



C-suite barometer

Insights from the Asia-Pacific region

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Foreword

At the end of 2021 we ran our annual C-suite barometer, surveying over 1,000 executives from around the world, including around 200 from the Asia Pacific (APAC) region. In the APAC region, we uncovered a sense of confidence and resilience, with the majority of executives predicting revenue growth in 2022. With the impact of the pandemic ongoing, and new challenges arising from financial and political instability around the world, these are qualities that are likely to be tested once again this year.

Our C-suite barometer provides us with the opportunity to hear and investigate the latest issues and developments our clients in the APAC region are facing. By responding effectively, we can support our clients in seizing opportunities, responding to challenges, and achieving their objectives.

One of the most notable findings of our 2021 study is the high level of confidence we encountered among businesses in responding to market trends and transformations. In the APAC region, confidence was lower than the global average, but still at a very high level. Businesses that have survived the pandemic thus far have overcome extraordinary challenges, which has given them confidence in their resilience, and that they can achieve revenue growth in 2022.

It was also interesting to discover that a high number of APAC executives feel cybersecurity risks have increased over the past year. With both cybercrime and data protection regulations on the rise, it's no surprise that this topic is high on the agenda of the C-suite in APAC. Confidence again proved to be strong, with the majority of APAC businesses feeling confident their data is completely protected. However, it is important that leaders don't become complacent in this area and continue investing to keep up with the latest security requirements, as the potential damage – both financial and reputational – is huge.

The study shows that environmental, social and governance (ESG) factors are becoming increasingly important in C-suite decision making in the APAC region. Nevertheless, it is apparent there is a gap between the intention of businesses to take ESG seriously, and the actions they take to realise that good intention. With the Securities and Futures Commission in Hong Kong announcing the “Strategic Plan to Strengthen Hong Kong’s Financial Ecosystem to Support a Greener and More Sustainable Future”, and the Singapore Green Plan 2030, businesses operating in APAC will have to make real change in order to comply with local regulations.

Covid-19 has driven huge transformations in both the way we work, particularly with the move to homeworking (which is expected to be a long-term change for more APAC businesses than the global average), and the leadership skills executives in APAC feel they need. Competition for talent is immense, as are people’s expectations for the way businesses behave. Businesses in the APAC region will need to build a competitive advantage by demonstrating their values and investing in developing a workforce with the right skills.

Throughout 2022, there will inevitably be challenges for businesses in the APAC region. But challenge brings opportunity, and that’s where Mazars can help. Whether it’s through our audit or advisory services, we help our clients build businesses that are more resilient, sustainable and successful in the long term. We look forward to continuing to do this over the years ahead.



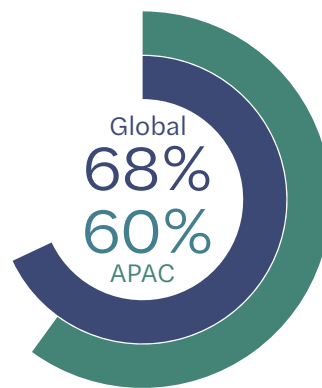
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Mazars

Transformations ahead: Technology and sustainability top the list

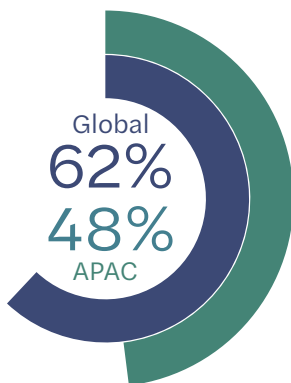
Our research shows that leaders around the world expect to transform their businesses, with technology- and sustainability-related transformations being the most likely. Businesses in the Asia-Pacific (APAC) region are slightly less likely to transform themselves than those in other regions.

Three in five APAC executives (60%) expect their businesses to undergo a technology transformation, which is 8% lower than the global average (68%), and the lowest score of all global regions, but still a significant majority.

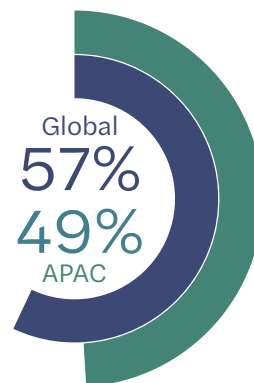
Just under half (48%) of C-suite executives in the APAC region expect a transformation in their sustainability strategy, compared to 62% of the global sample. APAC is the only global region where less than half of executives expect sustainability-related transformation. Further, almost half (49%) of APAC executives expect a transformation in new services, markets and business models, which is 8% lower than the global average (57%).



Businesses expecting to go through a technology transformation in the next three to five years.



Businesses considering a transformation in their sustainability strategy in the coming three to five years likely.



Businesses expecting a transformation in new services, markets and business models in the next three to five years.

Confidence to respond

At the end of 2021, business leaders reported a high level of confidence in responding to the trends and transformations identified. C-suite executives in APAC are confident in their future prospects. More than three in four executives (78%) predict revenue growth in 2022, compared to 86% globally.

Businesses have had to dig deep and show resilience over the past two years. With the impact of the pandemic ongoing and the shocking events in Europe, this resilience will be needed again. Our research suggests that those who have survived are feeling stronger for it, and C-suite executives in APAC are confident in their crisis resilience. Some 82% say that they're confident their businesses can overcome a crisis, which is slightly lower than the global average (88%).



Businesses predicting revenue growth in 2022.



Companies are confident they have the resilience to weather a crisis



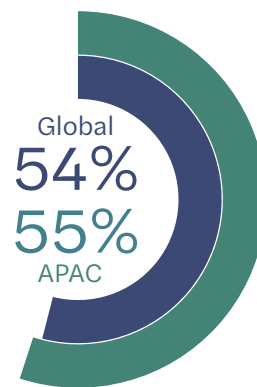


Cyber risk

Over half (55%) of APAC executives feel that cyber security risks have increased over the past year, which is consistent with the global average (54%). In APAC, more than a third (38%) think a significant data breach is likely in the next 12 months - this is slightly higher than the global average (35%).

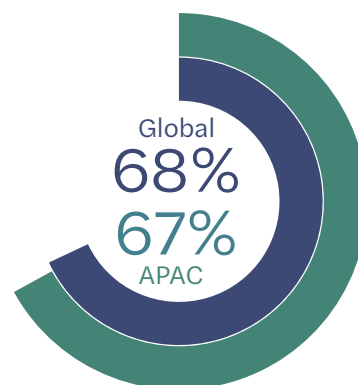
Despite thinking cyber security risks have increased, the majority of businesses, including 67% in the APAC region, remain confident their data is completely protected, which is also in line with the global average (68%).

In the face of increasing cyber risks...



Over half of respondents believe the cyber security risk to their organisation has increased over the past 12 months.

...confidence remains high



Over two-thirds are confident their data is completely protected.

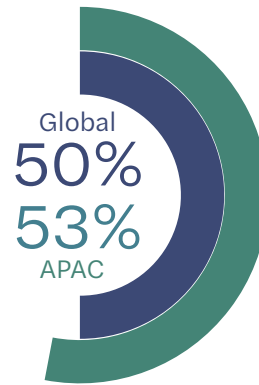
Harnessing the power of technology

The pandemic showed the world a new way of working, as businesses harnessed technology and adapted to remote working. Globally, 45% of executives say adapting to remote working was the most significant challenge for their business caused by Covid-19. In APAC, this figure was slightly lower (40%) but still the most significant challenge for businesses caused by Covid-19, tied with travel restrictions.

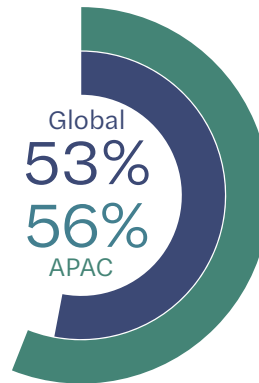
It seems, having tackled these challenges, remote working is here to stay - and to a greater extent in APAC than other regions: 50% globally and 53% in APAC say increased remote or flexi-working is a long-term change for their business.

Leaders expect trends in technology/innovation to have the biggest impact on their business in the coming years: they are confident they can respond and are planning to increase investment in IT systems.

Globally, over half (53%) expect technology/innovation trends to have a major impact on their business in the next three to five years. In the APAC region, this is slightly higher at 56%. However, nearly every leader is confident their business can respond: 94% globally and 93% in APAC.



Remote working is here to stay: businesses expect increased remote or flexi-working to be a long-term change for their business.



Technology trends are firmly on executives' radars: over half expect technology/innovation trends to have a major impact on their business in the next three to five years.



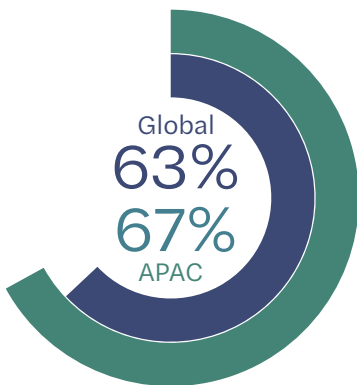
ESG now firmly on the C-suite agenda

ESG is now a clear priority for the C-suite, and many businesses expect to transform their sustainability strategies. Most businesses, including more than three in five in APAC (63%, compared to 70% globally), sharpened their focus on ESG as a result of Covid-19, and the majority have made public commitments on a range of ESG issues.

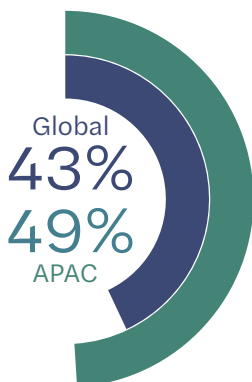
The majority of businesses already produce a sustainability report (63% globally and 67% in APAC) and most of the remaining businesses (25% globally and 20% in APAC) plan to in the coming 12 months.

Businesses in the APAC region have an increased focus on ESG, which is seen as critical to their future. APAC executives view it as critical to growth (49%, compared to 43% globally), operations (44%, compared to 31% globally) and client expectations (40%, compared to 43% globally).

More than half of global respondents have already made public commitments to most ESG topics. Approximately two-thirds of APAC businesses (67%) have made a public commitment to reducing pollution. APAC businesses are also highly focused on health and safety (62%, compared to 63% globally), transparency (59%, compared to 57% globally) and compliance (59%, compared to 58% globally).



The majority of businesses already produce a sustainability report.



Investing in ESG is critical to business growth.



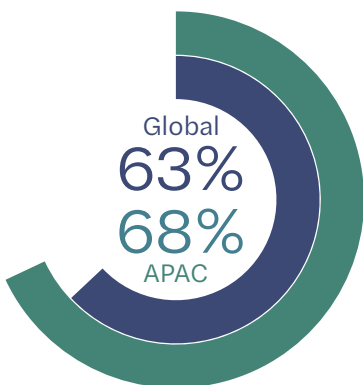
Core leadership skills needed to meet the needs

Do businesses have the leadership skills they need to achieve their aspirations? Our study shows that in the APAC region, C-suite executives believe they have the leadership skills they will need. Some 81% say they have either all (36%) or most (45%) of the skills they need to weather the next three to five years. This is slightly lower than the global average, where 88% say they have either all (40%) or most (48%) of the leadership skills they will need in the coming years.

In APAC, more than two-thirds (68%) of executives say that Covid-19 has changed the leadership skills they need, which is higher than the global average (63%). C-suite executives in this region prioritise analytical thinking (42%, compared to 38% globally) and strategic vision and planning (41%, compared to 39% globally) as top leadership skills.



Most leaders believe their leadership team has the skills their organisation needs for the next three to five years.



Executives say Covid-19 has changed the future leadership styles their organisation needs.



Methodology

The Mazars C-suite barometer was designed and conducted by GQR Research, in collaboration with Mazars. The data was gathered via an online survey between 24 September 2021 and 25 October 2021. The total sample is N=1,130, with 1,096 sourced from online panels and 34 invited via email directly from Mazars.

Job role		Industry		Annual revenue (USD)	
CEO, Chairman, Board	706	Financial Services	219	\$1m-\$100m	432
Other C-suite executive	423	Technology & Telecoms	178	\$100m - \$1bn	350
		Retail & Consumer Products	149	\$1bn+	348
		Automotive & Manufacturing	166		

Region	Country	Sample	Region	Country	Sample
Africa & Middle East	Egypt	20	North America	Canada	53
	Kenya	20		United States of America	55
	Morocco	20	Latin America	Argentina	10
	Nigeria	20		Brazil	25
	South Africa	35		Chile	29
	United Arab Emirates	20		Colombia	30
		Mexico		72	
		Uruguay		5	
Asia-Pacific	Australia	23	Europe	France	50
	China	20		Germany	60
	Hong Kong	20		Ireland	15
	Indonesia	20		Italy	53
	Japan	20		Netherlands	51
	Malaysia	15		Spain	50
	Philippines	20		Switzerland	22
	Singapore	20		United Kingdom	50
	South Korea	20		Turkey	3
	Vietnam	20			
Central & Eastern Europe	Austria	9	Total	39 countries	1,130
	Poland	36			
	Romania	48			
	Russia	43			
	Slovakia	12			
	Ukraine	16			

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