

# C-Suite Challenge™ 2021

Leading in a Post-COVID-19 Recovery

**FRANCE EDITION**



# C-Suite Challenge™ 2021: Leading in a Post-COVID-19 Recovery – France Edition

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## Insights for What's Ahead

- Sustainability-related concerns are felt more strongly in France than elsewhere: asked about challenges or issues within management control, C-suite executives in France have ranked reducing environmental impact as their number 2 hot issue, compared to number 14 in Germany, 19 in the US, and 17 globally. The stronger focus on the environment, coupled with a strong attention towards changes in consumer behaviour puts businesses in France on a strong track to lead in the post-COVID-19 environment.
- Understanding the nuances behind the changes in buying behaviour and understanding which changes will persist in a post-COVID-19 world, will dictate the reimagining and re-making of business models as organizations accelerate digital transformation and meet rising customer experience expectations. The capacity to collaborate with external partners will likely be a decisive factor in future success.
- The concerns about global trade disruption declined everywhere except in China. While the tone of the confrontation between the new US administration and China will surely change, the foundation of the dispute (level playing field for business, IT and network security, territorial issues in the South China Sea) will likely remain the same for some time to come. European policy and business leaders are expecting a change in course by the US administration to restore a multilateral trade policy approach.
- The COVID-19 pandemic has accelerated many companies' moves toward a remote and digital working environment. C-suite executives in France are seeking to support their reconfigured workforces by building agile project teams and adopting flexible work policies. The will to bring back people to workplaces may result from the need, higher than average, to increase engagement levels among workers. Building a more inclusive culture and remove internal silos are signalled as a priority to manage change.
- C-suite executives in France believe that a greater focus on climate change, a reduction of business travel, smaller offices and workspace, and the growing role of businesses to address societal issues are among the most likely long-term legacies of COVID-19. To plot an effective long-term strategy, business leaders need to identify the key long-term trends most important for their business and consider scenario planning to test their agility and resiliency for the long haul.

## Leading in a Post-COVID-19 Recovery

C-suite executives in France expect the continuation of the changing consumer buying behaviour, the risk of recession, and the COVID-19 pandemic as the top-3 issues outside of management control that will have the greatest impact on their business in the coming year.

Despite positive GDP growth expectations for France in 2021 and 2022—The Conference Board forecasts a 6.0 percent growth in 2021 and a 3.9 percent rise in 2022, compared to drop by 8.2 percent in 2020—, C-suite executives in France, as well as globally, appear unable to shake lingering concerns over recession risk. They rank it as the second highest external stress point for 2021. The COVID-19 health and economic crises dramatically interrupted global economic growth in 2020. While we anticipate a global rebound in 2021 of 5.2 percent year over year following a 3.7 percent decline in 2020, the outlook in each country is heavily dependent upon:

- The evolution of the pandemic;
- Government policy to control outbreaks;
- Continued monetary and fiscal policy supports; and
- Widespread availability of coronavirus treatments and vaccines.

Because of the unpredictability of these variables and the struggles of vaccination campaigns in several European countries, there will be significant disparities in terms of which economies will drive the revival, and the pace at which diverse industries, businesses, and households recover. The manufacturing sector continues to expand in the Euro Area, while large limitations exist for service activity.

While CEOs and C-suite executives recognize that consumer buying behaviours are changing, they see adding more environmentally and socially sustainable offerings, developing a more customer-centric culture driven by data analytics, and expanding strategic partnerships as key levers of growth for their companies. Understanding the nuances behind the changes in buying behaviour and understanding which changes will persist in a post-COVID-19 world, will dictate the reimagining and remaking of business models as organizations accelerate digital transformation and meet rising customer experience expectations. The capacity to collaborate with external partners will likely be a decisive factor in future success.<sup>1</sup>

The change in US administration appears to be affecting C-suite views of the global business environment. The survey, completed after the US elections in November 2020, shows diminished levels of concerns, both globally and in the US, around trade disruptions, global political instability, and declining trust in governments, compared to a year earlier.

In France, fears of global trade disruption rank number 7. The concerns about global trade disruption declined everywhere except in China. While the tone of the confrontation between the new US administration and China will surely change, the foundation of the dispute (e.g., level playing field for business, IT and network security, territorial issues in the South China

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<sup>1</sup> Charles Mitchell, Ilaria Maselli, Rebecca L. Ray, PhD, Bart van Ark, and Denise Dahlhoff, *C-Suite Challenge™ 2020: Collaborating to Compete*, The Conference Board, March 2020.

Sea) will likely remain the same for some time to come. European policy and business leaders are expecting a change in course from the US administration to restore a multilateral trade policy approach. For example, in December 2020, the European Commission launched a proposal for a new, forward-looking transatlantic agenda. Such cooperation may allow the two regions to restart discussions around a trade and investment agreement and reach an agreement on the regulation and taxation of large social media and e-commerce companies.

Chart 1

C-suite executives in France expect changing consumer buying behaviours, recession risk, the continuation of the COVID-19 pandemic, and vaccine availability to have the greatest impact on their organizations in the coming year

C-SUITE IN FRANCE	C-SUITE GLOBAL
HIGH FOCUS	HIGH FOCUS
Shifting consumer buying behaviors	COVID-19
Recession risk	Recession risk
COVID-19	Vaccine availability for COVID-19
Vaccine availability for COVID-19	Shifting consumer/customer buying behaviors
Stakeholder expectations about business' role in social/environmental issues	Regulation
LOW FOCUS	LOW FOCUS
Access to capital/borrowing costs	Gender Inequality
Currency volatility	Access to capital/borrowing costs
Inflation	Shareholder activism
Lack of accessible childcare	Inflation
Gender inequality	Volatility in energy prices

## 2021—Light at the End of the Pandemic Tunnel?

C-suite executives in France believe the distribution of vaccines will have a significant impact on their businesses in 2021. The vaccination campaign is likely contributing to a more positive view of future growth by eliminating the worst-case economic scenarios.

In January 2021, the French government announced the goal of having all adults vaccinated by the end of August. At the time of writing (June 10, 2021) a total of 28.3 million people in France have received their first dose, and 12.9 million are fully vaccinated. France is slightly below the EU average of 42.4 percent of citizens having received at least one dose<sup>2</sup>.

To mitigate the consequences of the COVID-19 pandemic on the economy, the French government launched a package of social and economic measures in March 2020 to support businesses and employees impacted by the coronavirus through the period of disruption. This €45-billion action plan includes government-backed loan guarantees (up to €300 billion), a partial activity scheme providing for a state-funded indemnity in case of reduction or suspension of work due to the pandemic, and the possibility for all businesses, regardless of size, to defer social security contributions and tax payments, among several other measures.

Since the beginning of the pandemic, the number of remote workers in France reached 41 percent of employees, with an average of 3,6 remote working days per week versus 1,6 days in 2019. Recent studies indicate that most employees (86 percent) wish to pursue remote working and point an evolution towards a hybrid model of teleworking and presence in the office with an adapted workspace.<sup>3</sup>

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<sup>2</sup> [Our World in Data](#) (using data as of June 10<sup>th</sup>, 2021)

<sup>3</sup> [Baromètre annuel Télétravail 2021](#), Malakoff Humanis, February 9, 2021, Paris.

## Internal Strategy Focus for 2021

The strategies of C-suite executives in France are aimed at lowering costs on the one hand, and reducing the environmental impact of their business on the other. In the short term, preparing for growth and recovery will require finding the right balance between prudent fiscal management and cash conservation and investing in the innovations and programs needed to succeed in a new and merging commercial landscape.

What emerges clearly from several questions in the survey is that sustainability-related concerns are felt more strongly in France than elsewhere: asked about challenges or issues within management control, C-suite executives in France have ranked reducing environmental impact as their number 2 hot issue, compared to number 14 in Germany, 19 in the US, and 17 globally.

The stronger focus on the environment, coupled with a strong attention towards changes in consumers behaviour puts businesses in France on a strong track to lead in the post-COVID-19 environment.

C-suite executives also stress the need to accelerate the digital transformation while remaking existing business models. Organizations appear to understand that the COVID-19 pandemic and resulting economic downturn have ended the luxury of having years to adapt to the digital revolution. While CEOs see digital transformation as one of their top strategic priorities for 2021—it can be a growth strategy by enhancing customer experience and cost efficient by creating leaner processes and functions—many organizations are struggling to achieve it. It is important to remember that investment in digital technology is only a piece of the digital transformation puzzle. It is organizational culture, enlightened leadership, and talent that will ultimately create a sustainable competitive advantage. The benefits of digital transformation can never be fully achieved without a concurrent investment in organizational structure and the human capital aspect of transformation and innovation. For many it also requires a cultural change that allows organizations to openly question their most basic beliefs and assumptions.<sup>4</sup> The responses to our survey show that C-suite executives in France are on the right path to driving digital transformation within their organizations. They are prioritizing such transformational fundamentals as integrating digital technology with business strategy by modifying their business models, building more agile teams, embracing data analytics to drive decisions, employing mergers/acquisitions/divestitures, engaging in external alliances and collaboration, and developing the next generation of leaders to thrive in a digitally transformed world.

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<sup>4</sup> Xiaohui (Janet) Hao, PhD, Sean Hicks, Charles Popper, and Chander Velu, *Realizing the Full Potential of Digital Transformation: Three Areas of Focus*, The Conference Board, June 2020.

Chart 2

The strategies of C-suite executives in France are aimed at controlling costs, reducing the environmental impact of their businesses, and employing mergers, acquisitions, and divestitures

C-SUITE IN FRANCE	C-SUITE GLOBAL
HIGH IMPACT	HIGH IMPACT
Lower costs	Accelerate pace of digital transformation
Reduce environmental impact	Improve innovation
Employ mergers, acquisitions, divestitures	Lower costs
Accelerate pace of digital transformation	Streamline processes
Focus more on sustainability	Modify business model
LOW IMPACT	LOW IMPACT
Improve transparency in internal communication	Decentralize decision making
Accelerate in-shoring of supply chains	Refine corporate mission/multi-stakeholder focus
Refine corporate mission/multi-stakeholder focus	Reduce environmental impact
Improve cashflow	Enhance corporate citizenship
Improve governance	Accelerate in-shoring of supply chains



## Defining Digital Transformation

The Conference Board defines digital transformation as: The use of digital technologies (such as ubiquitous broadband and cloud storage, mobile technologies, artificial intelligence, and blockchain) and the data they produce to connect organizations, people, physical assets, processes, etc., for the purpose of rapidly developing new products, services, markets, and business models to capitalize on emerging customer needs. Digital transformation also realizes process efficiencies and improves the effectiveness of decision-making across the organization. Within an enterprise, it often leads to significant changes in business strategy that may reshape a company or disrupt an entire industry.

Business model transformation is also a critical focus for 2021 and seen by CEOs as an important growth lever, yet it is one of the hardest things to do as a CEO. The business model transformation journey is challenging and requires moving beyond incremental change in how you sell things to a disruptive questioning and redefining what it is that you make, what it is that you sell—is it a product, a service, or both?—and how it is sold. It requires asking hard questions about an organization's basic operating assumptions, available talent and skills, and culture. The impact of a business model transformation on an organization goes well beyond the external relationship with customers and how a business goes to market. Organizations must quickly pivot in response to new risks and opportunities emerging from the pandemic requiring an extraordinary level of alignment across the enterprise as well as changes in culture, structure, leadership, and a continuous evolution of talent and upskilling.

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## Organizational Readiness for Transformation

Here are five questions to help kick start the conversation around digital and business model transformation.

- Does our organization have a holistic digital and business model strategy that goes beyond just implementing technologies?
- Do our leaders have the vision, knowledge, and skills to lead the transformation? Can they communicate the strategic vision, business case, and operational changes to the workforce?
- What are the organizational capabilities we will need to execute our new business model? Do we have the expertise and processes to determine the best way to build those capabilities (e.g., using talent, technology, or a combination of both; crowdsourcing; or using ecosystem partners)?
- Does our current organizational culture support the elements of a digitally transformed business model such as collaboration across internal and external boundaries, agility, risk taking, etc.?
- Do we have the talent and skills needed, where we need them?

Source: *Beyond Technology: Building a New Organizational Culture to Succeed in an Era of Digital Transformation*, The Conference Board, October 2016.

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## Sustainable Products, Business Model Transformation, Data Analytics and Expanded Partnerships Will Drive Growth

Business leaders in France consider adding more environmentally and socially sustainable offerings as the top-1 change needed to grow their company in the coming years. This is a bold statement and outlines a strong vision for the future. Understanding the nuances behind the changes in buying behaviour and understanding which changes will persist in a post-COVID-19 world will dictate the reimagining and remaking of business models as organizations accelerate digital transformation and meet rising customer experience expectations towards sustainability.

The capacity to collaborate with external partners will likely be a decisive factor in future success and is seen by C-suite executives in France as the number four driver for future growth, tied with use of data analytics. Amid the disruptive impacts and the transformational speed of digital technologies as well as the rapid emergence of new competitors, business leaders in France recognize that few organizations are likely to have the knowledge or the resources to ensure future success by going it alone.

Chart 3

C-suite executives in France are focusing on environmentally friendly offerings and business model transformation as critical levers of future growth

### What changes are needed to grow your company in the coming years? (Ranking of options)

	France C-Suite	Global C-Suite
Add more environmentally and socially sustainable offerings	1	11
Business model transformation	2	5
Develop a more customer-centric culture	3	6
Expand strategic partnerships	T-4	1
Use data analytics	T-4	3
Offering additional customer experience beyond core products or services	6	7
Develop/offer new products/services	7	2
Expand into new channels	T-8	10
Expand into new geographies	T-8	9
Increase transparency of customer relationship processes	T-10	14
Take more active role in social issues	T-10	15
Expand into new customer segments	T-12	4
Increase speed of products and services to market	T-12	8
Augment products with solution selling	14	13
Change marketing strategy	15	12
Create more mass customized product/service	T-16	16
Strengthen Board involvement and governance	T-16	17
	N=50	N=1,438

Source: *The Conference Board*

Note: T denotes tied rankings

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## Questions to Help Create an External Collaboration Strategy

Embarking in a collaboration strategy with non-traditional partners and competitors requires asking some hard questions about an organization's basic operating assumptions, business models, available talent and skills, risk tolerance, and organizational culture. Here are eight questions that need to be asked to start the collaboration journey:

1. What might our industry look like in 5-10 years? How will we prepare for future scenarios?
  2. Is our current business model sustainable? How can we serve our customers better and create greater value for them by collaborating externally and internally?
  3. Who are our competitors? Who are our partners? Should some organizations be both? Can we leverage network economics to drive growth?
  4. What is the missing capability in our organization that would be impossible to build from scratch?
  5. How do we choose the right partner? Do we look for someone with a similar or complementary culture to ours?
  6. Do we have clarity around the opportunity a partnership provides? Are we clear about our own objectives as well as understanding our partner's motivations and strategic interests? Does the operating plan truly capitalize on each other's strengths?
  7. Have we clearly identified boundary conditions? Is it clear what's on or off the table, including intellectual property (IP) and access to customers?
  8. Do we have the resources and commitment to take full advantage of the partnership? Do we understand the implications of not doing this deal?
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## Surmounting Obstacles: COVID-19-related Disruptions, Siloed Internal Structures, and Lack of Diversity

While both C-suite executives in France and globally see COVID-19-related disruptions and siloed internal structures as the most important critical issue affecting the external business environment in 2021, they have different views on the remaining key internal obstacles their organizations must overcome to achieve success. French executives are more concerned about lack of diversity, ranking it as the third most important obstacle they must overcome in 2021, while their global peers rank it as sixteenth.

#### Chart 4

CEOs in France see COVID-19-related disruptions, siloed internal structures, and lack of diversity as crucial obstacles to overcome to achieve success.

#### What are the most critical obstacles your company faces in meeting your challenges in the coming year? (Ranking of options)

	France C-Suite	Global C-Suite
COVID-19 related disruptions	1	1
Siloed internal structures	2	4
Lack of diversity	3	16
Resource constraints relative to business needs	4	2
Underleveraged use of data to grow	5	7
Middle managers resist change	6	11
Lack of quality talent	T-7	3
Regulation	T-7	5
Employees resist change	T-9	13
Legacy technologies	T-9	8
Resource allocation favoring short-term	T-9	17
HR not strategically focused	T-12	15
Lack of an innovation culture	T-12	6
Lack of data analytical skills	T-14	9
Lack of organizational alignment	T-14	14
Lack of strategic vision	T-16	18
Unwillingness to change	T-16	10
Misaligned compensation structure	T-18	23
Commitment to current business model	T-19	12
Insular culture	T-19	22
Low levels of employee engagement	T-19	19
Weak internal communication	T-19	20
Inability to measure performance outcomes	T-23	21

N=54 N=1,507

Source: *The Conference Board*

Note: T denotes tied rankings

## Human Capital Management

Despite lingering recession fears, business leaders in France remain focused on recruitment and retention of top talent, as well as the development of next-generation leaders. The focus on three core basics of talent management—recruitment, retention, and development—is an indication that human capital, once narrowly defined as the labour input in an organization's business model and categorized as an expense, is being recognized as the engine of the enterprise. C-suite responses show they are recognizing that human capital is a valuable intangible asset and workers are critical stakeholders essential for future growth.<sup>5</sup>

The COVID-19 pandemic has accelerated many companies' moves toward a remote and digital working environment. C-suite executives in France are seeking to support their reconfigured workforces by building agile project teams, adopt flexible work policies. The need to bring workers back to the workplace, as well as the need to increase engagement levels with remote and on-site workers and to create a workplace that is mentally and physically safe, is more felt in France (and in the US) than in other countries. Building a more inclusive culture and removing internal silos is signalled as a priority as change is managed.

In the coming years, every business leader will have to make important strategic decisions related to remote work. The first decision is to determine if remote work actually works—i.e., are workers more or less productive. To make a more accurate determination, companies will need to improve their in-house performance analytics, such as work quantity, quality, client feedback, and co-workers' feedback, to determine optimal remote work rates. In many geographies, a hybrid model is likely to emerge, where some workers do not need to be at the office at all, some have to come in infrequently, and some will primarily work at the office. For some companies, especially those that already had a large remote workforce before the pandemic, the impact on corporate culture will be minimal. For others, the impact will be large, especially in highly collaborative firms where workers are considered 'one large family'. Such companies should be more cautious about shifting to remote work and be more proactive in mitigating the disruption to culture, or even reconsider if the current culture in place (even if it is a strong one) is the correct one going forward with remote work.<sup>6</sup>

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<sup>5</sup> Paul Washington, Rebecca L. Ray, PhD, Solange Charas, PhD, and Amy Lui Abel, PhD, *Brave New World: Creating Long-term Value through Human Capital Management and Disclosure*, The Conference Board, December, 2020.

<sup>6</sup> Gad Levanon, et al, *COVID-19's Biggest Legacy: Remote Work and Its Implications in the US Post-Pandemic Labor Market*, The Conference Board, February 2021

Chart 5

Despite lingering recession fears, business leaders in France remain focused on the recruitment and retention of top talent as well as the development of next-generation leader

**Select the issues for human capital management that your company will focus on in the coming year. (Ranking of options)**

	France C-Suite	Global C-Suite
Recruit, retain top talent	1	1
Develop "Next Gen" leaders	2	2
Build agile teams	3	3
Adopt flexible work policies	4	4
Bringing workers back to the physical workplace	5	9
Build a more inclusive culture	6	7
Increase engagement levels among on-site workers	7	15
Increase engagement levels among remote workers	8	10
Create a physically safe workplace	T-9	13
Create a psychologically safe workplace	T-9	16
Increase online training	T-11	12
Recruit a more diverse workforce	T-11	6
Ensure equal pay for equal work	T-13	19
Increase the number of remote workers	T-13	17
Increase virtual work capability	T-13	8
Redesign Total Rewards structure	T-13	14
Address mental health needs of employees	T-17	11
Coaching to enhance employee performance	T-17	5
Other	19	20
Decrease the number of remote workers	T-20	21
Increase use of contingent, temporary labor	T-20	18

N=55

N=1,538

Source: *The Conference Board*

Note: T denotes tied rankings

What matters in terms of leadership, according to C-suite executives in France, is leaders who can inspire, are innovative thinkers, and have the ability to build trust and integrity within their organization. Overall, the views of C-suite executives in France are broadly aligned with those of their global peers in terms of what kind of skillset is essential to drive organizational success in the post-pandemic era. Interestingly enough, French business leaders put much more emphasis on stakeholder management skills relative to their global peers ranking it in fourth place, while this attribute was ranked only fourteenth globally. The prioritization may result from the strong attention to environmental and societal concerns.

When they were asked to identify *the most important leadership skill that organizations require as they enter 2021*, the vast majority of them referred to agility as the most critical trait

of successful leadership, followed by vision, empathy, integrity, and adaptability. The challenges for leaders going forward are many. Leaders will still need to retain, motivate, engage, and inspire a weary post-COVID-19 workforce trying to stay technologically and culturally connected that longs to work for a leader who cares about them as people.

Chart 6

Inspirational leadership, building trust and integrity, and innovative thinking are seen by executives in France as essential skills to lead the post-COVID-19 recovery

**Which skills and characteristics are most important today for your top leaders to lead change in the coming years? (Ranking of options)**

	France C-Suite	Global C-Suite
Inspirational leadership	1	4
Building trust and integrity	2	3
Innovative thinking	3	1
Stakeholder management skills	4	14
Ability to execute	5	2
Critical thinking skills	T-6	6
Reinforcing the organization's vision	T-6	12
Global and cultural acumen	8	8
Empathy	T-9	7
Team leadership	T-9	5
Initiative	T-11	15
Interpersonal effectiveness	T-11	10
Technology savvy	13	11
Peer relations	T-14	19
Personal brand development	T-14	20
Project management	T-14	16
Trustworthiness	T-14	9
Quantitative skills	18	18
Business/Management skills	T-19	13
Other important skills (please specify):	T-19	21
Self-awareness	T-19	17

N=50

N=1,428

Source: *The Conference Board*

Note: T denotes tied rankings

## Coaching Leaders into the Future with Empathy and Emotional Intelligence

For organizations to be successful in the post COVID-19 world, leaders need to know how to communicate with and lead their teams while demonstrating empathy, compassion, and self-awareness. A major challenge for leaders is translating empathy and compassion into a virtual world where interactions are limited to structured meetings over various video platforms. Coaching can help leaders quickly develop and enhance social-emotional skills by offering targeted, personalized, and focused development in these areas. Leaders will need to tap



into their empathy to build a holistic picture of their employees to support engagement and productivity issues that may arise. Coaches can rethink how to create opportunities for leaders to demonstrate their empathy and strengthen relationships with their employees by tuning into employee's current needs in these turbulent times. To convey true empathy, leaders need to consistently acknowledge the personal and business stresses faced by their employees in their internal and external communications.

Source: Amy Lui Abel, PhD and Vivian Jaworsky, [\*Reset & Recovery COVID-19: Coaching Leaders into the Future with Empathy and Emotional Intelligence\*](#), The Conference Board, forthcoming, January 2021.

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## COVID-19 Recovery: The Long-Term Legacies

C-suite executives in France believe that a greater focus on climate change, a reduction of business travel, smaller offices and workspace, and the growing role of businesses to address societal issues are among the most likely long-term legacies of COVID-19. Among the least likely outcomes are listed a decrease in globalization, a smaller permanent workforce, and fewer consumer choices because of industry consolidation. To plot an effective long-term strategy, business leaders need to identify the key long-term trends most important for their business and consider scenario planning to test their agility and resiliency for the long haul.



Chart 7

C-suite executives in France see an increased focus on climate change and social issues, as well as reduction in business travel as the most likely long-term legacies of the pandemic

**Please rate the likelihood of the outcomes becoming a more permanent (beyond 3 years or more) part of a changed economic, business, or societal environment in a post-COVID-19 pandemic world. Scale from 1-5, 1 being least likely and 5 being most likely**

Percent of C-suite executives rating outcome as likely/highly likely.

	France C-Suite	Global C-Suite
Climate change focus will increase	86%	68%
Reduced business travel	78%	76%
Businesses increasingly expected to address social goals	70%	59%
Smaller office/workspace; reduce physical footprint	70%	69%
More tasks automated	63%	70%
Boards play greater role in shaping corporate citizenship	58%	45%
More resilient supply chains (e.g., integrated, closer to home markets)	58%	69%
Trust in democratic institutions will diminish	54%	31%
Large firms will have better access to capital markets than smaller firms	53%	66%
Remote work requires different compensation and benefits	45%	56%
Healthcare systems better prepare for potential future pandemics	42%	57%
More efficient supply chains (e.g., longer, distributed)	37%	49%
Trust in capitalism and markets will diminish	34%	25%
Globalization will increase	28%	34%
Globalization will decrease	21%	25%
Smaller permanent workforce	20%	33%
Fewer consumer choices because of industry consolidation	18%	30%

Source: *The Conference Board*

**Climate Risk and Corporate Citizenship:** Most executives in France do see a growing focus on both climate change mitigation and a need to address social issues in the public arena as likely long-term legacies of COVID-19. This view is being driven by changing stakeholder expectations and increasing regulatory requirements. In China, just 31 percent of C-suite executives see businesses increasingly expected to address social goals as a long-

term legacy of COVID-19, compared to 70 percent in France, 65 percent in the US, and almost 60 percent globally.

Despite the potential benefits, including enhanced reputation and improved employee engagement, there are challenges to addressing social issues. Organizations should consider their many stakeholders when choosing to respond to such issues. While a response to a more contentious issue may please some stakeholders, it may alienate others. Companies need to be prepared to break new ground in discussing issues of economic fairness. Many companies have a beneficial story to tell about how their business—and philanthropy—helps to broaden the circle of economic opportunity. Companies should marshal the data to tell their story of how they are making a measurable difference. If companies do not identify their own shortcomings, someone else will and the reputational damage can be significant.<sup>7</sup>

**Reduced Travel and Smaller Workplaces:** Almost 80 percent of the C-suite executives in France see reduction in business travel and 70 percent expect smaller offices/workspace as two of the most likely permanent outcomes in the post-COVID-19 era. Their views, which are in line with those of their global peers, should not come as a surprise. More than a year into the pandemic, companies had to quickly adjust into this new norm of ‘social-distancing’ to keep their employees safe, while at the same time ensuring the delivery of their products and services. As the pandemic abruptly changed the way businesses operate, many business leaders, including French executives, see in the future less unnecessary traveling, a hybrid model of teleworking and presence in the office, as well as a smaller workspace to accommodate the rise in remote workers.

## Lessons Learned

Adaptability, relying more on technology, trustworthiness, and staying composed under pressure are among the key lessons learned during the pandemic that French executives say will help them manage the challenges ahead.

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### In Their Own Words – Lesson Learned

The following are a sample of verbatim responses from C-suite executives in France to the question: *What have you learned in 2020 that will help you navigate in 2021:*

*“It is essential to have strong ability to go through violent and unforeseeable crises.”*

*“Having a diversified portfolio of geographies, trading partners, and clients allows us to limit our fragility in crises like the one we are going through. We need to adapt some of our business models to make them more resilient.”*

*“We must have a strong societal and environmental commitment. It is an urgent need to address climate change and the erosion of biodiversity.”*

*“It is essential to know how to react very quickly to crises, a need for availability of good data, and agility in decision-making.”*

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<sup>7</sup> Paul Washington and Merel Spierings, *Insights for Investors and Companies in Addressing Today's Social Issues*, The Conference Board, October 2020.

## About this report

The anonymous survey was carried out from November into early December 2020, following the US elections in November. To provide a representative view from respondents from around the world, we weighted the 1,538 responses (909 CEOs, 629 C-suite executives) in aggregates (such as global and major regions) by the square root of the respondent's country share in global output (GDP) divided by the respondent's share in the total number of responses from his/her country. Overall, 55 C-suite executives replied from France.

While CEO and C-suite priorities certainly vary on a company-to-company basis, we believe this report can serve as a discussion starter and idea prompter within organizations to ensure that the enterprise understands the challenges it faces, the strategic goals it needs to set to meet those challenges, and the strategies and tactics required to be competitive in a global marketplace. The project, coordinated by The Conference Board, was made possible thanks to collaboration with 14 institutes around the world that invited their members and contacts to fill in the questionnaire to improve the coverage globally.

## About the Conference Board

Founded in 1916, The Conference Board is the member-driven think tank that delivers trusted insights for what's ahead. Our agenda is simple: to help leaders navigate the biggest issues facing business and better serve society. We believe in innovative approaches that make you think—and act—differently. And everything we do reflects the input of our members and their real-world challenges. We do this by delivering business insights. We connect senior executives across industries and geographies to share ideas, and our experts create fact-based research and consensus-driven policy statements to help leaders address their most important business issues. Because we are independent, non-partisan, and non-profit our work is trusted. If you learned it at [The Conference Board](#) you can count on it.

## About Institut de l'Entreprise

Created in 1975, the Institut de l'Entreprise is an independent, non-partisan community of businesses that work together on better understanding and promoting an ambitious vision for companies in the 21<sup>st</sup> century, one that is open to the world and society. Through its programs, the Institut de l'Entreprise seeks to redefine the balance between economic performance, societal and environmental goals. Its programs consist of studies, publications, leadership and training programs, and convening events conducted with business leaders. The [Institut de l'Entreprise](#) ecosystem unites more than 120 enterprises, mostly international companies that are strongly implanted in France.

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