

CAPTAINS OF INDUSTRY

Findings 2021

Top things you need to know from UK business leaders

Celebrating its 40th anniversary, Ipsos MORI's Captains of Industry survey has been an annual milestone since 1981 and is widely acknowledged as the authoritative source of opinion on Britain's business leaders.

In a year where lockdowns and the impacts of Brexit have led to major changes in the ways that UK businesses operate, we reflect on the key challenges (and opportunities) that emerge as business leaders balance future strategy decisions alongside issues such as sustainability, diversity, levelling up and more.

Business leaders are optimistic about economic recovery

The proportion of Captains who think that the general economic condition of the country will improve has risen above pre-Brexit levels for the first time since the referendum. However, Captains are more confident in their own business' ability to grow – more so than the economy (81% think business for their own company will improve over the next 12 months).

Concerns with the impact of COVID-19, economic uncertainty and Brexit have fallen from 2020 levels, but 51% continue to place economic uncertainty as the most important problem facing their company today and 35% mention the impact of the pandemic.

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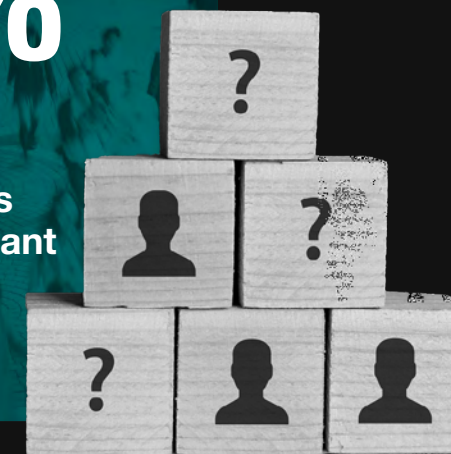
Battle to retain and attract skilled workers is a real challenge

Over a third of Captains (36%) cite maintaining and retaining staff as the most important problem facing their company today. Due to the impact of low skilled workers being unable to get a visa to come into the UK, Captains envisage difficulties in recruiting new staff, staff shortages and increased investment in staff retention over the next three years.

As a result, this could impact the speed of recovery from the pandemic. However, with the rise in popularity of flexible working, this does pose an opportunity to recruit from a wider talent pool and employers are not constrained by workplace catchment areas.

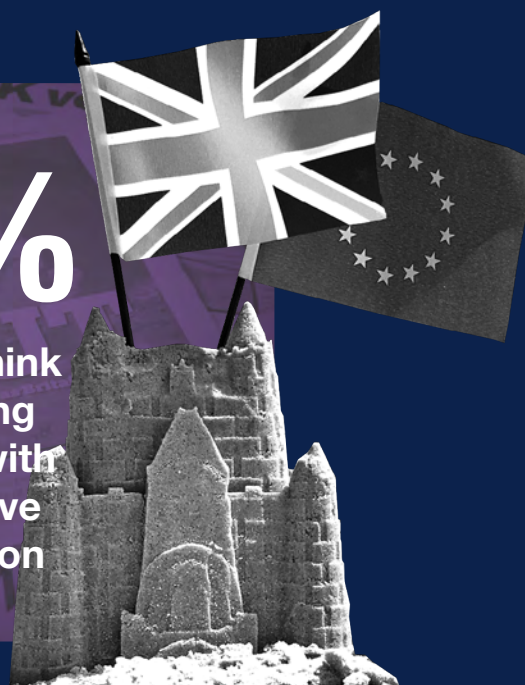
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of Captains cite maintaining and retaining staff as the most important problem facing their company today.



56%

of Captains think the new trading agreements with the EU will have a bad impact on Britain



However, further support is needed to help businesses compete internationally

Seven in ten Captains (71%) expect their business' ability to compete in international markets to either improve or stay the same. Despite this, less than a fifth (17%) agree the UK government is doing enough to support their business to compete in international markets.

Over half of Captains (56%) think the new trading agreements with the EU will have a bad impact on Britain, however only a fifth (20%) think it will have a bad impact on their own organisation. Three quarters of Captains think the loss of trade with the EU will outweigh gains from new trade deals.

70%

of Captains expect hybrid working to be the new post-pandemic norm in the next two or three years



Ensuring effective team collaboration is the biggest challenge for the hybrid office

Most Captains (70%) expect hybrid working to be the new post-pandemic norm in the two or three years beyond 2021. However, two thirds of Captains think it will be a challenge to ensure effective collaboration across and within teams with hybrid working. In addition, how organisations maintain their culture and identity is a key concern for board members.

How boards address balancing the benefit of flexibility and in-person collaboration will be key to their future success. Captains report the top priority areas when adapting to the new way of working are improving employee wellbeing, improving collaboration, reconfiguring the office space and investing in collaboration tools and technologies.

Improved employee well-being is a priority in the post-pandemic blended office

Nearly all Captains (93%) agree that employers need to take more responsibility for the physical and mental health of their workforce. Improving employee wellbeing/work life balance is seen as the top priority in adapting to this new way of working amongst 6 in 10 Captains (62%). While most see this naturally happening and predominantly associate blended working with improved wellbeing and a better work-life balance, some raise concerns about increased employee working hours (26%).

Educating and encouraging staff to take breaks and find a balance that works for them in the post-pandemic world of blended working will be a key challenge in the next few years.



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Inclusion & Diversity become increasingly urgent for boards across the UK

Inclusion & Diversity are critical issues for boards across the UK as we see highest ever agreement amongst Captains that they are trying to increase the representation of women, ethnic minorities, and different social classes on their main boards.

But whilst the majority (83%) of Captains say they are actively championing diversity and inclusion in their company, with targeted recruitment or quotas and diversity of shortlists being the top two specific actions they are taking, there's obviously a key opportunity to explore where the barriers to further progress lie.



83%

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83%

of Captains think digital infrastructure should be a priority investment for Britain

Digital infrastructure should be a priority for investment in Britain

The extent to which digital transformation will be accelerated as a result of COVID-19 remains to be seen, however, seven in ten (69%) Captains have already invested in machine learning and artificial intelligence technologies, and half (51%) have already invested in the Internet of things.

Nearly all Captains (83%) think digital infrastructure (such as high-speed broadband) should be a priority investment for Britain. This is the first year that the associated impact of cyber security has been reported by Captains as one of the most important problems facing their company.



75%

of Captains say CSR is now more important than in past years

The rise in CSR is more important now than ever

Corporate social responsibility has become significantly more important for Captains when it comes to judging other organisations over recent years (rising from 63% in 2020 to 75% in 2021).

This is now regarded as more important than being innovative and forward thinking and financial performance.



34%

of Captains suggest that increasing investment in green industries, technology, and finance should be among the government's main priorities

Most Captains feel their business could do more to reduce its environmental impact

In the year when Britain hosted COP 26, only a minority of Captains of Industry feel they are doing everything they can to reduce their business' environmental impact (8%), although most have taken some form of action to be more sustainable.

A majority report they are already improving the energy efficiency of their building and increasing their share of renewable energy sources relative to fossil fuels in their energy consumption. With cost identified as the main barrier preventing businesses from taking further action, many Captains (34%) suggest that increasing investment in green industries, green technology, and finance should be among the government's main priorities for the levelling up agenda.

Pascal Soriot, CEO of AstraZeneca, named the most impressive business person in Britain today

More Captains name Pascal Soriot, the CEO of AstraZeneca, as the most impressive business person in today's Britain (12%) than any other individual and the organisation itself as the company they most admire (14%).

The rise in AZ's popularity amongst Captains since 2020 is not a surprise considering its key role in the production of the Oxford University-developed COVID-19 vaccine, fuelling the UK's recovery from the pandemic.



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About Captains

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. 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.

Business leaders face many challenges in the year ahead and how they respond and transform their organisations in reaction to the disruption caused by the pandemic and Brexit is critical. It will be interesting to see the pace at which changes take place in parallel with a sharpening focus on the broader environmental and social impact.

How can you harness the broader opinion of Captains to ensure your organisation is prepared for the future?

Technical note

Ipsos MORI conducted 107 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, Finance Directors or other executive board directors. Interviews were carried out by telephone/video conferencing due to COVID-19. Fieldwork took place between May – August 2021.

Contact us

To find out more about the survey or how your organisation could benefit from being involved, please do get in touch:

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