



C-suite barometer

Insights from the Central and
Eastern European region

mazars

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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 160 from the Central and Eastern European (CEE) region. In the CEE region, we uncovered a sense of confidence and resilience, with over two-thirds 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 CEE 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 CEE region, confidence was lower than the global average, but still at a high level, and had grown significantly since the year before. 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 CEE executives feel cybersecurity risks have increased over the past year – although this figure is lower in CEE than the global average. 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 CEE. However, CEE businesses demonstrate lower confidence than other regions in their level of data maturity and protection, with 57% of CEE businesses feeling confident their data is completely protected compared to 68% globally. 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 CEE 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. Responsibility and sustainability have become important foundations of business performance, and the time to act has come.

Covid-19 has driven huge transformations in both the way we work, particularly with the move to homeworking (although this is expected to be a long-term change for fewer CEE businesses than the global average), and the leadership skills executives in CEE feel they need. Competition for talent is immense, as are people's expectations for the way businesses behave. Businesses in the CEE 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 CEE 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.

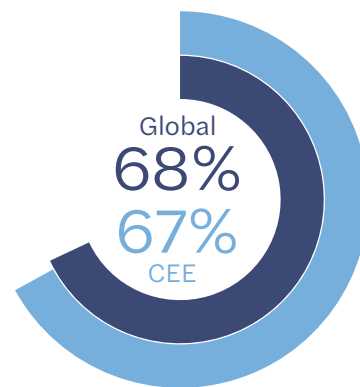


Mickaël Compagnon
CEE Financial Services Leader
Mazars in Slovakia

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. In the Central and Eastern European (CEE) region, many leaders are expecting such transformations.

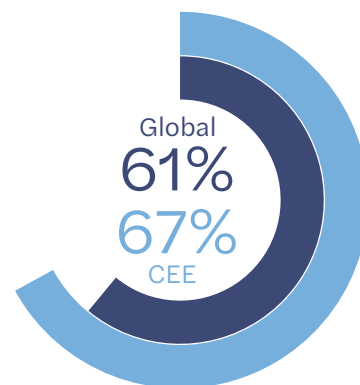
Just over two-thirds (67%) of CEE businesses anticipate a technology transformation, which is in line with the global average (68%). A similar number (66%) expect a transformation in their sustainability strategies, which is slightly higher than the global average (62%). Further, 67% of businesses in the CEE region predict a transformation in performance improvement, which is 6% higher than the global average (61%).



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 predicting a transformation in performance improvement 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 the CEE region are optimistic but less so than the global average. Seven in ten CEE businesses (70%) expect revenue growth in 2022, which is 16% less than the global average (86%). However, this figure is higher than in 2020, when only 49% of CEE businesses predicted revenue growth.

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 CEE are confident in their crisis resilience. Some 85% say that they're confident their businesses can overcome a crisis, which is just below the global average (88%).



Businesses predicting revenue growth in 2022.



Companies are confident they have the resilience to weather a crisis





Cyber risk

Globally, 54% of C-suite executives believe cyber security risks have increased over the last year. This figure is 11% lower in the CEE region (44%). In CEE, 30% think a significant data breach is likely in the next 12 months - this is slightly lower than the global average (35%).

CEE businesses demonstrate lower confidence in their level of data maturity and protection than other regions, but still confidence levels are high. More than six in ten (63%) say their data maturity is higher than that of their competitors, which is the lowest of all regions and 12% lower than the global average (75%). Further, just over half (57%) say their data is fully protected, 11% lower than 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



Most businesses 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 C-suite executives say adapting to remote working was the most significant challenge for their businesses caused by Covid-19. And it seems, having tackled these challenges, remote working is here to stay: 50% globally and 43% in CEE 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 CEE region, this is slightly lower at 41%. Nearly every leader is confident their business can respond: 94% globally and 87% in CEE.



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

Environmental, social and governance (ESG) is now a clear priority for the C-suite, and many businesses expect to transform their sustainability strategies. Most businesses, including just under half in CEE (48%, compared to 58% 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 54% in CEE) and most of the remaining businesses (25% globally and 35% in CEE) plan to in the coming 12 months.

More than half of global respondents have already made public commitments to most ESG topics. Over six in ten CEE businesses (63%) are committed to reducing waste (compared to 62% globally) and pollution (63%, compared to 60% globally). Further, health and safety (71%, compared to 63% globally) and labour conditions (66%, compared to 57% globally) are strong areas of focus for CEE businesses.

CEE executives see ESG as critical to long-term growth (48%, compared to 43% globally) and consider client expectations (46%, compared to 43% globally) as an important driver of ESG investment.



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 CEE region, C-suite executives believe they have the leadership skills they will need. Some 89% say they have either all (34%) or most (55%) of the skills they need to weather the next three to five years. This is in line with 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 the CEE region, 60% of businesses say that Covid-19 has impacted the leadership skills they need, compared to 63% globally. C-suite executives in this region prioritise analytical thinking and the ability to make tough decisions as top leadership skills (both 41%, compared to 38% and 34% globally), followed by strategic vision and planning (40%, compared to 39% globally). Globally, strategic vision and planning was seen as the most important leadership skill (39%).



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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*Where permitted under applicable country laws

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