cost savings. Yet only 40% of organisations say they're using communication technologies to lower their costs, showing the huge opportunity for organisations to deflect interactions and enhance engagement. All while being careful not to overly disrupt the essential human empathy needed for such interactions.

The supporting role of cloud communications

Looking for answers in the cloud:

50%

of organisations use communications technology to prepare for future challenges

50%

of organisations aim for better customer experiences with cloud communications

61%

of organisations aim for better employee engagement with cloud communications

If we expect an environment of permacrisis to continue—which we do—then we need communications systems that are designed to overcome instability and uncertainty. Most organisations are turning to the power of cloud communications to enable this.

Communication and collaboration are integral to how organisations operate, and how things get done. It is essential that the right tools are used in the right way to ease communication and reduce friction, without adding to the burden on IT and digital teams.

The sudden mobilisation of a remote workforce called for heroic efforts from IT teams up and down the country. Almost immediately, colleagues and customers were communicating and collaborating over the internet using tools like Teams and 8x8.



Cloud communications

More than 50% of people we surveyed said their organisation is already using communications technology to prepare for future challenges. Key required attributes highlighted include: workforce management (22%), CRM (21%), team messaging (20%), customer experience analytics (20%), and virtual agent (19%).

We also asked what people considered to be the most valuable call handling tool for a crisis situation. The results show that people aged 55+ name email, while for almost every other age group it's virtual agents/chatbots. This aligns with our earlier insights into the increasing use of automation and AI within communication systems.

The right tools for the role

That said, AI and automation, while valuable in providing many of the answers, are intrinsically robotic and don't allow for nuance needed for dealing with people. While very useful in predictable or repetitive situations, they don't always lend themselves to delivering an excellent customer or employee experience. Their use should be seen as part of the communications ecosystem rather than a key tool within a crisis. After all, AI learns from previous engagements and the volatility of a crisis is often unique, so the solution to crisis A could carry inherent risk when used to address crisis B.

In our survey, auto attendant and voicemail are considered to be the least valuable call handling tool for a crisis (19% and 22% respectively), but these tools shouldn't be prematurely discarded in the quest to simplify systems. Having more channels doesn't necessarily mean more communication platforms—instead, you need a different approach to how you enable your teams and adopt the most appropriate channels and tools.

IT teams are the rock of stability through permacrisis

As mentioned, the UK's IT teams carried the brunt of pressure during the rapid mobilisation of workforces due to the Covid-19 pandemic. It is little wonder that many organisations have focused on how best to use communications technology to support staff wellbeing. 86.4% of our survey respondents agreed that their organisations were doing just this. And, to reiterate, some 94% of organisations are implementing technology changes to reduce crisis fatigue and be future-ready. Cloud communications are going to be doing a lot of the heavy lifting to meet the challenges of future crises.

Naturally, to support businesses through permacrisis, cloud communications systems must meet the needs of IT and digital teams.

In our survey, the top three challenges these teams faced with communication solution providers were reliability (51%), security (48%), and the need for specific skills to operate specific solutions (38%).

The ambitions of organisations in deploying cloud communications solutions placed "better employee engagement" in the top two, following "cost efficiencies." Using cloud communications is seen as a key way to address crisis fatigue and head off employee dissatisfaction, while increasing employee productivity and engagement.

Conclusion

The era of permacrisis is far from over. We can't predict the future or where the next crisis will come from, but the combination of ever-present and new risks—political, geopolitical, climate, and more—means that organisations must be prepared for whatever is over the horizon.

A key part of the solution is leveraging a communications platform that will take you into the future, reliably and with minimal friction.

At 8x8, we're experts in communications for customer-obsessed organisations, delivering every communications experience you need from one platform. Get in touch if you'd like to find out more about how we can empower every employee, delight every customer, and power your business agility.



The 8x8 eXperience Communications Platform™

To discover how the 8x8 Experience Platform can empower every employee, delight every customer, and power your business agility.

Contact us →



Integrated contact centre, voice, video, chat and embeddable communications.

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