

## Press release

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### **Business leaders remain confident in a challenging year.**

**LONDON** – Despite global economies reeling from the impact of COVID-19, business leaders are confident in their ability to generate growth in 2021, even as their expectations of global economic growth decline. This is one of the key findings from HLB’s Survey of Business Leaders – Achieving the Post-Pandemic Vision: Leaner, greener and keener which launched today. To gain insights into the concerns and priorities of business leaders in 2021, HLB surveyed 583 clients and other business leaders in C-suite positions across five continents.

While business leaders are worried about the implications of the pandemic, they believe that the pandemic will ultimately provide a unique opportunity to rebuild back better.

Commenting on the findings, Marco Donzelli, HLB’s Global CEO, says: *“2020 was a year like no other. The contraction of global economies saw many organisations having to rethink their transformational plans and focus on survival. Yet within these exceptional times comes opportunity and we are already seeing signs of the next phase of growth. In addition, a mindset shift is happening across all businesses with social imperatives taking higher priority. The future is still uncertain, but we have found that the vision for the post-pandemic world is leaner, greener and keener.”*

### **A crisis that made us think**

As expected, the global pandemic is having an impact on the outlook for economic growth and although vaccines are now being rolled out, much uncertainty remains. 81% of leaders are worried about the implications of the pandemic and nearly 54% expect the rate of global growth to decline this year. However, others recognise that often disruption creates opportunity. This could explain why 42% of leaders plan to bring new products or services to the market and 76% are confident in their own ability to grow revenue over the next twelve months. While economic uncertainty remains a top concern for business leaders (over 77%), issues such as geopolitical uncertainty, regulatory change and social instability remain top concerns and will have an impact on the post-pandemic business climate.

### **From East to West, evolving strategies for recovery.**

While business leaders in different regions and industries are united by the same preoccupations, they have different action plans for growth. The first to emerge from the worst of the pandemic, China’s business leaders are the least concerned about the impact of COVID-19 (67% vs 81% of their global peers). They are also least concerned about economic uncertainty (62% vs 77% of their global peers). This sense of being ahead of the recovery curve is also evident in the activities business leaders are focusing on in the next 12 months. The US and the UK business leaders share their top three priorities — improving efficiency, reducing costs, and building organic growth. Executives in China are also focused on operational efficiency; however, they are

more intent on launching new products and services (53% vs 42%) and more likely than their peers to be seeking strategic partnerships (41% vs 27%) and collaborating with entrepreneurs (29% vs 21%).

### **Thank goodness for technology**

Technology has played a crucial role in ensuring businesses not only survive but thrive through the pandemic. Investments in new digital technologies and capabilities, previously positioned further down on strategic roadmaps, have become a necessity to maintain operations, with 35% identifying this as an area of weakness to be addressed over the next 12 months. Not surprisingly, nearly 50% of leaders ranked 'cloud computing' as the most important technology for enabling future success. With increased cloud-based operations, cybersecurity becomes a higher priority. So we were surprised that less than half of the leaders we spoke with (47%) were concerned by potential cybersecurity issues, and even fewer (13%) identified digital security as an operational weakness.

### **Missing the human touch**

Digital platforms have saved many businesses through the pandemic. However, they have also introduced new and different challenges. 84% agreed that it's been difficult to foster the 'human touch' in these times of social distancing and remote working. The ability to collaborate (with colleagues and clients) is most missed, selected by over half of business leaders and over a third of respondents (37%) also acknowledge the difficulties of sparking creativity via digital means.

### **Diversity – a salient competitive driver**

Diverse talent and their thinking bring the edge leaders increasingly seek to drive innovation and execute at speed. It is no wonder that 85% agree that building diversity in the board and workforce is increasingly important. In fact, 82% of business leaders are certain that a more diverse and inclusive workforce will ultimately improve their financial performance. In addition, 93% acknowledge that it is more important than ever to ensure equal support and opportunities for all their people.

### **New talent imperatives**

The talent marketplace has also been impacted by the pandemic. Despite new opportunities to fill gaps with remote hiring, 47% of leaders still see 'access to talent' as a risk to their operations and over a quarter (26%) identify 'talent acquisition' as an area of weakness needing improvement. Yet businesses are still struggling to find the 'right fit' for their organisations, leading an increasing number of leaders (21%) to collaborate with entrepreneurs to fill in the gaps in skills and technical capabilities. More flexible working will undoubtedly continue, so employers are now turning their attention to creating a happier workforce. Staff physical and mental well-being is a top priority for 93% of employers, an especially reassuring figure, considering the emotional toll on workers in 2020. Having a strong employer brand, backed by internal organisational policies, promoting well-being, is just the first step towards wider transformation. The decisions businesses make today regarding larger societal trends will directly reflect on their brand at large, facilitating or hindering their ability to win over new consumer demographics, as well as recruit new talent. In fact, 91% of leaders believe that how they respond to events that impact society reflects on their brand and on how customers think of them.

### **Rebuilding back better**

For many businesses, the 'reset' caused by COVID-19 is an opportunity to reflect on their business model considering new social imperatives. A large majority of leaders (91%) are confident in their ability to successfully steer the business in a new direction in response to the impact of COVID-19. To survive the disruption, most leaders are understandably focused on increasing resilience: 65% plan to further increase their operational efficiency and cost reduction is a priority for nearly half (48%). But, responding to events which impact on society and the planet is not only positive for brand and customer perception. In fact, 77% of business leaders see the recovery phrase as an opportunity to make changes to their business to profit in the low-carbon economy of the future. The decisions business leaders make every day, to adapt and survive will determine whether they will succeed or fail.

### **Momentum for the next cycle of growth**

Last year we asked business leaders if they were ready for the execution challenge of the next decade. Already, structural changes in 2020 have accelerated the end of some sectors and the beginning of others. Early adopters are seeking out new differentiated growth opportunities in countries, segments and in sectors across the globe. Some have moved quickly to make the most of these opportunities which present themselves at points of disruption and change. Future winners will find that the pandemic has provided a helpful catalyst to adapt to new business models, embed digital and ensure a strong pipeline of diverse talent and ideas required to rebuild their businesses to be leaner, greener and keener.

### **About HLB**

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### **About our research**

Between September and November 2020, HLB has collected 583 survey responses from business leaders across 55 countries and a range of industry backgrounds. Responses were collected via an online survey tool or telephone interview. The research sample was selected and controlled via HLB firms with their CRM data. In addition to the quantitative data, six in-depth CEO interviews were conducted via video calls.

A copy of the full report can be found on [www.hlb.global/surveyofbusinessleaders](http://www.hlb.global/surveyofbusinessleaders)

Note that not all figures in this report sum up to 100% as a result of rounding percentages, excluding neutral responses or when respondents could choose more than one answer. The base for all figures is 583 (all respondents) unless otherwise indicated.

More data and information about this survey is available upon request. Please contact:

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