

News Release

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CEO Survey: Inflation Worries Skyrocket, and Remote Work Surge Will Continue After Pandemic

January 13, 2022...At the start of 2021, inflation barely registered on CEOs' radars. But as 2022 begins, inflation has soared to the top tier of concerns. Last year inflation ranked 22nd on CEOs' worry list; it's now risen to 2nd. What's more, CEOs think rising prices are here to stay: 55 percent expect inflation to last into 2023 or longer.

[The Conference Board survey](#) also found a seismic shift in CEOs' attitudes about remote work: Now, a third of CEOs globally expect a remote-heavy workforce after the pandemic subsides. That is nearly double the percentage of CEOs who said they had remote workforces in 2019. CEOs in the United States (53 percent) are the most likely to expect remote-heavy workforces post pandemic.

The results also reveal that, in 2022, labor shortages will keep the world's CEOs up at night. And the survey findings confirm the shift from stockholder- to multistakeholder capitalism is underway: CEOs globally see rising expectations from stakeholders as far more of a challenge than stockholder activism. Moreover, CEOs are making advancing economic opportunity and equality their top-ranked ESG-Social priority this year.

The survey reflects the perspectives of more than 900 CEOs and nearly 700 other C-suite executives. Participants weighed in on the top business threats in 2022 and their plans for growth, and were primarily from four regions: North America, Latin America, Asia, and Europe.

Highlights from the [C-Suite Outlook 2022 report](#) include:

1) Economic Concerns: Highlights

Inflation concerns soar

- **US CEOs:** In 2022, inflation is the 2nd top external concern. In 2021, it ranked 23rd.
- **CEOs globally:** In 2022, it is 2nd. In 2021, it ranked 22nd.

Here to stay: half of CEOs expect inflation beyond 2022

- **US CEOs:** 59 percent expect elevated pricing pressures until mid-2023 or beyond.
- **CEOs globally:** Overall, 55 percent expect elevated pricing pressures until mid-2023 or beyond.

External Challenges and CEO Plans for 2022: Highlights

The survey asked CEOs about their top external challenges in 2022:

CEOs GLOBALLY		US CEOs		Europe CEOs		China CEOs		Japan CEOs	
COVID-19 related disruptions	1	Labor shortages	1	Rising inflation	1	COVID-19 related disruptions	1	COVID-19 related disruptions	1
Rising inflation	2	Rising inflation	2	Recession risk	2	Recession risk	2	Impact of climate change	2
Labor shortages	3	Supply chain disruptions	3	Supply chain disruptions	3	Changes in consumer behavior	3	Labor shortages	3
Supply chain disruptions	4	COVID-19-related disruptions	4	Labor shortages	4	Rising inflation	4	Changes in consumer behavior	3
Changes in consumer behavior	5	Cybersecurity	5	Global political instability	5	Global political instability	4	Recession risk	5
Recession risk	6	Recession risk	6	Volatility in commodity prices	6	Margin compression	6	Volatility in energy prices	6
Global political instability	7	Regulation	6	Volatility in energy prices	7	Global trade disruptions	6	Global political instability	7
Margin compression	8	Changes in consumer behavior	8	Cybersecurity	8	Supply chain disruptions	8	Cybersecurity	7
Cybersecurity	9	Global rise in authoritarianism	9	Regulation	9	Labor shortages	9	Supply chain disruptions	9
Global trade disruptions	10	Corporate tax rates	9	COVID-19-related disruptions	10	More agile competitors	10	Global trade disruptions	9

Note: 917 CEOs responded globally.
Source: The Conference Board® C-Suite Outlook 2022

The labor shortage is a top challenge for the world's CEOs

- **US CEOs:** Labor shortages ranks as the number-one external threat to their business in 2022.
- **CEOs globally:** It ranks 3rd, behind rising inflation (2nd) and COVID-19 disruptions (1st).

Recession remains a top-3 risk for CEOs in China and Europe, but is a lesser risk for US CEOs

- **CEOs in Europe:** In 2022, recession ranks as their 2nd external concern. For 2021, it was also 2nd.
- **CEOs in China:** In 2022, it ranks 3rd. In 2021, it was 2nd.
- **US CEOs:** In 2022, it ranks 6th. In 2021, it was 3rd.

Internal Challenges and CEO Plans for 2022: Highlights

The survey asked CEOs about their top internal priorities in 2022:

CEOs GLOBALLY		US CEOs		Europe CEOs		China CEOs		Japan CEOs	
Attract and retain talent	1	Attract and retain talent	1	Attract and retain talent	1	Attract and retain talent	1	Attract and retain talent	1
Accelerate pace of digital transformation	2	Modify business model	2	Accelerate pace of digital transformation	2	Improve cash flow	2	Develop "Next Gen" leaders	2
Improve cash flow	3	Develop "Next Gen" leaders	3	Focus more on sustainability	3	Focus more on sustainability	3	Accelerate pace of digital transformation	3
Develop "Next Gen" leaders	4	Improve cash flow	4	Become more customer-centric	4	Develop "Next Gen" leaders	4	Streamline processes	4
Modify business model	5	Prepare for financial instability	5	Improve cash flow	5	Lower costs	4	Focus more on sustainability	5
Streamline processes	6	Employ mergers, acquisitions, divestitures	5	Streamline processes	6	Modify business model	6	Modify business model	6
Focus more on sustainability	7	Streamline processes	7	Develop "Next Gen" leaders	7	Become more customer-centric	7	Become more customer-centric	6
Become more customer-centric	8	Accelerate pace of digital transformation	8	Employ mergers, acquisitions, divestitures	8	Accelerate pace of digital transformation	8	Increase automation	8
Lower costs	9	Mitigate cyber risk	9	Prepare for financial instability	9	Streamline processes	9	Employ mergers, acquisitions, divestitures	8
Prepare for financial instability	10	Become more customer-centric	10	Lower costs	10	Create more resilient supply chains	9	Lower costs	10

Note: 917 CEOs responded globally.
Source: The Conference Board® C-Suite Outlook 2022

2) Remote Work and Talent: Highlights

Attracting and retaining talent: consistently the top priority of CEOs across regions

- **Unanimous agreement:** CEOs in all regions ranked attracting and retaining talent as their top focus for 2022.

Remote work is here to stay...and will be most common in the United States

Nearly double the percentage of CEOs now plan to have remote-heavy workforces.

- **US CEOs:**
 - **Pre-pandemic, 2019:** Just 28 percent of US CEOs had 40 percent or more of their workers remote.
 - **2022:** Nearly double (53 percent) plan to have 40 percent or more remote, after the pandemic subsides.
- **CEOs globally:**
 - **Pre-pandemic, 2019:** Just 17 percent had 40 percent or more of their workers remote.
 - **2022:** Nearly double (33 percent) plan to have 40 percent or more remote, after the pandemic subsides.

The hybrid work model: CEOs expect stronger productivity but weaker culture

- **The hybrid model's impact on productivity:**
 - **US CEOs:** 38 percent expect productivity to increase; 23 percent expect it to decrease.
 - **CEOs globally:** 41 percent expect it to increase; 28 percent expect it to decrease.
- **The hybrid model's impact on culture:**
 - **US CEOs:** 51 percent say it will weaken culture; 18 percent say it will strengthen culture.
 - **CEOs globally:** 46 percent say it will weaken culture; 28 percent say it will strengthen culture.

3) Supply Chain Disruptions: Highlights

CEOs worry about supply chain disruptions

- **US CEOs:** Supply chain disruptions ranks as the 3rd biggest external concern.
- **CEOs globally:** It ranks 4th.

Most CEOs feel unprepared for supply chain disarray

- **US CEOs:** Just 27 percent say they are well-prepared to deal with a global supply chain crisis.
- **CEOs globally:** 29 percent say they are well-prepared.

4) ESG Priorities: Highlights

Rank your organization's ESG-Social priorities.					
	CEOs globally	US CEOs	Europe CEOs	China CEOs	Japan CEOs
Economic opportunity/equality	1	1	3	1	2
Labor conditions	2	6	1	2	1
Gender equality	3	3	2	5	6
Public health	4	5	5	3	4
Human rights	5	7	4	4	3
Racial equality	6	2	7	8	8
Democracy/Election/Voting Rights	8	4	8	6	5
Immigration/nationalism	9	9	9	9	9

Note: 917 CEOs responded globally.
Source: The Conference Board® C-Suite Outlook 2022

Economic opportunity and equality: the top ESG-Social priority of US CEOs and CEOs globally

- **US and CEOs globally:** Both rank economic opportunity and equality as their first ESG-Social priority.

US CEOs are more likely to prioritize racial equality

- **US CEOs:** Among ESG-Social priorities for companies, racial equality ranks 2nd.
- **CEOs globally:** It ranks 6th.

US CEOs more likely to face stakeholder pressure about business' role in society

- **US CEOs:** Evolving stakeholder expectations about business' role in society ranks as the 11th highest external threat among 30 listed issues.
- **CEOs globally:** It ranks 20th among 30 listed issues.

CEOs worldwide far more concerned about stakeholder pressure than shareholder activism

- **CEOs globally:** Evolving stakeholder expectations about business' role (20) outranks shareholder activism (30).

5) United States vs China: Highlights

On some issues, the two countries' CEOs are miles apart.

More concerning for US CEOs

- **Labor shortages:** For US CEOs, labor shortages is the top external worry. For CEOs in China, it ranks 9th.

More concerning for CEOs in China

- **Global trade disruptions:** For CEOs in China, it ranks as the 6th external worry. For US CEOs, it ranks 19th.

Commentary on the survey results

Rebecca Ray, Ph.D., Executive Vice President, Human Capital, The Conference Board

61 percent of CEOs globally believe a significant shift in corporate culture will be required for hybrid work to be successful. To develop and sustain a thriving corporate culture—an environment in which companies attract and retain talent—organizations must prioritize aligning employees to the company's mission and purpose. Ask for their help in building the future, encourage a “speak up” culture, and develop empathetic managers who ensure that all employees, regardless of where or how they work, have opportunities for growth and impact. Companies can also offer, where possible, greater flexibility. At a time when not all staff are in the office, taking and communicating these steps can be all the more challenging, but absolutely critical to maintaining an inclusive culture that allows for productivity and engagement.

Dana Peterson, Chief Economist, The Conference Board

Less than 40 percent of CEOs believe their organization is well prepared for an inflation-related crisis. Many are running organizations with workforces that have never experienced inflation's broad influence on operations and, above all, on wages. It's why they're prioritizing strategies like agile teamwork to move their organizations up the learning curve.

Ataman Ozyildirim, Ph.D., Senior Director, Economics, The Conference Board

COVID-19 drove a decade's worth of digital transformation. The stepped-up pace will continue in 2022: CEOs globally say it's their second-highest priority among the issues within their control. Leaders recognize that investment in technology is only a piece of the digital transformation puzzle. Indeed, executives around the world cite talent as their top focus.

Paul Washington, Executive Director, ESG Center, The Conference Board

Both public and private companies are grappling with tectonic shifts in the business landscape. These include a greater focus on sustainability—ranked as the seventh internal priority of CEOs globally—and evolving stakeholder expectations about a company's role in society—ranked as the 11th external pressure facing US CEOs. CEOs across the globe need to have candid and ongoing discussions with their boards and C-suite colleagues about what these changes mean for their business strategy, operations, talent, and governance—not just to reduce risk, but to create and seize growth opportunities.

Media can contact The Conference Board for interviews.

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