



**Ibec**  
For Irish Business

# Business in 2022 and beyond

A CEO perspective



February 2022

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# Business in 2022 and beyond

A CEO perspective

# Foreword

As COVID-19 restrictions come to an end, and the physical return of employees to businesses throughout the country continues, this survey examines the preoccupations and priorities of Irish CEO's as we enter 2022.

Issues such as international trade, climate change, supply chain management and recruitment are at the top of leaders' current agendas. Pay pressures, remote working and climate change are but some of the areas that CEOs and businesses will continue to focus on throughout 2022 and beyond.

A total of 305 CEOs provided data to the Ibec Research Unit between December 2021 and January 2022. A broad range of company activities, size and location is covered within the data. It is worth noting that sectoral experience may vary from the overall findings as presented here.

Top five CEO priorities for the year ahead are:

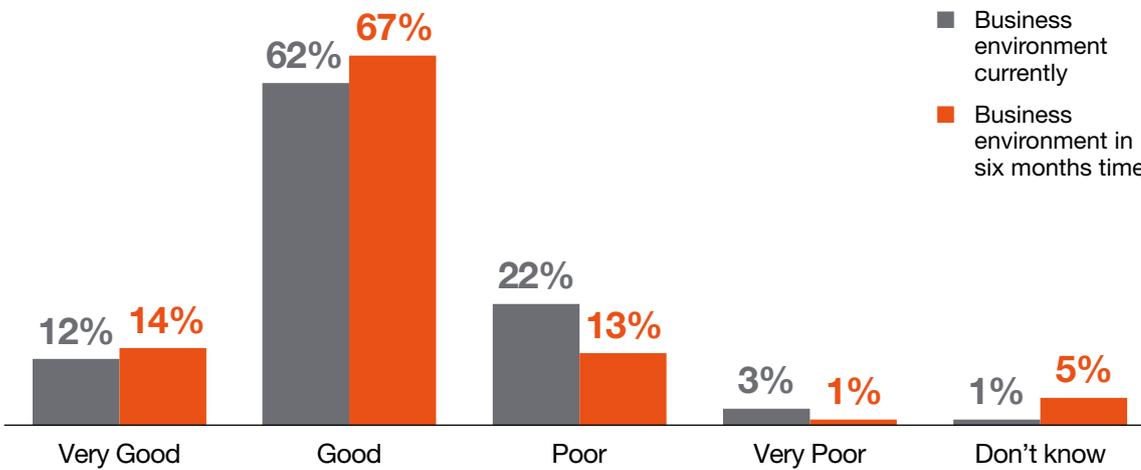
-  **Talent attraction and retention**
-  **Business costs**
-  **Supply chain**
-  **Overall business environment**
-  **Employee wellbeing**



# Business environment

Almost three quarters of respondents (74%) view the current business environment as 'very good' or 'good'. CEOs are slightly more positive about the business environment over the next six months with over four out of five (81%) predicting that it will be either 'very good' or 'good'.

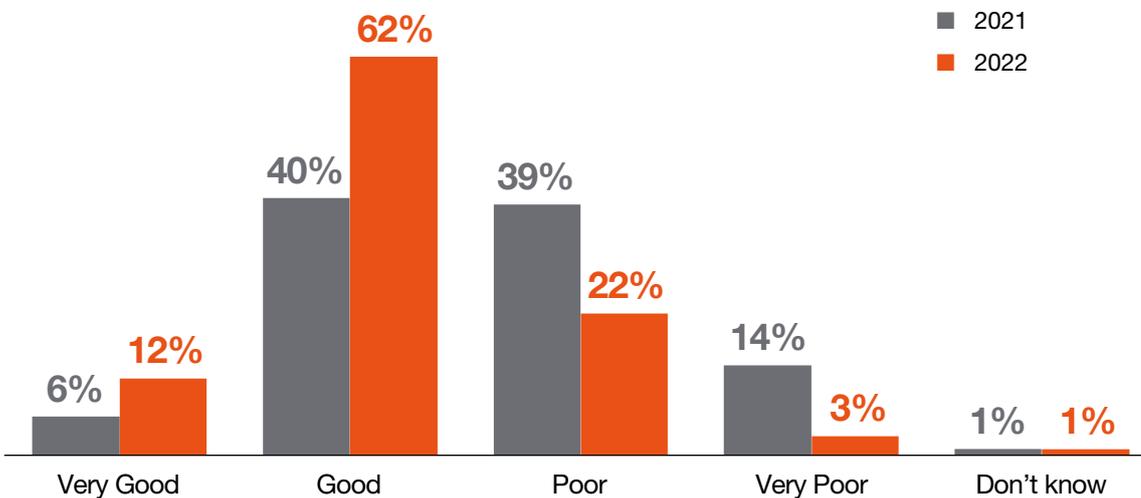
## CEO Assessment of Business Environment – 2022



## Business Environment Sentiment Comparison 2021/2022

Data collected at the same time last year, shows significant improvement in sentiment for 2022. The proportion of respondents rating the Irish business environment either 'good' or 'very good' was 28% higher in 2022, 74% compared with 46% in 2021.

## Business Environment Sentiment 2021/2022

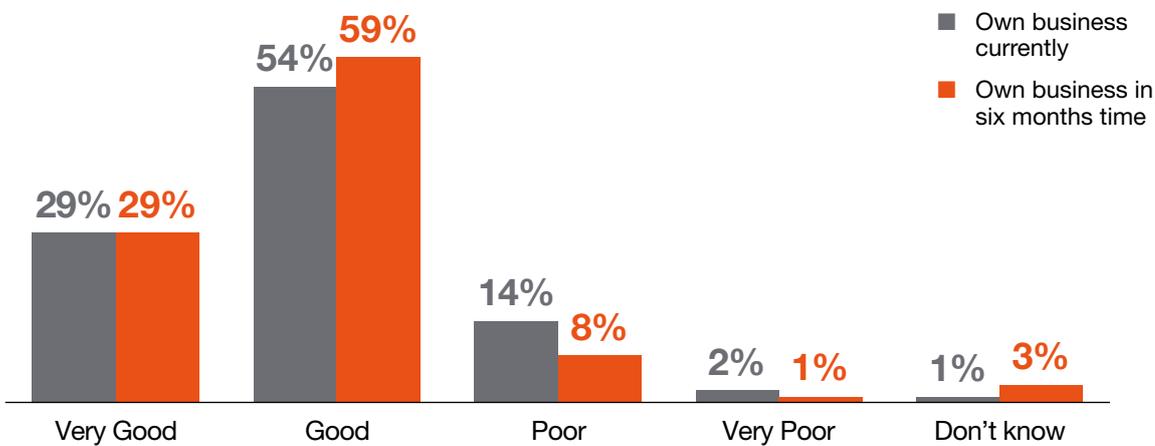


# CEO sentiment

## CEO Own Business Sentiment

The majority of respondents to the survey (83%) rated their own business currently as 'very good' or 'good'. A slightly higher proportion (59%) saw their business as 'good' in the next six months, compared with 54% currently.

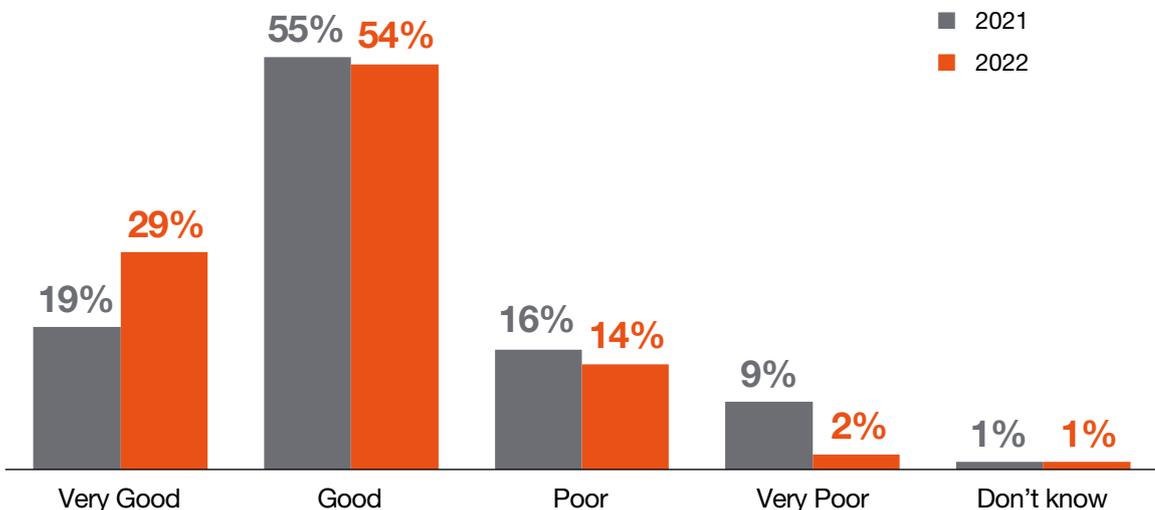
### CEO Assessment of Own Business - 2022



## Own Business Sentiment Comparison 2021/2022

The proportion of organisations rating their own business as 'very good' increased from 19% in 2021 to 29% in 2022. Conversely, the proportion of those rating their own business as 'very poor' dropped from 9% in 2021 to 2% in 2022.

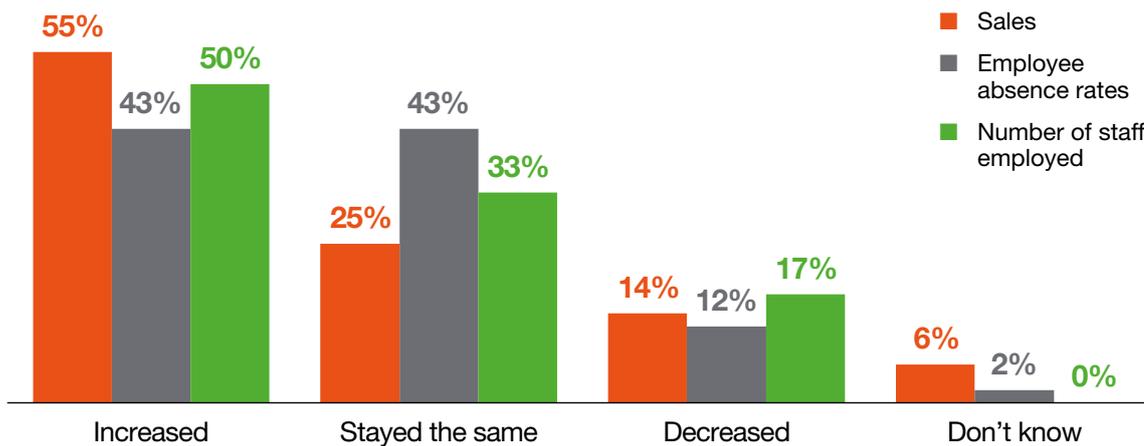
### Own Business Sentiment 2021/2022



# Absence, sales and employee numbers in 2021

Among respondents to the survey, over half (55%) saw increased sales in 2021, and half (50%) increased their employee numbers. Absence rates had increased in two out of five organisations (42%) and decreased in around one in ten respondent organisations (12%).

**During 2021, have any of the following increased, stayed the same or decreased for your organisation?**



# Priorities for 2022

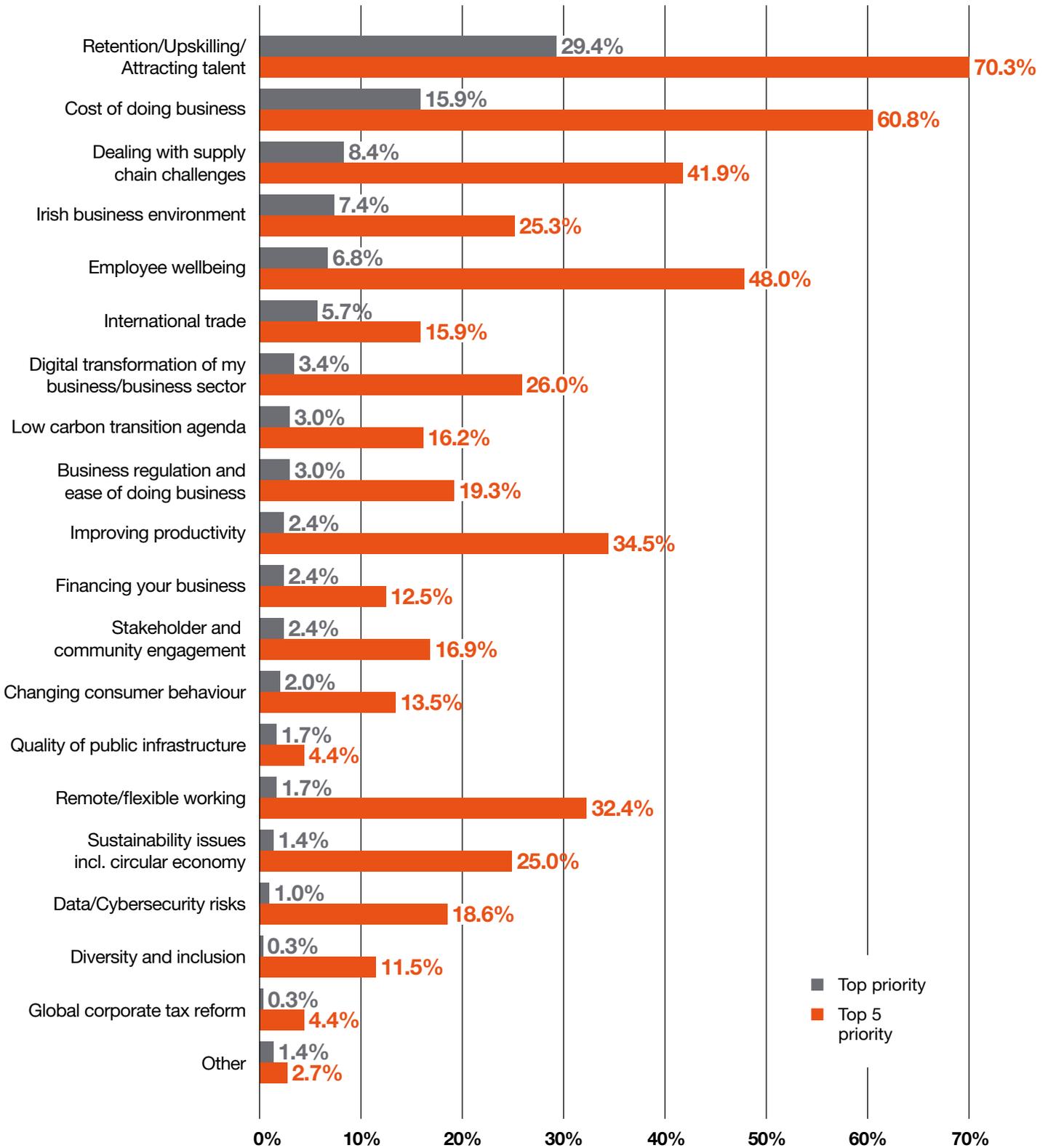
**As CEOs look towards the year ahead, several important themes emerge.**

The top five priorities for CEOs for the next year were:

- **Talent attraction and retention (29%)**
- **Business costs (16%)**
- **Supply chain (8%)**
- **Overall business environment (7%)**
- **Employee wellbeing (7%)**

Attracting and retaining talent was the top priority in almost three out of ten organisations and was in the top five priorities of seven out of ten respondents. Employee wellbeing was in the top five priorities for the year in almost half the respondent organisations. Priorities that appear among the top five priorities but may not be strongly represented as top priorities are: improving productivity (top 5 in over a third (35%)), remote flexible working (top 5 in 32%), sustainability (top 5 in 25%), data/ cybersecurity (top 5 in 19%) and diversity and inclusion (top 5 in 12%).

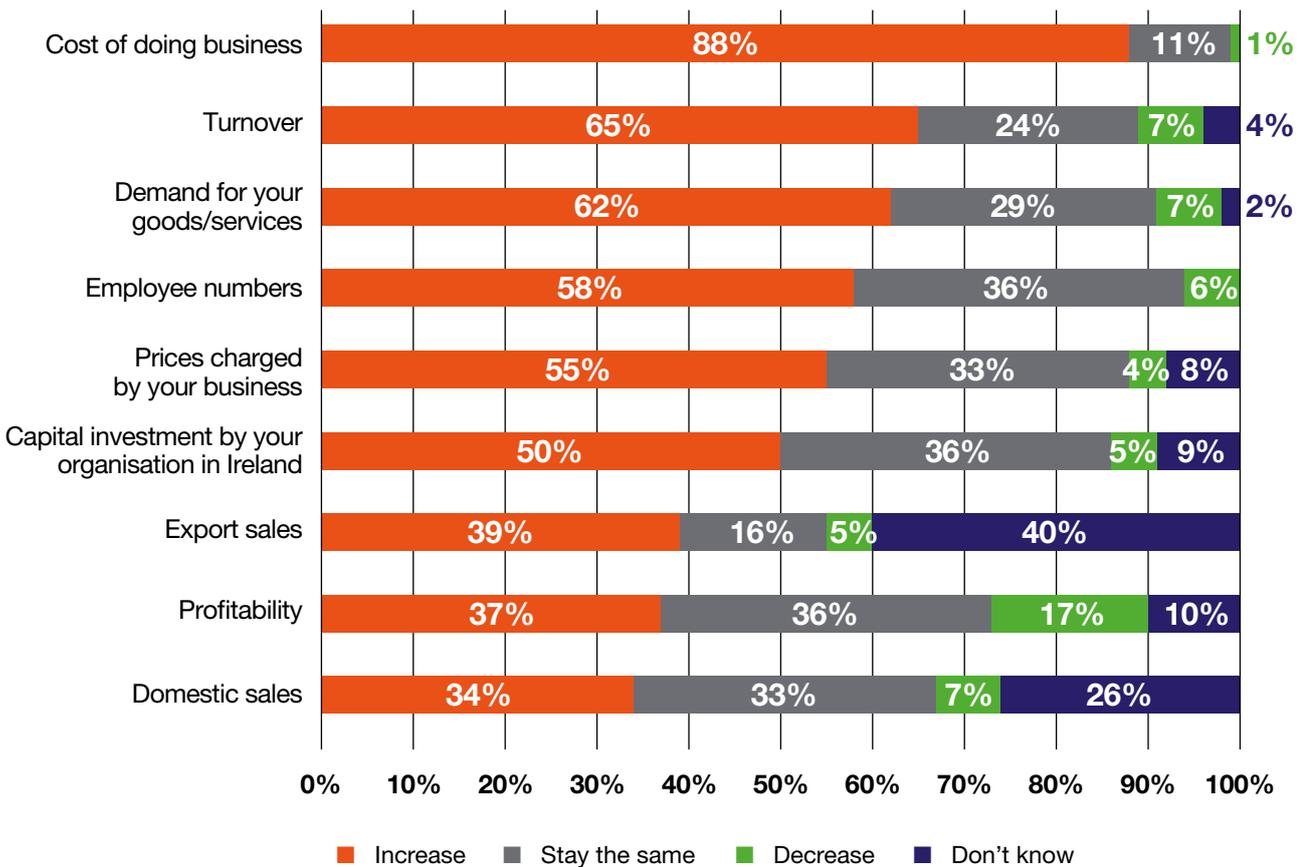
Top five CEO priorities for 2022



# Expected changes in 2022

Almost nine out of ten (88%) respondents expect the cost of doing business to increase in 2022. Three out of five expect an increase in demand for their goods/services with a similar proportion (58%) expecting to increase employee numbers, highlighting the importance of talent and skills availability as the year progresses.

Over the next 12 months, do you expect any of the following to increase, stay the same or decrease?



# Business challenges in 2022

Unsurprisingly, given the expected increase in employee numbers in the next year, the availability of specific skills/talent remains one of the key business challenges for organisations into 2022.

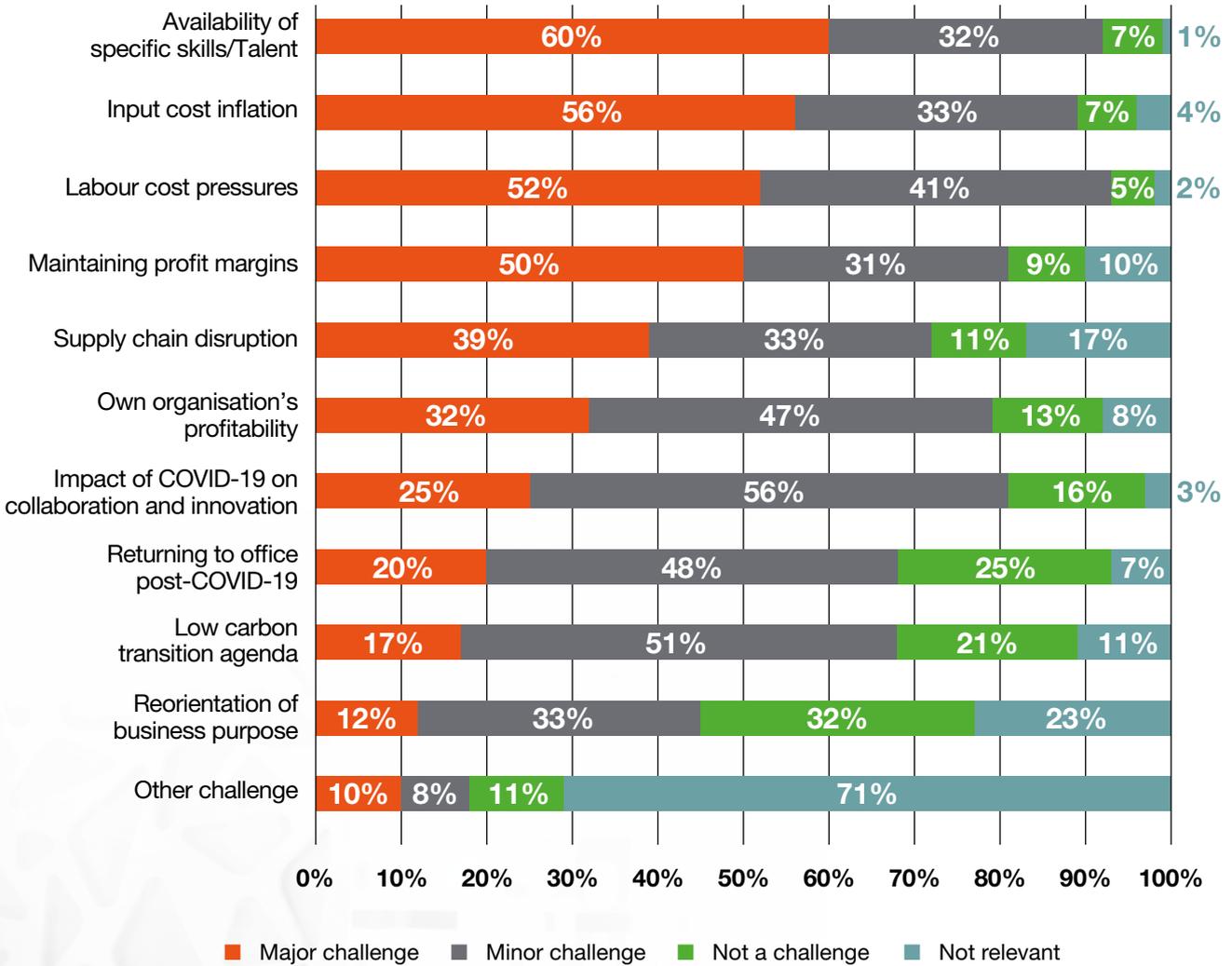
The top five key challenges identified by CEOs were:

- **Availability of specific skills/talent (60%)**
- **Input cost inflation (56%)**
- **Labour cost pressures (52%)**
- **Maintaining profit margins (50%)**
- **Supply chain disruption (39%)**

In terms of the minor challenges expected in 2022 the impact of COVID-19 on innovation and collaboration was identified in 56% of respondent organisations. The low carbon transition agenda was a minor challenge in 51% of organisations and maintaining the organisations own profitability a minor challenge in 47% of organisations.



## Business challenges 2022



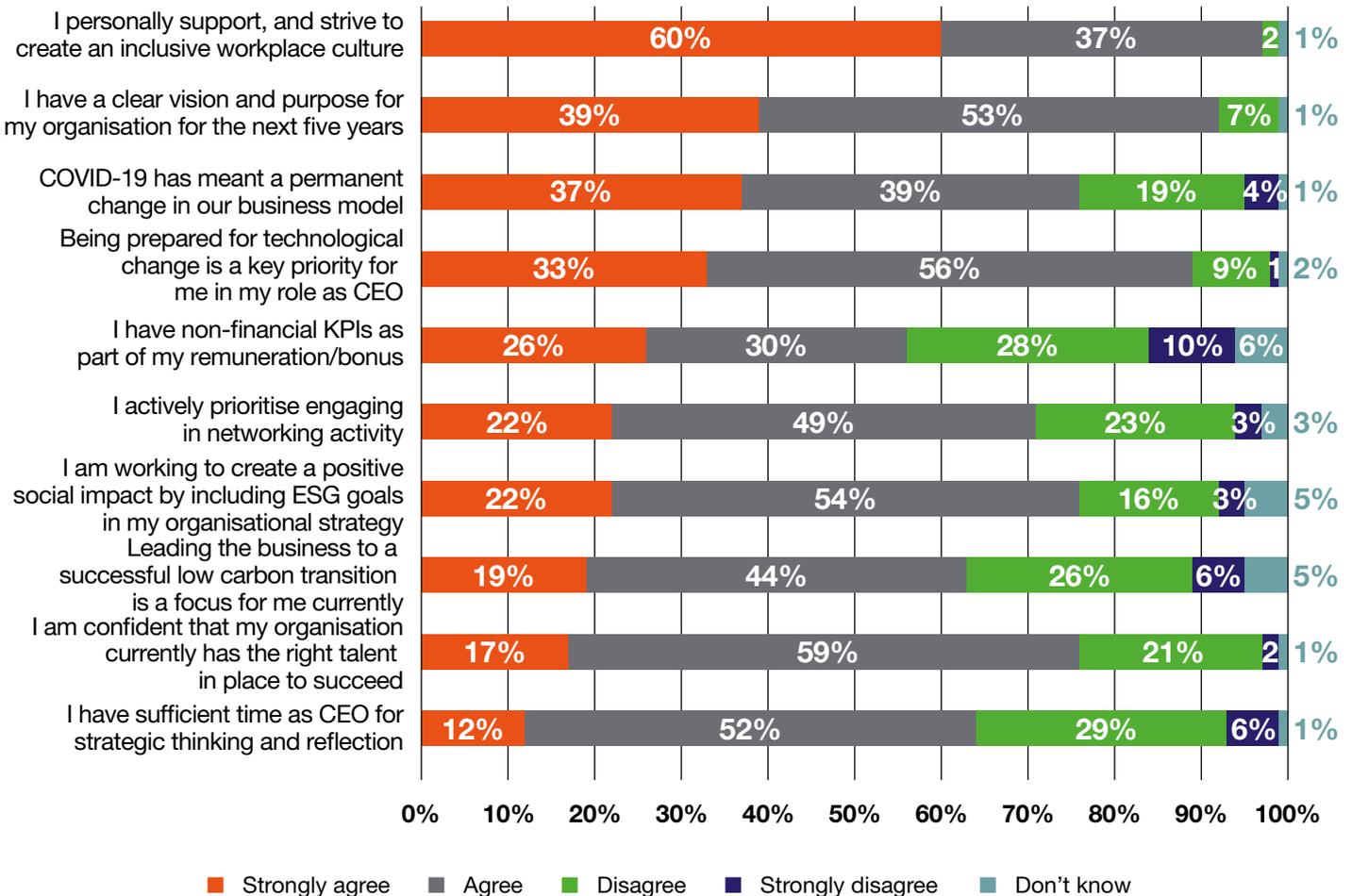
# CEO role

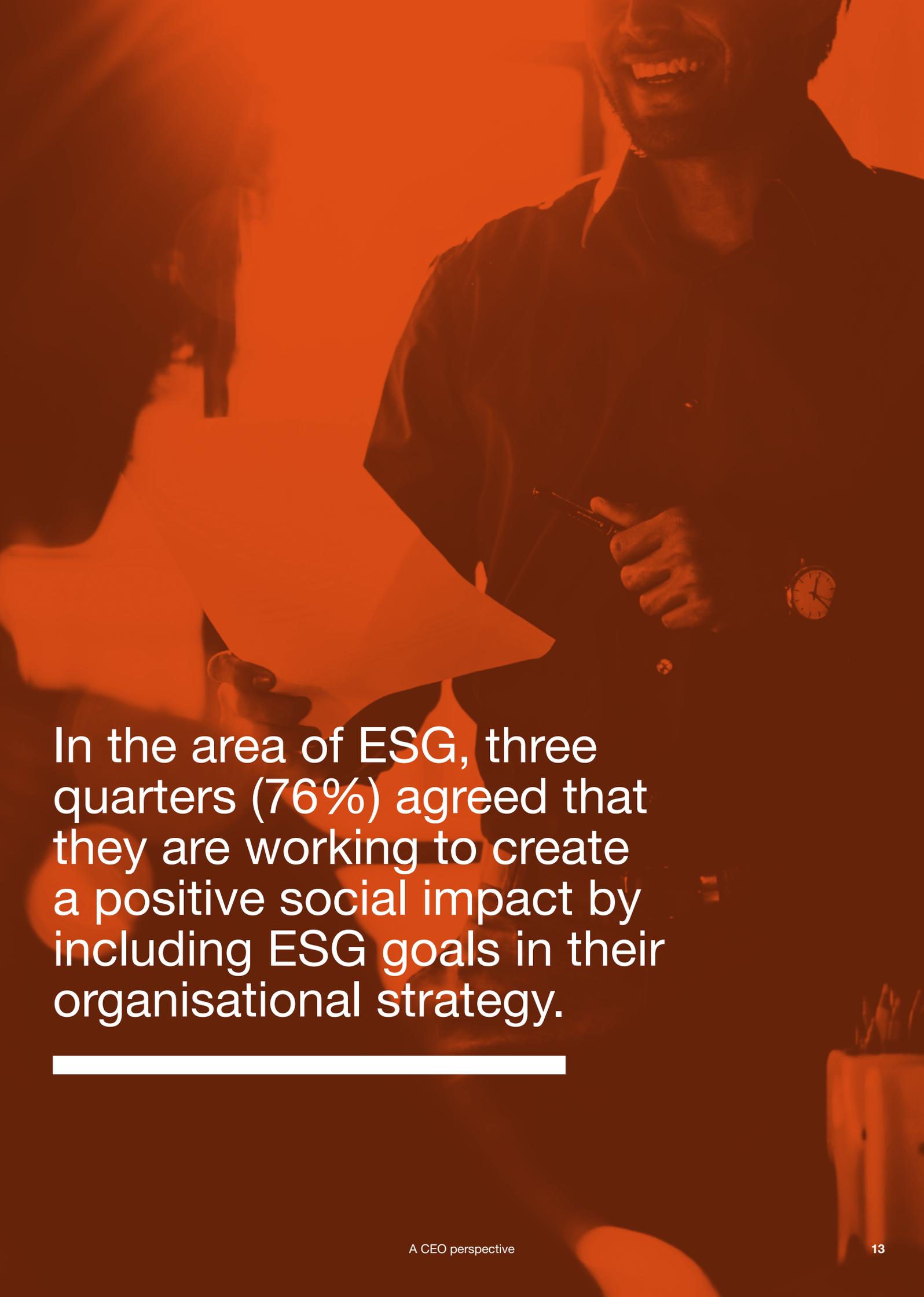
The importance among CEOs of creating an inclusive culture, having a clear vision and purpose and being prepared for technological change are evident in the survey findings. Positively, given the challenge of recruiting and attracting talent, three quarters of CEOs (76%) were confident that their organisations currently have the right talent in place to succeed.

As we move out of COVID-19 restrictions and return to workplaces, some challenges and uncertainty will remain for many organisations. Over three quarters of CEOs (76%) agreed that COVID-19 had resulted in a permanent change in their business model. Many organisations and CEOs will be involved in overseeing a change process as a result.

In the area of ESG, three quarters (76%) agreed that they are working to create a positive social impact by including ESG goals in their organisational strategy.

## CEO role





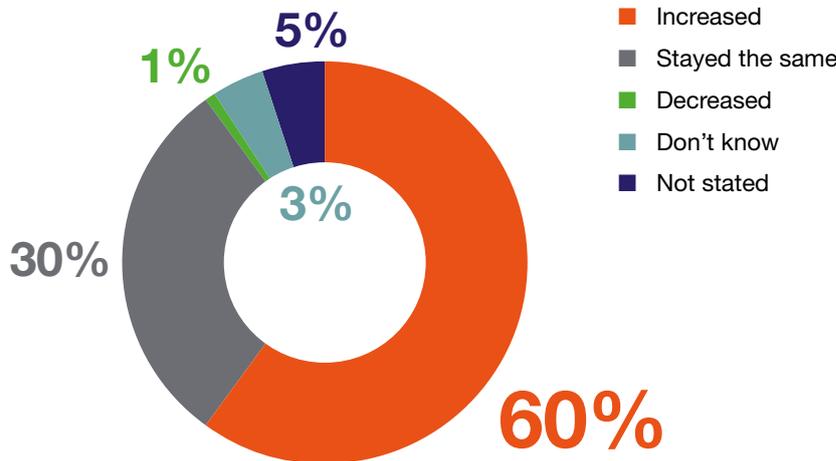
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# Environmental, social and governance

Three out of five respondent companies (60%) indicated that there was increased focus on ESG initiatives in their organisation currently, compared with 12 months ago.

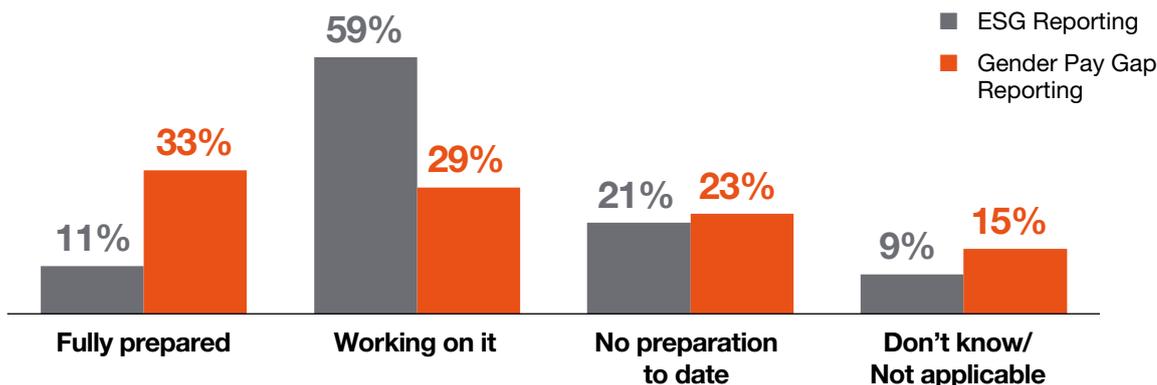
Compared to 12 months ago, would you say that focus on ESG initiatives within your organisation has changed?



## Preparation for reporting on ESG and Gender Pay Gap

More employers were prepared for gender pay gap reporting than for ESG reporting, 33% and 11% respectively. A similar proportion of employers, 21% and 23% respectively, had completed no preparation on either sets of reporting requirements to date.

How would you rate your organisations preparedness for implementing each of the following?

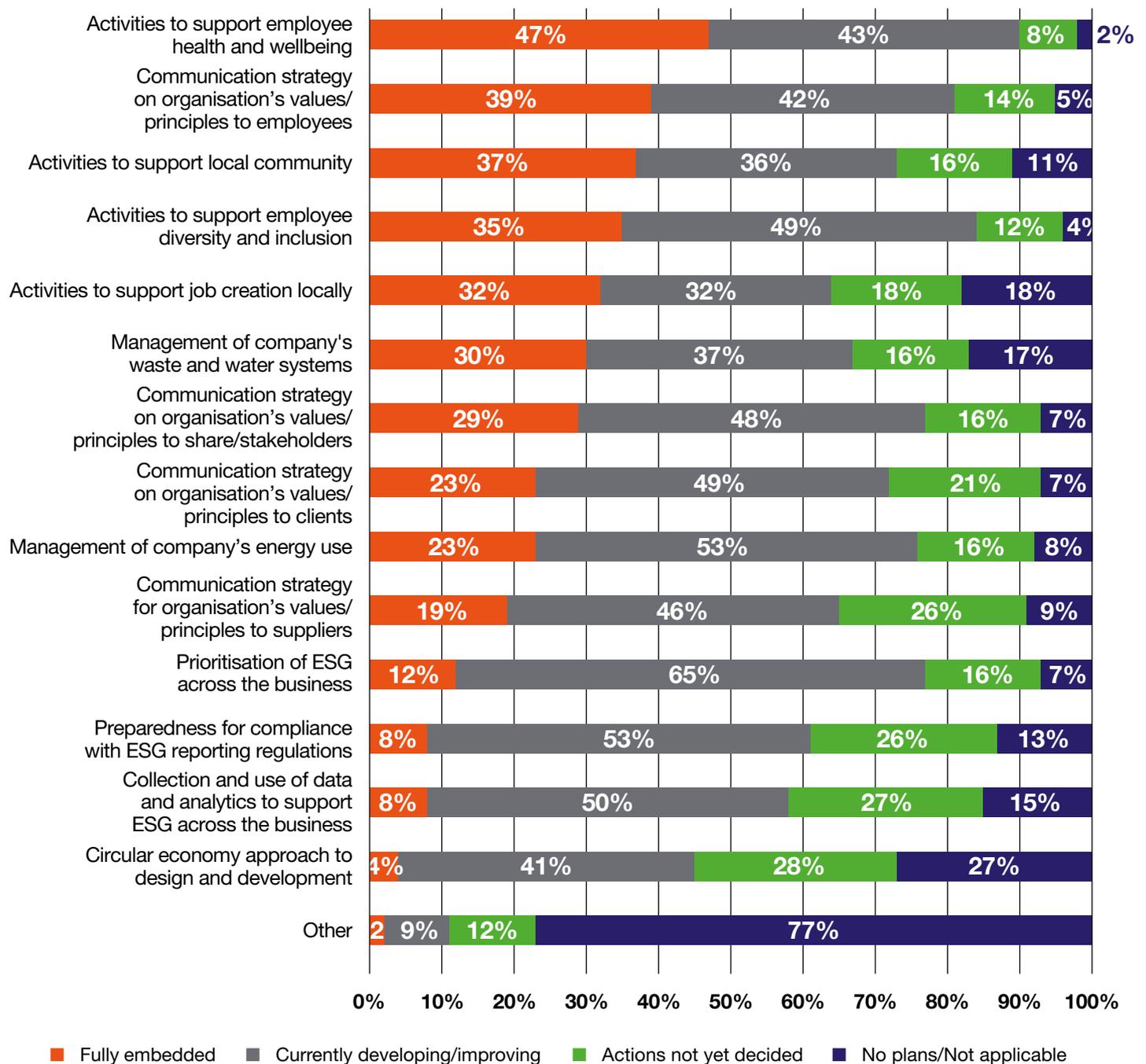


## Companies' assessment of current progress against a range of ESG initiatives

Employee health and wellbeing is one of the most embedded of the ESG activities examined within the survey (47%). Communication on employer values to employees (39%), activities to support local community (37%) and activities to support employee diversity and inclusion (35%) are other key areas where significant work has already been completed.

In addition, a high proportion of organisations had work in progress on several headings. In 65% of organisations, work was underway on the prioritisation of ESG across the business, 53% were engaged in preparing for ESG reporting and 53% in developing activities to manage organisations energy use.

### ESG Activities



## Environmental, social and governance / continued

While a large amount of work is underway on embedding and developing ESG initiatives, there were some headings on which a large proportion of respondents had not yet decided their approach, for example, circular economy approach to design and development (28%), collection and use of data and analytics to support ESG (27%), and preparedness for ESG reporting (26%). These findings highlight that while progress has been made, work remains to be done by many organisations in deciding on, developing and embedding Environmental, Social and Governance practices.



## About the Ibec Research Unit

From pay and benefits, to policy, compliance, and more, Ibec's research unit provides the data and insights that your organisation needs, providing you with up-to-date benchmarking evidence to support your decision-making. We also analyse current and emerging trends and conduct annual and one-off surveys on a broad range of topics, based on member feedback and current business priorities.

A wide range of reports is available to Ibec members, including an annual detailed analysis of pay rates for over 250 positions, as well as a series of reports on emerging business trends. We analyse developments in HR priorities and procedures, legislative compliance, conditions of employment and the wider business environment. We use the findings of our research to inform and shape Ibec's policy and lobbying work, regularly producing reports on topical policy issues which support you in making key business decisions.

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