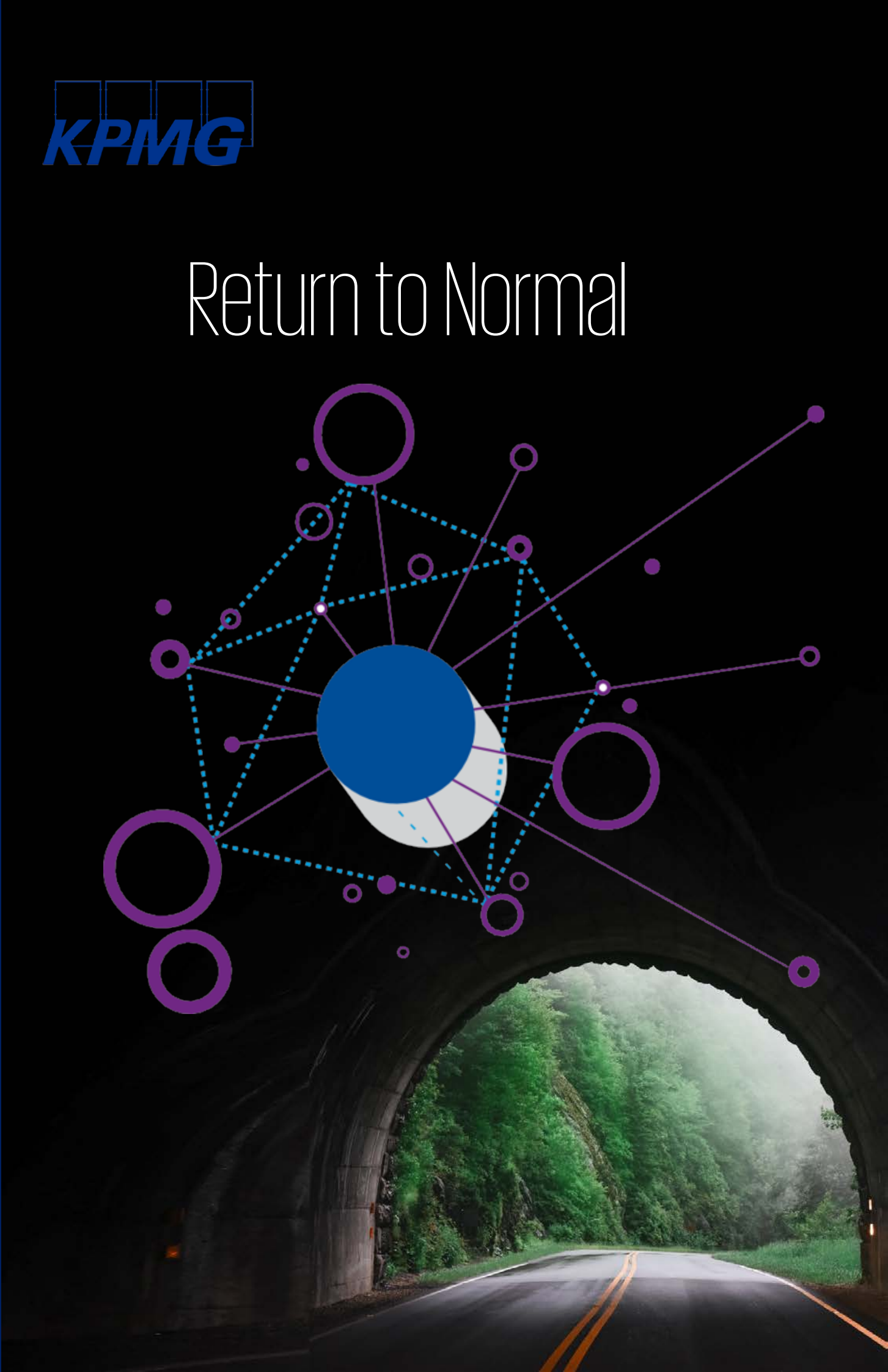




Return to Normal



KPMG Study: Return to 'normal'

- Remote working poses new data security risks, with global CEOs naming cyber security as the top concern impacting their growth and operations over a three-year period..
- Survey finds a steep decline in the appetite of global executives to downsize their company's physical footprint as global CEOs reconsider the need for in-person business to resume when countries emerge from the pandemic

CEOs of the world's most influential companies are planning what the 'new reality' will look like post pandemic. The 2021 KPMG CEO Outlook Pulse Survey finds that almost half (45 percent) of global executives do not expect to see a return to a 'normal' course of business until sometime in 2022, as opposed to nearly one-third (31 percent) who anticipate this will happen later this year. The changes prompted by the pandemic have resulted in a quarter (24 percent) of CEOs saying that their business model has been changed forever by the global pandemic.

The study conducted by KPMG in February and March of this year asked 500 global CEOs about their response to the pandemic and the outlook over a three-year horizon. A majority (55 percent) of CEOs are concerned about employees' access to a COVID-19 vaccine, which is influencing their outlook of when employees will return to the workplace. A significant majority (90 percent) of CEOs are considering asking employees to report when they have been vaccinated, which will help organizations consider measures to protect their workforce. However, a third (34 percent) of global executives are worried about the misinformation about COVID-19 vaccine safety and the potential this may have on employees choosing not to have it administered.

Bill Thomas, Global Chairman & CEO, KPMG, said: "Before any major decisions are made, CEOs want to be confident that their workforce is protected against this virus. The COVID-19 vaccine rollout is providing leaders with a dose of optimism as they prepare for a new normal.

CEOs are scenario planning for difference across certain key markets that could impact their operations, supply chains and people, leading to uneven economic recovery.

"The pandemic has also been a catalyst for CEOs to evaluate the role their companies play in society. Many have given voice to issues they may not have previously commented on publicly – from tackling climate change to supporting the diverse communities they operate in – and we need to keep hearing those voices. There is much more to be done."



Mary O'Connor, Interim Chief Executive at KPMG UK, said: "After steering their businesses through a year dominated by the pandemic, CEOs are shifting their plans from survival to revival. Many have already taken strong action to transform their operating model and as they plot their path through recovery, the pressure is on to keep the positive changes made during the pandemic, while mitigating the risks it has brought. While significant concern remains around the future performance about the global economy, most feel confident about the prospects for their own business.



“As the world begins to open up once more, there is an opportunity for businesses to really demonstrate their commitment to reducing their environmental impact as they make long-lasting changes to their operations. As they begin to build their businesses back, leaders are looking outside their immediate domain and considering the role they can play to help address societal inequalities, which have been further deepened by COVID-19.”

Key Findings

Government and vaccination rates driving decision-making

Of the global executives surveyed, 61 percent said that they would want to see a successful (over 50 percent of the population vaccinated) COVID-19 vaccine rollout in key markets before taking any action toward a return to offices. When employees can safely return to workplaces, a fifth of companies (21 percent) are looking to institute additional precautionary measures by asking clients and other in-person visitors to inform them of their vaccination status.

Global CEOs are less likely to downsize physical footprint compared to 6 months ago

The research finds that only 17 percent of global executives are looking to downsize their office space as a result of the pandemic. In contrast, 69 percent of CEOs surveyed in August 2020 said they planned to reduce their office space over three years, which demonstrates that either office downsizings have taken place or, as the pandemic has drawn on, strategies have changed. CEOs said they are also assessing options to allow employees to work more flexibly, with fourteen percent planning to look at shared office spaces.

Global executives remain apprehensive about a fully remote workforce

CEOs are considering what the ‘new reality’ will look like, but post-COVID, only a fifth (21 percent) of businesses are looking to hire talent that works predominantly remotely, which is a significant shift from last year (73 percent in 2020).

Cyber security is now the top concern for CEOs

During lockdown, remote working has become the norm, which poses new data security risks to organizations. As a result, global business leaders identified cyber security as the top concern impacting their growth and operations over a three-year period, while 52 percent named data security measures as their top area of investment.

ESG continues to climb up the corporate agenda

With COP26 taking place this year and the US re-joining the Paris Accord, 49 percent of CEOs plan to put in place more stringent ESG practices. A vast majority (89 percent) of business leaders are focused on locking in the sustainability and climate change gains their companies have made as a result of the pandemic. Nearly all (96 percent) global executives are looking to upweight their focus towards the social component of their ESG programs.

Contact us

Brian Njikizana
Managing Partner
Audit, Assurance & Advisory Services
+263 424 302 600
bnjikizana@kpmg.com

Craig Adamson
Partner
Audit, Assurance Services
+263 424 302 600
craigadamson@kpmg.com

Themba Mudidi
Partner
Audit, Assurance & Advisory Services
+263 424 302 600
tmudidi@kpmg.com

Amos Mabhunu
Senior Manager
+263 424 302 600
amabhunu@kpmg.com

Umoja Phiri
Senior Manager
+263 424 302 600
uphiri@kpmg.com



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