

Captains of Industry

2020 Findings

As the only survey of its kind offered in the UK, the Captains of Industry study is the authoritative source of opinion from Britain's most senior business leaders.



Foreword

2020 was a year that was going to be about sustainability, Brexit finally being resolved and seeing where the new Government took the country with its levelling up agenda. But a global pandemic, of a scale not seen for a century, has dominated our lives pushing all this and more to the sidelines as we grapple with how to manage life and business during a worldwide health crisis.

Ipsos MORI's Captains of Industry report is the authoritative answer to what businesses in the UK are currently thinking. This year's report, undertaken within unique circumstances, provides insights into not only business's views on COVID-19, the impact it's had on their businesses and the economy more broadly, but also those ever critical undercurrents: where is the economy heading? How are businesses gearing up for the challenges of the next few years? And what do they think those challenges are?

Our conversations with senior business leaders grant invaluable insight into their perspectives on the shifting tectonic plates of British politics, including on Brexit and Scottish Independence, two huge constitutional questions with significant impact for businesses in the coming years. And in a year where we've seen the rise of the Black Lives Matter movement, we've again talked to Captains of Industry to get their views on diversity and inclusion in society and how they are, or are not, focusing on this within their individual businesses.

Think back to January with public concern for the environment riding high, and with Glasgow due to hold the COP26 conference it looked like sustainability would be top of the electorate and business agendas for the year. And while COVID-19 has caused COP26 to be postponed, we find that businesses leaders are still very much thinking about their environmental impact and what they need to do about it in the years ahead.

It's been quite a year. And with times as uncertain as these, I hope you find the insights into our latest Captains report an invaluable insight into what our senior business leaders are thinking, and planning for at this time.

If you'd like any more information on our findings, or want to get involved with the forthcoming survey, don't hesitate to get in touch with us.



Kelly Beaver
Managing Director
Ipsos MORI

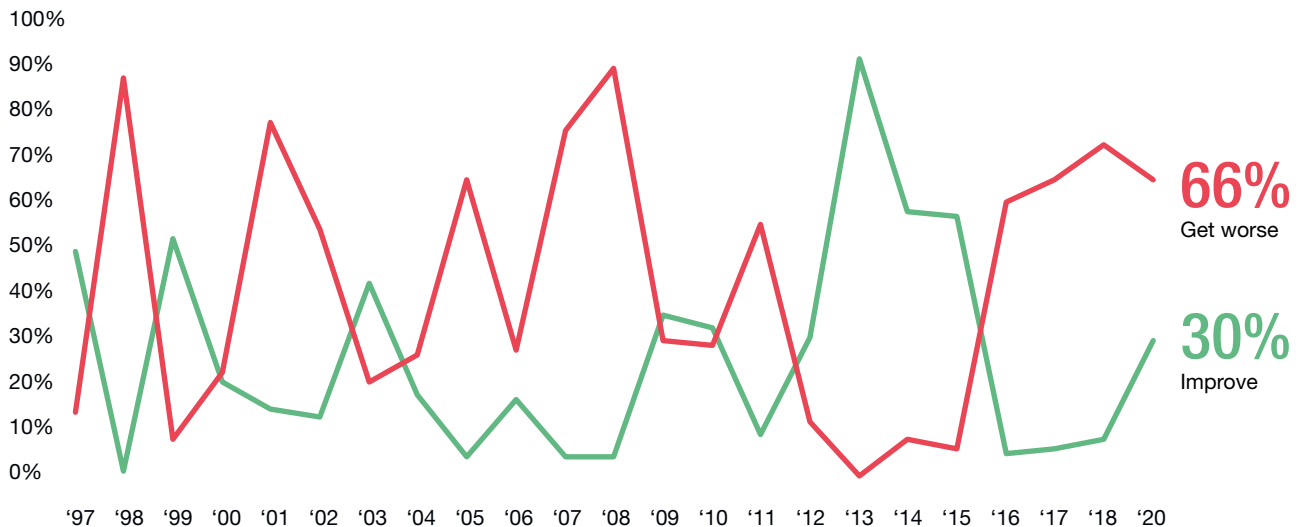


The Economy

Two-thirds of Captains expect the economic condition of the country to worsen over the next 12 months

ECONOMIC OPTIMISM SINCE 1997

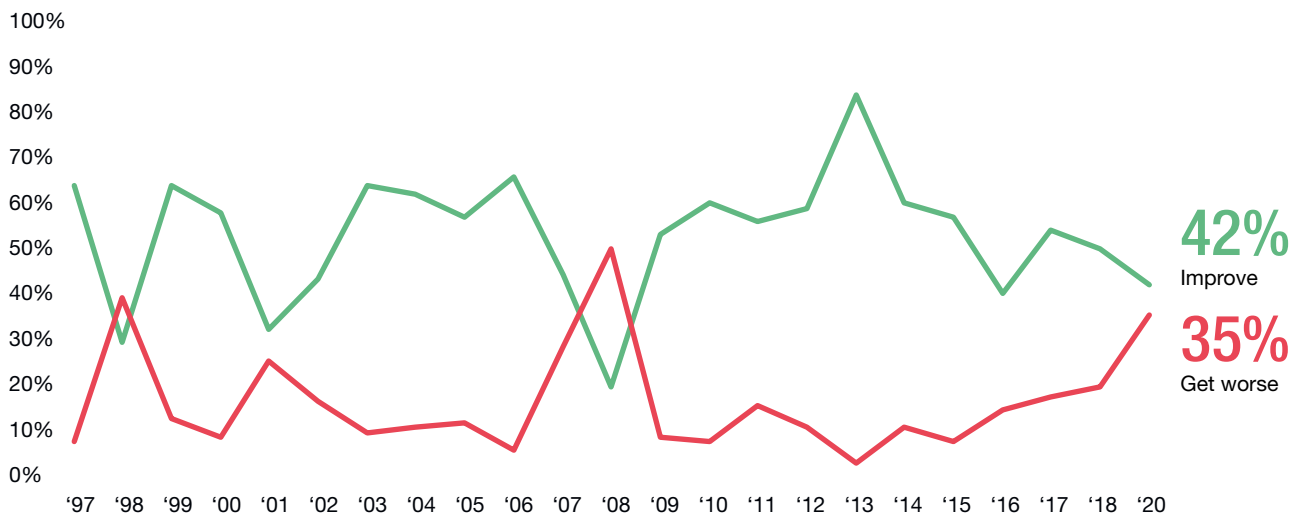
Do you think that the general economic condition of the country will improve, stay the same or get worse over the next 12 months?



More than a third of Captains think that business – for their own company - will worsen over the next 12 months, although not to the extent felt during the 2008 recession

COMPANY OPTIMISM

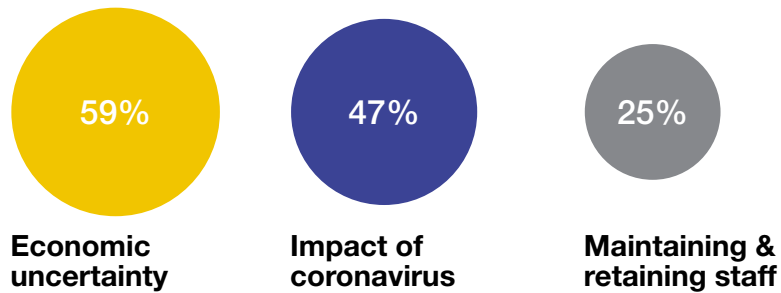
Do you think that business for your own company will improve, stay the same or get worse over the next 12 months?



MOST IMPORTANT PROBLEMS FACING YOUR COMPANY

What are the most important problems facing your company today?

Top mentions



Economic uncertainty (59%) and the impact of coronavirus (47%) are the most important problems for companies, followed by a quarter expressing concern regarding maintaining and retaining staff.

REACTION TO CORONAVIRUS

What level of threat do you think coronavirus poses to each of the following?

83%

of Captains think that coronavirus represents a very high/high threat to the UK economy. Meanwhile, half (51%) think coronavirus represents a threat to staff and their business (49%).

Overall, how well or badly do you think the government have handled the coronavirus outbreak so far?

58%

of Captains think the government have handled the coronavirus outbreak at least fairly well.

Have you used or do you plan to use any of the government support activities during the pandemic?

44%

of Captains were using the government job retention scheme at the time of the interview.

KEY ISSUES FACING BRITAIN TODAY

What do you see as the most important issues facing Britain today?

86%

of Captains think the impact of coronavirus is the most important issue facing Britain, with Brexit (52%) and economic uncertainty (49%) following.

Brexit

IMPORTANCE OF BREXIT NEGOTIATIONS

To what extent do you agree with the following statement? How well the government handles Brexit negotiations is vital to my business.

67%

of Captains see the handling of Brexit as vital to their business.

EXPECTED OUTCOME OF TRADE NEGOTIATIONS

What do you think is the most likely outcome at the end of the Brexit transition period?

52%

of Captains expect the UK-EU trade deal will come into force at the end of the transition period, but not covering all sectors. A third (35%) expect an extension.

POST-BREXIT TRADE DEALS

To what extent, if at all, are you optimistic or pessimistic that the UK will be able to quickly sign beneficial trade deals with major powers, such as China and the US?

24%

of Captains are optimistic that the UK will be able to quickly sign beneficial trade deals with China and the US.

POST-BREXIT TRADE DEALS

To what extent, if at all, do you think such deals will compensate for any loss of trade with the EU for the UK as a whole?

68%

of Captains think new trade deals with major powers, such as China or the US, will not compensate for loss of trade with the EU.

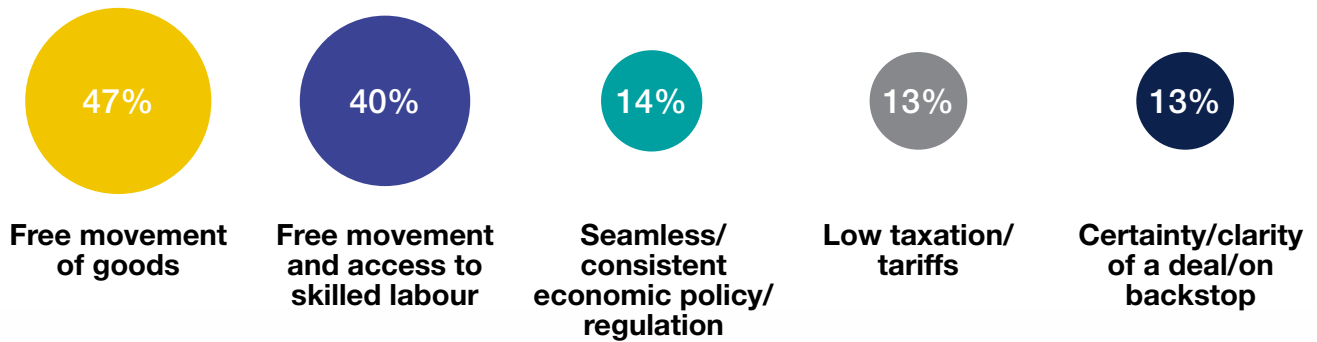


EU NEGOTIATIONS

During the negotiations to leave the EU, what are the most important things for your business for the UK to try to obtain?

Free movement of goods and freedom of movement of skilled labour are the clear priorities for Captains in the UK-EU trade negotiations.

Top mentions

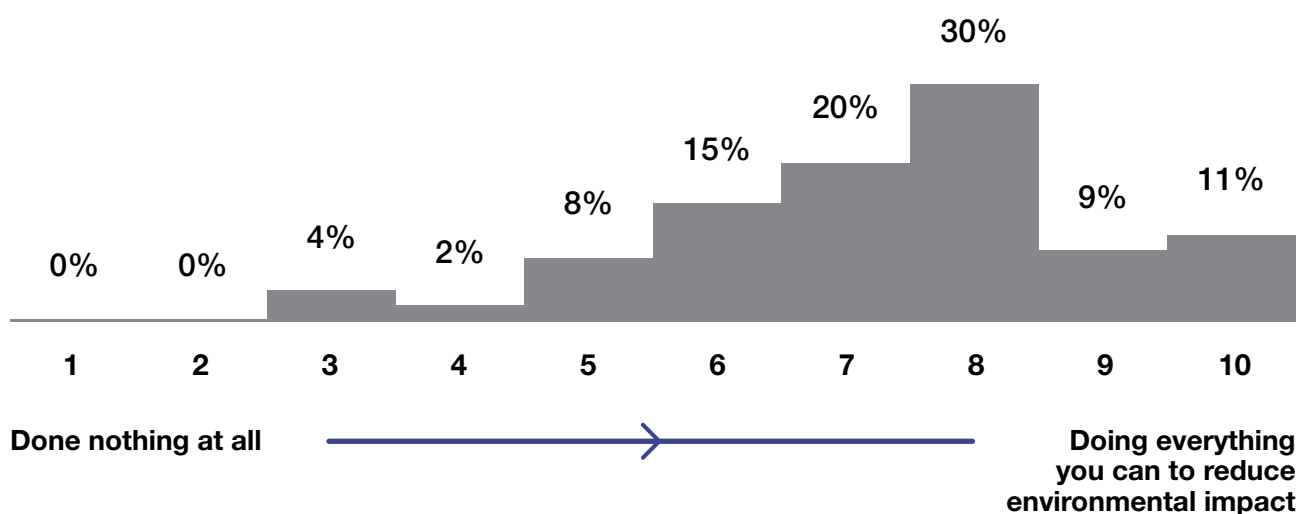


The Environment

Half of Captains (50%) give their business a score of 8 out of 10 or above for being committed to reducing its environmental impact over the next 12 months.

ENVIRONMENTAL IMPACT

How committed would you say your business is to reduce its environmental impact in the next 12 months, where 10 is you're doing everything you can to reduce environmental impact and 1 is you are doing nothing at all?



Some businesses are making changes to help reduce or respond to environmental impacts. For each of the actions I read out, please tell me if this is something you have already done, plan to do in future, or do not plan to?

Top mentions

92%

of Captains are already minimising their waste.

89%

of Captains are already improving the energy efficiency of their premises.

79%

of Captains are already taking steps to reduce the carbon footprint of their business's systems and processes.

BARRIERS TO REDUCING ENVIRONMENTAL IMPACT

Which, if any, of these might prevent your business from taking actions to reduce its environmental impact?

Top mentions

51%

of Captains think that the **cost** of making changes is the biggest barrier.

33%

of Captains report having limited **time** to research or implement actions.

25%

of Captains have a lack of **knowledge/skills** around what actions would reduce their impact.

AI and Technology

Over half of Captains have already invested in machine learning and artificial intelligence technologies and the Internet of things.

INVESTMENT IN DIGITAL TECHNOLOGY

Can you tell me whether you have already invested, or plan to invest in each of the following digital technologies over the next five years, if applicable to your company?

Have already invested in machine learning and artificial intelligence technologies

59%

Have already invested in Internet of things

51%

Have already invested in automation via advanced robotics

42%

Have already invested in augmented or virtual reality

37%

Diversity and Inclusion

DIVERSITY AND INCLUSION

There has been a steady increase over the past 4 years in the proportion of Captains agreeing that they actively promote and champion diversity.

To what extent do you agree or disagree with the following statement?
We actively promote and champion diversity and inclusion in our company.

% agree



BOARD MEMBERS FROM ETHNIC MINORITIES

With two-thirds agreeing they are actively trying to increase the representation of ethnic minorities on their main board.

To what extent do you agree or disagree with the following statement?
My company is actively trying to increase the representation of ethnic minorities on our main board.

% agree



EQUALITY

To what extent do you agree or disagree with the following statements?

89%

of Captains agree that “employers should make it easier for men to combine childcare with work”.

73%

of Captains agree that “women won’t achieve equality with men unless there are more female leaders in business and government”.

68%

of Captains agree that “women are still seen as the primary care giver of children by employers”.

FEMALE BOARD MEMBERS

More than 8 in 10 Captains agree they are actively trying to increase the number of women on their main board.

To what extent do you agree or disagree with the following statement? **My company is actively trying to increase the number of women on our main board.**

% agree



What specific things is your company doing to increase the number of women on your main board?

Targeted recruitment and positive discrimination are the key specific actions that Captains are taking to increase the number of women on their main board.

Top mentions

49%

of Captains are using targeted recruitment/quotas.

38%

of Captains ensure to have women/diversity on shortlists.

27%

of Captains are increasing the number of women in all roles/ Graduate programmes/ Apprentice schemes.

26%

of Captains are providing Management & Leadership training/ mentoring.

24%

of Captains have a strategy or policy.



Scotland

SCOTTISH INDEPENDENCE

To what extent do you agree or disagree with the following statements about what would happen if Scotland became an independent country, separate from the rest of the UK?

Captains are confident they can adapt to the consequences if Scotland became an independent country.

95%

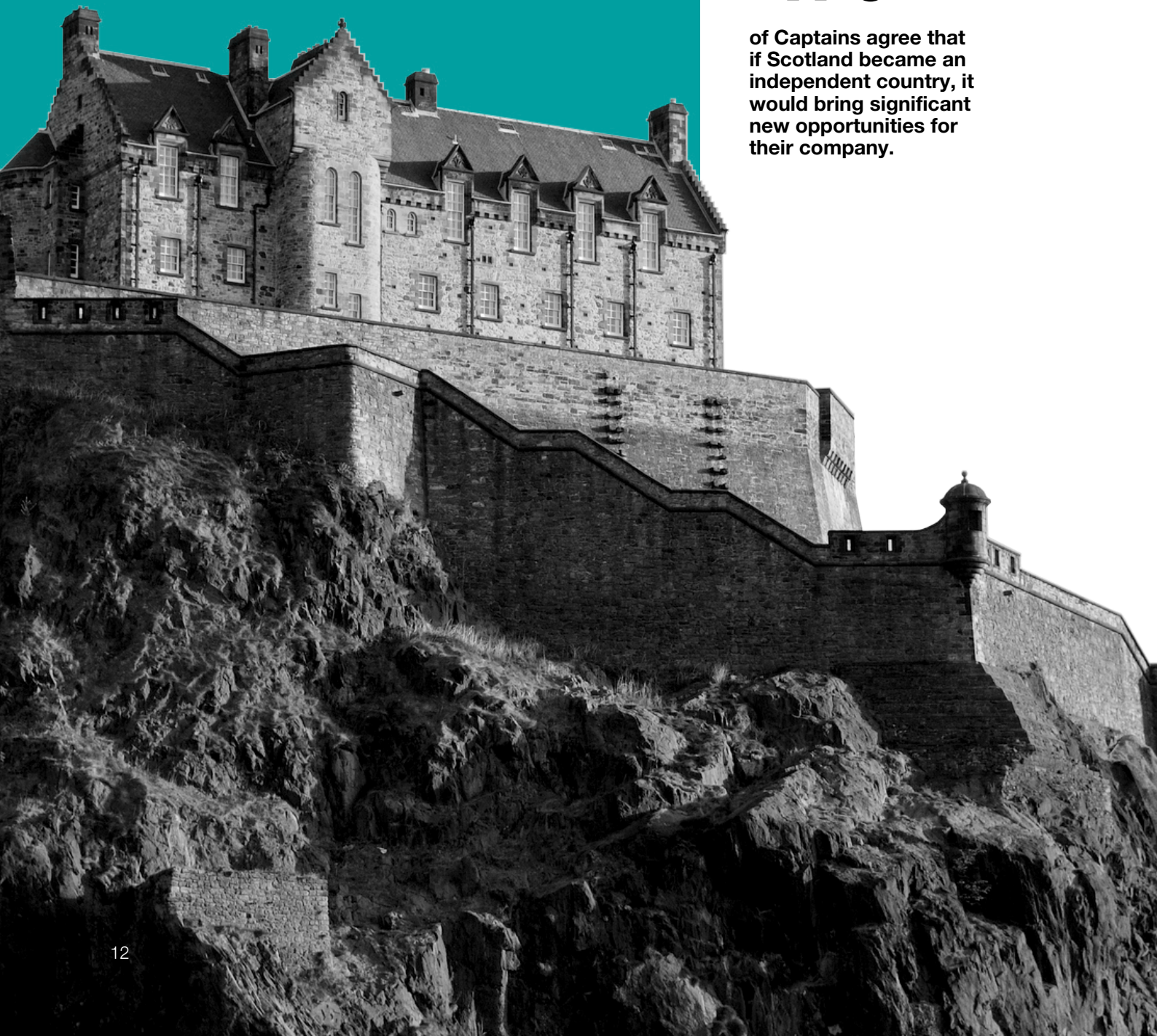
of Captains are confident their company would adapt to the consequences if Scotland became an independent country.

22%

of Captains agree that if Scotland became an independent country, it would be a significant risk to their company.

4%

of Captains agree that if Scotland became an independent country, it would bring significant new opportunities for their company.



Business Leaders

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Who do you think is the most impressive business person in Britain at the moment?

James Dyson remains the most impressive business person for the fifth year running however,

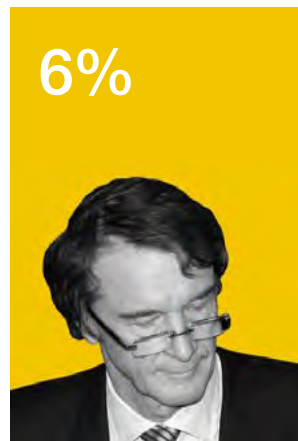
44% of Captains this year didn't think anyone stood out this year.



SIR JAMES DYSON



SIR RICHARD BRANSON



SIR JIM RATCLIFFE

MOST ADMIRER BRITISH COMPANY

Which British company do you most admire?

dyson

13%

John Lewis

5%

Rolls-Royce

4%

The Captains of Industry Study

Unsurprisingly, the unprecedented disruption and uncertainty caused by COVID-19 dominates the agenda and is seen as the most important issue facing Britain for a majority of the UK business elite. Meanwhile, around half see Brexit, and economic uncertainty as the single most important issue facing Britain, with the latter likely driven by the pandemic too.

The future of the economy might look gloomy, with two-thirds of Captains expecting the economic condition of the country to worsen over the next 12 months. However, whilst general expectations appear to be negative, Captains are more enthusiastic when it comes to their own companies, with more than 6 in 10 believing business for their company will improve or stay the same in the next year. When it comes to these companies, Captains are most concerned about economic uncertainty and the impact of COVID-19, with the latter clearly driving the former, although not the only factor.

Securing free movement of goods and freedom of movement and access to skilled labour are cited as the most important things Captains want the UK to obtain during trade negotiations with the EU. When looking to the outcome of the Brexit transition period Captains are pessimistic. Just half expect a UK-EU trade deal to be secured, but even then covering some and not all sectors. A third expect to see the transition period extended. Meanwhile, only 1 in 4 are optimistic that the UK will be able to quickly sign beneficial trade deals with major nations, and the overwhelming majority of Captains think such deals will not compensate for a loss of trade with the EU.

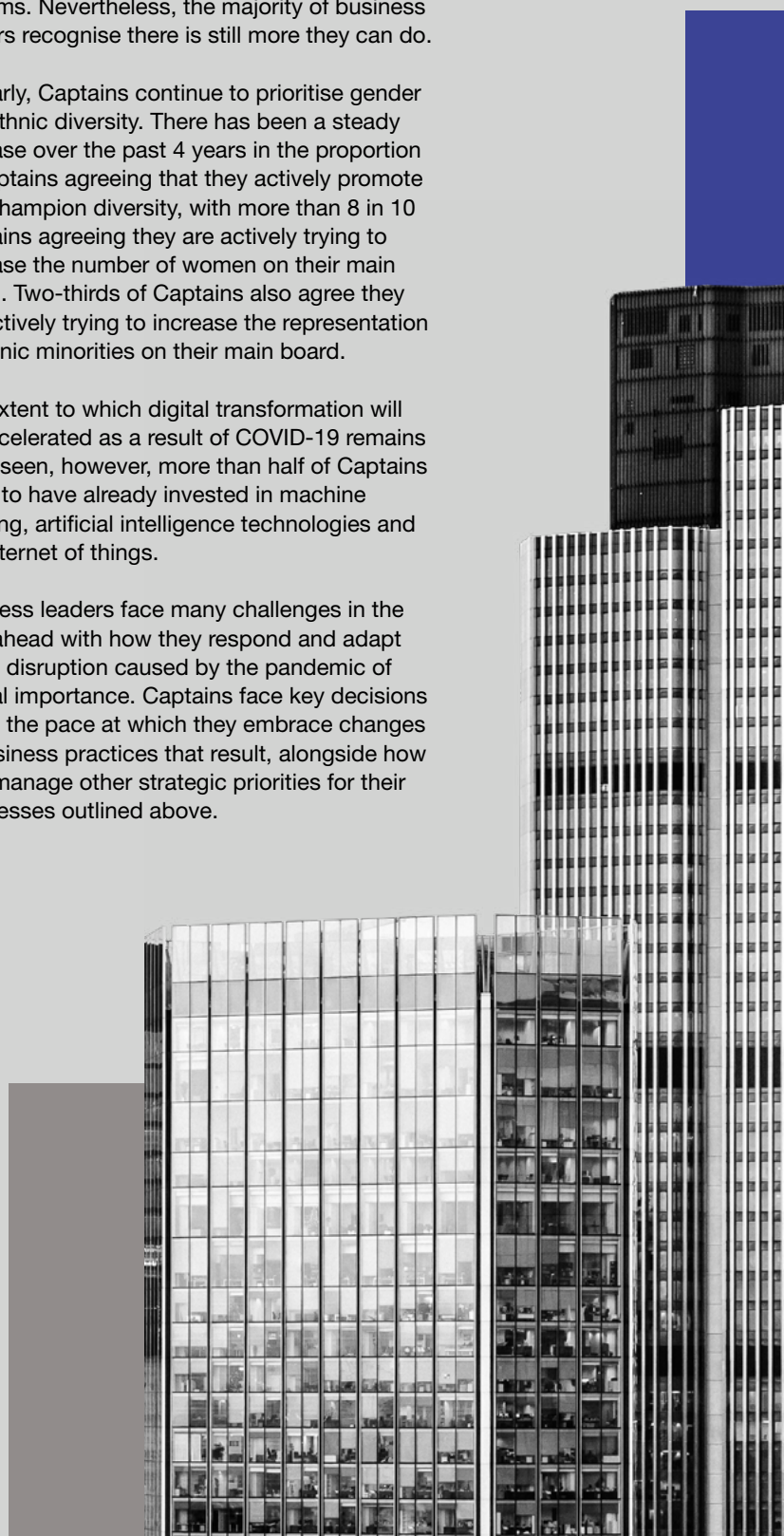
Despite COVID-19 and Brexit dominating boardroom discussions, Captains claim to remain focused on the green agenda, with a majority reporting they are already taking action such as minimising their waste, improving the energy efficiency of their premises and taking

steps to reduce the carbon footprint of business systems. Nevertheless, the majority of business leaders recognise there is still more they can do.

Similarly, Captains continue to prioritise gender and ethnic diversity. There has been a steady increase over the past 4 years in the proportion of Captains agreeing that they actively promote and champion diversity, with more than 8 in 10 Captains agreeing they are actively trying to increase the number of women on their main board. Two-thirds of Captains also agree they are actively trying to increase the representation of ethnic minorities on their main board.

The extent to which digital transformation will be accelerated as a result of COVID-19 remains to be seen, however, more than half of Captains claim to have already invested in machine learning, artificial intelligence technologies and the Internet of things.

Business leaders face many challenges in the year ahead with how they respond and adapt to the disruption caused by the pandemic of critical importance. Captains face key decisions about the pace at which they embrace changes to business practices that result, alongside how they manage other strategic priorities for their businesses outlined above.



Responsible for a large proportion of the UK economy, Britain's most senior business leaders have tremendous power to shape both the corporate and political worlds, but finding out what they think can be very difficult.

As the only survey of its kind offered in the UK, the Captains of Industry study is the authoritative source of opinion from Britain's most senior business leaders. The study is now approaching its 40th anniversary.

Over the last four decades, we have interviewed many of Britain's most prestigious business people to examine their changing views of what is shaping British industry. With around 100 interviews conducted with business leaders from the top 500 companies in the UK, we get to the very heart of their opinions.

Our conversations with senior business leaders produce invaluable insight into their perspectives on critical topics, including the economy, business challenges, cyber security, the environment, innovation, infrastructure, technology and diversity. Insights are often used by clients who subscribe to produce thought leadership pieces and drive strategy within their organisations.

The study is syndicated, so it is a cost-effective way to reach senior business leaders. To find out how your organisation could benefit from being involved, please get in touch.

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Get in touch

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Ipsos MORI



Technical Note

Ipsos MORI conducted 102 interviews with participants from the top 500 companies by turnover and the top 100 by capital employed in the UK. Participants were Chairmen, Chief Executive Officers, Managing Directors/ Chief Operating Officers, Financial Directors or other executive board directors. Interviews were primarily carried out by telephone/video conferencing due to COVID-19 (9 were conducted face to face before lockdown). Fieldwork took place between February – July 2020.

