

Building resilience: from reactive to proactive



The 2021 outlook is optimistic. 70% of Australia's CEOs anticipate global economic growth will improve, a record increase from 11%. Increasing confidence means global and local CEOs have new opportunities ahead; it's time to move from reactive to proactive mode.

Now is the time for business leaders to seize the initiative and prepare the ground for growth. It's encouraging that there has been a surge in local CEOs looking to mergers and acquisitions as a path to growth (63% in 2021, up from 34% last year) but they must be bold in other ways too.

Growth

To achieve sustainable growth, Australia's CEOs must carefully cultivate their businesses

70%

of local CEOs are optimistic about global economic growth

Workforce

Australia's CEOs expect growth but need clear workforce strategies to achieve it

71%

of Australia's CEOs are optimistic about increasing headcount over the next three years

Technology

Australia's CEOs are losing sleep over cyber threats and changing consumer behaviour

95%

of local CEOs say cyber is a top threat to growth

Climate Change

Australia's CEOs are set to take more action on climate and ESG - but there's no room for complacency

62%

of local CEOs plan to change their long-term investments in sustainability and ESG initiatives over the next three years, as a result of the COVID-19 crisis

Risk and COVID-19

Risk management lessons from the pandemic can steer Australia towards prosperity

27%

of local CEOs are preparing for systemic risk and low-probability, high-impact events to a large extent

The path forward is optimistic with most of Australia's CEOs expecting global growth to improve in 2021. And while local CEOs cite over-regulation, tax issues and trade conflicts as threats to growth; they may be underestimating the potential impact of supply chain volatility and slow population growth.

The majority of Australia's CEOs feel confident enough to hire more staff in the next three years, but many aren't prioritising strategic solutions to skills shortages or investment into talent development. Organisations who actively engage their workforce and form a long-term plan that meets their changing needs will be the ones to reap the rewards.

The unpredictability of current events has highlighted the need for a focus on cyber resilience. Although more CEOs are considering cybersecurity in their business decisions, organisations still have much to do to overcome challenges; including a greater investment in their people to ensure they have the skills they need.

Compared with their global peers, local CEOs don't think they should do more to measure their environmental impact. Without sufficient transparency and accountability, Australian companies will likely be at a disadvantage when competing for investment on the global stage.

Australia's CEOs appear less focused on risk management than their overseas counterparts. Risk management strategies need to be revisited and re-engineered so that CEOs can make more informed and reliable decisions in the pursuit of business and economic growth, and achieving their strategic objectives.

Building resilience: from reactive to proactive provides the actions business leaders should take in 2021 to explore what can be done differently to overcome organisational challenges and protect against ongoing disruptions.

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