

THE GLG CEO SURVEY: 2021

Leading Executives on the Impact of 2020
and the Year to Come



CEOs SAY COVID-19 WILL CONTINUE TO HAVE ECONOMIC REPERCUSSIONS

The year 2020 was unlike any other in living memory. The global pandemic hit every nation, closing business as usual for many industries, causing others to rapidly pivot from in-person to digital, and forcing millions of people into work-from-home situations, much of which is likely to persist well into 2021.

For many companies, COVID did deep damage to revenue, forcing executives to adopt new strategies to weather the ongoing storm. To get a high-level view into what the post-COVID landscape looks like and what executives plan for 2021, GLG conducted a survey of 100 North American and 100 global CEOs and top executives in November 2020.

The survey found that despite the challenges of 2020, most CEOs looked to 2021 with a degree of optimism, expecting revenue to return later in the year. The survey includes both quantitative data and comments from respondents, offering insight into the perspectives of CEOs on the pandemic's impact, shifting strategies and priorities, and outlook for the coming year.

KEY FINDINGS

1 REVENUE DECLINES PROMPT SHIFTS

For many organizations, revenue declines due to COVID prompted their CEOs to adjust a long-standing leadership style to adapt to new challenges.

2 BIDEN'S ELECTION INSPIRES GLOBAL CONFIDENCE...

...but not everywhere in North America. More global CEOs feel optimistic about the election of Joe Biden than North American CEOs, who exhibit a greater degree of pessimism.

3 TWO-THIRDS OF EXECUTIVES FORESEE A LATE 2021 COMEBACK

Most executives see economic recovery coming in late 2021, but a not insignificant number see difficulty stretching into 2022 and 2023.

4 MOST CEOs ANTICIPATE GROWTH FOR THEIR OWN COMPANIES

While most executives predict growth for their own companies, they also say it can't happen without changes to the way they do business.

5 THE NEW NORMAL IS NOT BUSINESS AS USUAL

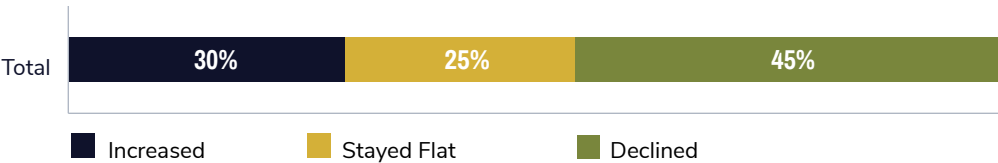
Most executives told us that there are likely to be legislative repercussions to COVID-19 that will be stumbling blocks on the road to recovery.

COVID IMPACT

The pandemic negatively impacted the revenue of many of our respondents, with nearly half saying that revenue “Declined” in 2020.

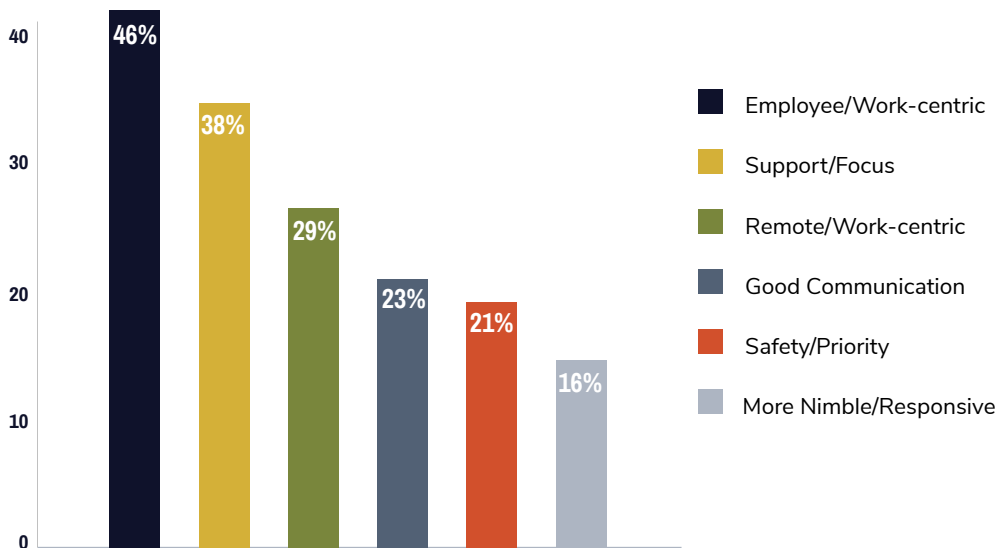
Not all was lost, however, with 25% of respondents saying their revenue “Stayed Flat” and an encouraging 30% saying that revenue “Increased.”

How did COVID-19 impact your company’s revenue in 2020?



But informed adaptation is part of effectively doing business. A new style of leadership emerged to contend with difficult times. We asked our respondents an open-ended question about how their leadership style shifted in response to COVID-19. Their responses told us that CEOs strove to be more employee-focused, took on a more supportive and flexible mindset, and shifted to think more about the basics — work-from-home configurations and their staff’s health and safety — to enable employee success.

How has your leadership style shifted in response to COVID-19 to meet the needs of your business?



“ [We] accelerated use of email, text, Slack, etc., to make up for the lack of in-person touch points. [We also] emphasized the social impact of COVID-19 when addressing employees.”

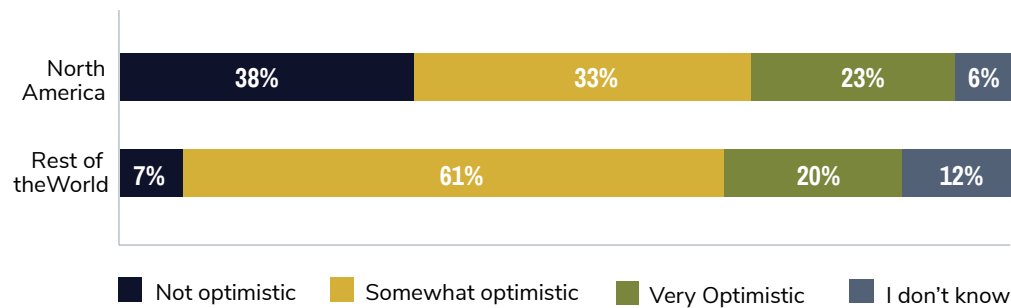
(HEALTHCARE, U.S. & CANADA)

THE ELECTION OF JOE BIDEN

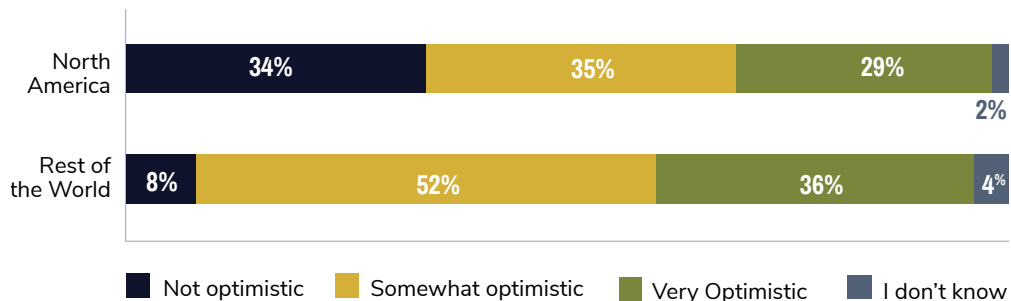
The election of Joe Biden means that significant change is coming to United States economic policy, but the reaction of our respondents is surprisingly mixed. When asked how optimistic they felt about Biden's election, 38% of North American respondents said they were "Not Optimistic," while only 7% said the same thing globally. Excluding the respondents who said, "I don't know," Biden's election inspires confidence in 81% of our global respondents and only 56% of North American respondents.

When it comes to international trade policy, the survey's findings remain consistent. Regarding the impact of Biden's election, North America is significantly more pessimistic than the rest of the world (34% to 8%).

With the election of Joe Biden, how optimistic are you about the economy?

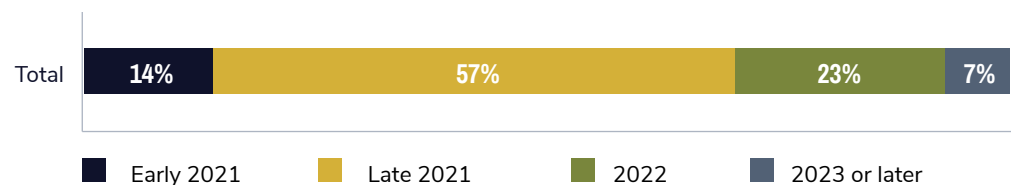


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Our survey found that, despite mixed confidence levels around Biden's election, 71% of our respondents said that they expected economic improvement by "Late 2021." A relatively significant 30% of respondents said that it could happen in "2022" or "2023 or later."

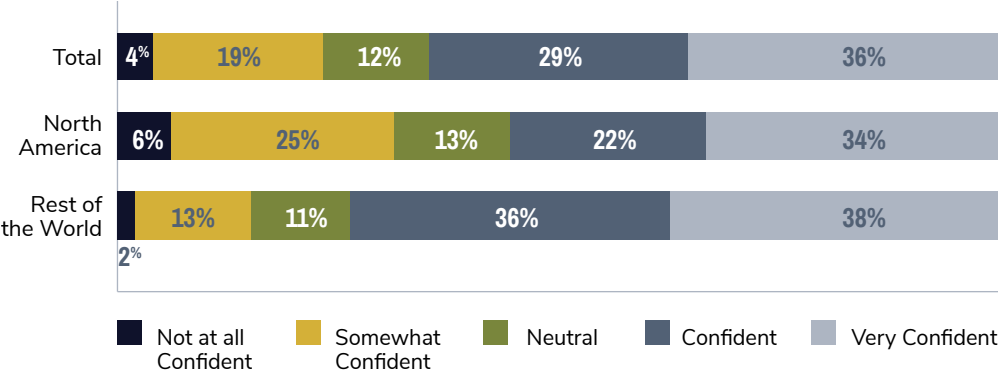
When are you anticipating the global economy will improve?



COMPANY GROWTH OUTLOOK

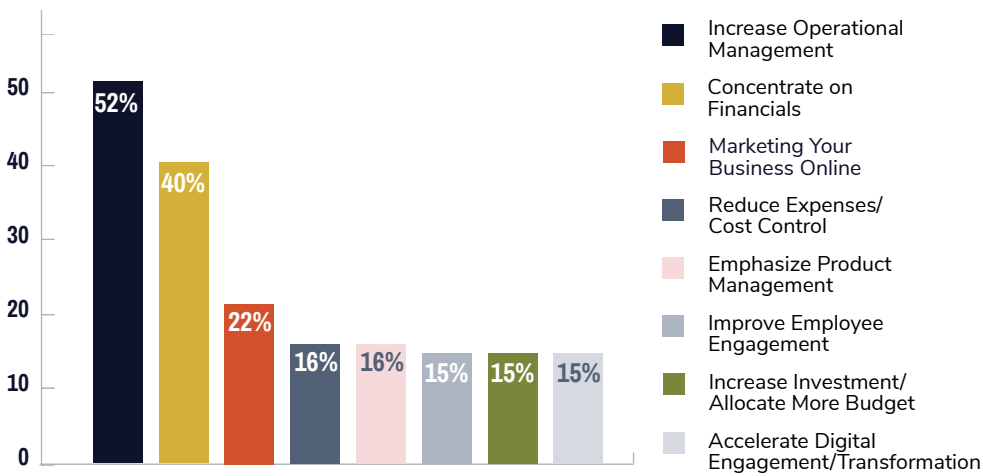
Only a fraction (4%) of all the CEOs we surveyed said they were “Not at All Confident” that their revenue would grow in the next 12 months. In fact, significantly more than half (65%) said they were “Confident” or “Very Confident” about their growth potential. North American confidence in revenue growth in the next 12 months is significantly below the rest of world, with 56% of North American respondents versus 74% of the rest of the world saying that they are “Confident” or “Very Confident” when it comes to growth.

What is your level of confidence that your company’s revenue will grow over the next 12 months?



But traveling the road to growth isn't effortless. To achieve real growth, standard operating procedure must shift. According to those we surveyed, changes in operational management, financials, and online marketing will have to be implemented.

What changes will you be implementing to ensure your business is successful in 2021?



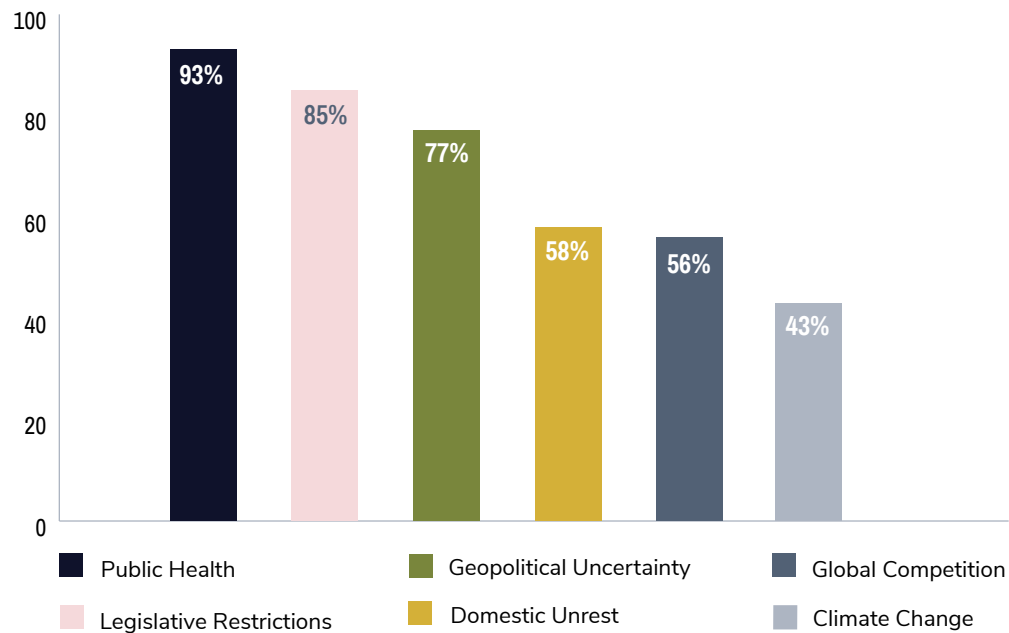


[There is now] more reliance on IT-enabled services [and] off-site CRM modules. [We are] strengthening safety protocols [and] monitoring [the] health of staff. [We have implemented] better insurance coverage for [our] staff.”

(HEALTHCARE, ASIA-PACIFIC)

The world is also a different place. The past year saw not only the pandemic, but domestic unrest directly tied to racial injustice, as well as dramatic fires in Australia and California that underline the urgent need to address climate change. Most of those we surveyed (93%) unsurprisingly identified “Public Health” as the top factor that will impact business in 2021. This is followed closely by “Legislative Restrictions” (85%), with “Geopolitical Uncertainty” coming in third (77%). Those we surveyed were least concerned with “Climate Change,” with only 43% saying that it could impact their business in the coming year. Fifty-eight percent said “Domestic Unrest” would impact their business.

Rank your level of concern regarding how you expect the following factors to impact your business.



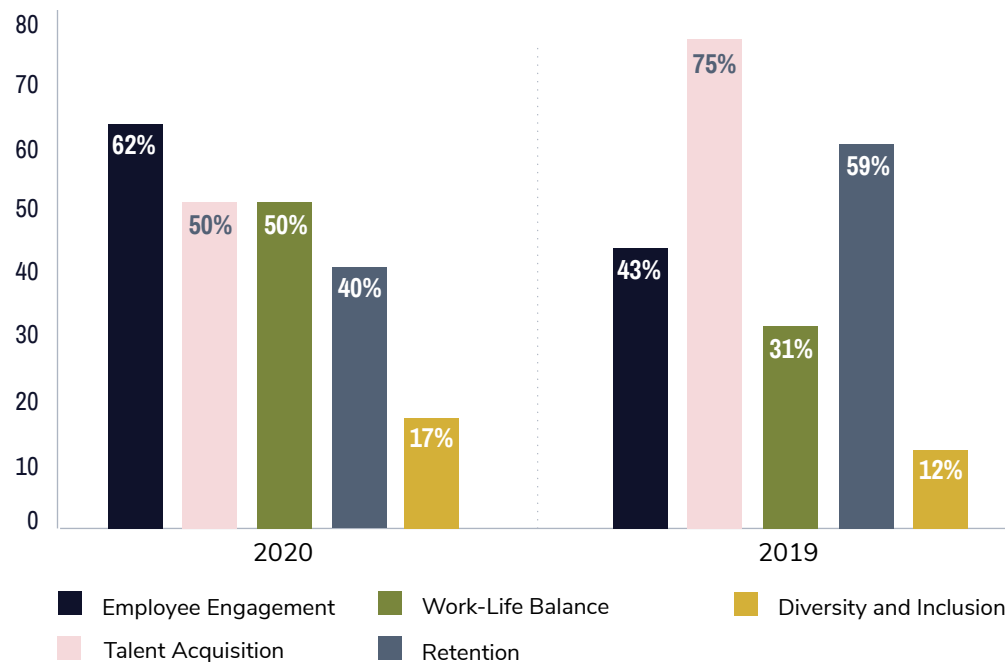
THE 2021 WORKFORCE

For most companies, 2020 was the year of working from home. There's no reason to expect this will change until COVID vaccines become more readily available and most of the population is inoculated. Until that time, businesses are faced with challenges that may not have been as much of a concern prior to the work-from-home era.

The largest number of those we surveyed (62%) said that "Employee Engagement" was a top challenge. "Talent Acquisition" and "Work-Life Balance" tied for second at 50% each. "Retention" was a lesser concern at 40%. Surprisingly, "Diversity and Inclusion" doesn't seem to be much of a challenge for the CEOs we surveyed, with only 17% saying it would pose a challenge in 2021.

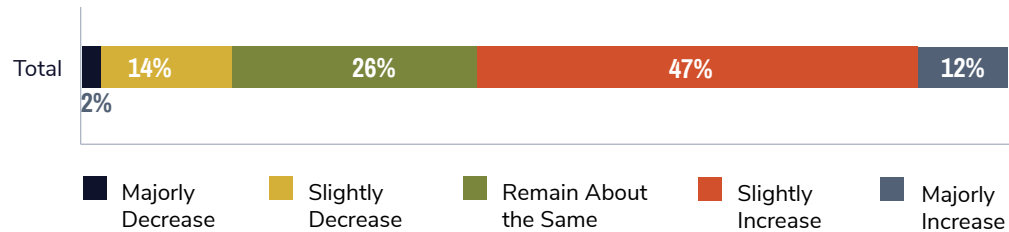
This is a significant change since our 2019 CEO survey, when only 43% cited "Employee Engagement" as a challenge. In that survey, "Talent Acquisition" was a top concern, with 75% of the CEOs we surveyed citing it as a challenge.

What workforce challenges are you expecting in the coming year?



The good news is that 85% of the CEOs we surveyed felt optimistic or neutral about head count in 2021, with nearly half (47%) saying they expected it to “Slightly Increase.” Only 2% expected a major decrease.

How do you expect your employee head count to change during 2021?

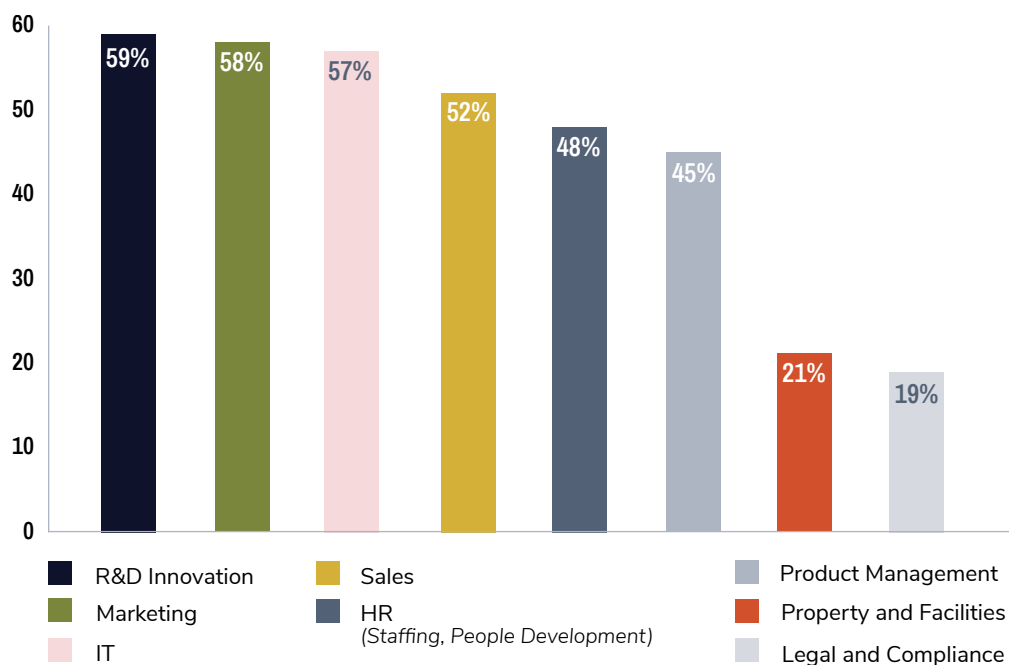


Numbers are rounded to closest whole number.

INVESTMENT FORECAST

Looking toward 2021, most of the CEOs we surveyed ranked “R&D and Innovation,” “IT,” “Marketing,” and “Sales” as top concerns. “Human Resources” and “Product Management” follow closely, but far less emphasis is put on “Property and Facilities” and “Legal and Compliance.”

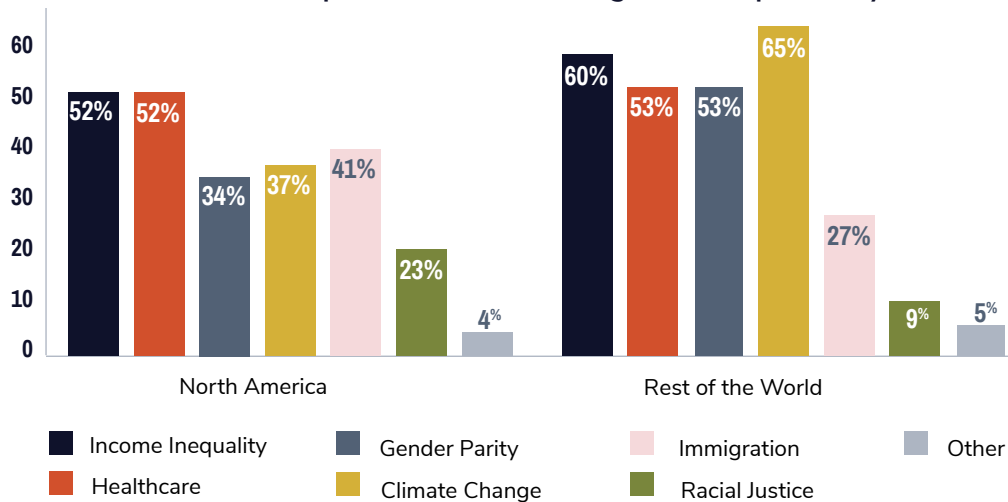
Compared with fiscal year 2020, where will your organization's investments in the following areas change in fiscal year 2021?



CORPORATE RESPONSIBILITY

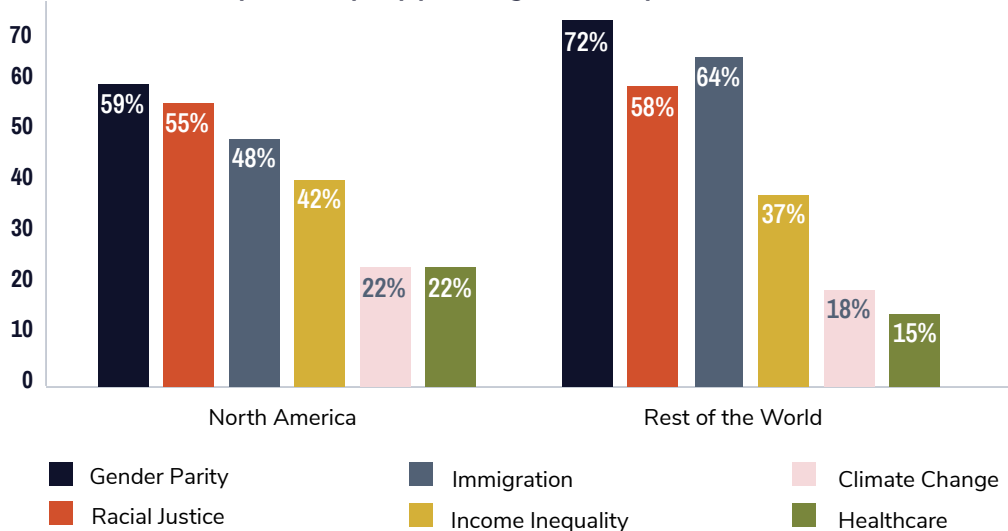
When asked about the issues that the private sector should be helping advance, the CEOs in North America showed a different hierarchy of response patterns than their counterparts in the rest of the world. Fifty-two percent of the North American CEOs ranked “Income Equality” and “Healthcare” as top responsibilities, compared with 60% and 53%, respectively, for global respondents. The biggest difference is around climate change, which only 37% of North America CEOs cited as a corporate responsibility, compared with 65% of CEOs globally.

For what issues does the private sector have the greatest responsibility?



When asked about the areas where their company was planning to actively contribute resources to advance social progress in 2021, we also saw differing responses between North America and the rest of the world, especially in areas of “Gender Parity” (59% in North America compared with 72% in the rest of the world) and “Immigration” (48% in North America compared with 64% in the rest of the world).

To which issues is your company planning to actively contribute resources to in 2021?



ABOUT THE RESEARCH

For this report, GLG aimed to consult the business world's leading decision-makers to understand their priorities and outlook for 2021. We created a custom B2B survey panel of global CEOs from our network of more than 700,000 expert professionals. The survey, conducted in November 2020, includes a total of 200 CEO respondents from technology, manufacturing, consumer goods, and healthcare. There were 100 CEOs from North America and 100 from the rest of the world. GLG Surveys interpreted and analyzed the results.



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