

Factum Global Business Sentiment Survey

SPRING 2023

Executive Outlook on Global Work



INTRODUCTION



The pandemic has forever changed the way we work.

While in-person work arrangements have been tested over the past few years by remote work, virtual meetings, and hybrid models, many organizations continue to grapple with balancing their ability to evolve their corporate culture as demanded by their employees, while growing profits.

Traditional HR practices also continue to evolve with AI and automation, which in some cases has streamlined processes and presented new ways to hire teams outside of the home market. This shift has enabled HR professionals to focus on developing and nurturing relationships with employees, ensuring that they are engaged and satisfied with their work.

These trending issues facing the current and future state of how we work globally are important to long-term business success and are why we chose this topic for our **Spring 2023 Factum Global Business Sentiment Survey**. In the pages that follow, we offer you a unique data set and insights pertaining to the future of global work and executive sentiments regarding global business.

AI and automation have revolutionized the recruitment process, offering several benefits over traditional methods. A salient example includes the use of algorithms and AI-driven tools to help organizations identify the best candidates for a given role, reducing the time and cost associated with recruitment. Recently, we see the beginning of a new era of AI innovation with the rapid development of chatbots like OpenAI's ChatGPT, which has been proclaimed as not only the "next Google" but a potential disruptor to white-collar industries with its capability of providing articulate answers for complex questions with ease and convenience. However, when it comes to the state of global business and work, there's more to the story than technology.

The survey findings demonstrate that global business continues to thrive.

Despite the most recent banking crises in the U.S. and Europe to other global economic concerns and rising inflation; to the ongoing war in Ukraine with Russia and China closely aligned; global business and trade remains strong. Companies are forging new strategic alliances, evolving, and expanding into new markets to tap into growth opportunities.

As we continue to work around the world, we hope that the data and insights in the pages that follow will contribute to your dialogue and decision-making related to how you work as an organization and around the globe.



Francisco Gomez,
Founder & CEO, Factum Global

Factum Global Business Sentiment Survey

In February 2023, Factum Global launched the **Spring 2023 Factum Global Business Sentiment Survey** to measure and track sentiments on global business (following its inaugural launch in August 2022).

The state of the world remains in flux. Most recently, the trouble in the U.S. and European banking sectors, with the collapse of Silicon Valley Bank (SVP), the rescue of other U.S. banks, and emergency support given to Credit Suisse in Switzerland, has caused some panic across global financial markets and further complicated the taming of inflation by regulators. The Russia-Ukraine war surpassed one year of conflict, with no end in sight. Geopolitical concerns - particularly in China, across parts of Latin America, and Africa – continue to keep executives on edge.

After years of unprecedented global events, businesses and their workforce are still navigating a “new normal” after the heavy toll of the pandemic. Despite today’s current state of global affairs, **sentiments towards maintaining or expanding business around the world remain favorable.**

Findings in this report focus on how global executives view the state of global work and what it means for their organization and sentiment on global business.

Sections included in this report are:



Executive Summary



Sentiment Index Score Analysis



Key Findings & Themes



Survey Results Analysis

Methodology

The Spring 2023 sentiment survey was conducted, in collaboration with Global Chamber and weConnect, from February 14 to March 12, 2023. Nearly 120 executive leaders - from around the world and distributed across a variety of industries – responded to the survey.¹

To adjust for differences in response rates, the data is weighted based on the relative distribution of responses by role to total complete, unique responses. To calculate the sentiment analysis score, responses to the five key business-oriented variables are organized in graded polarity categories to include varying levels of positive and negative sentiment and then normalized based on total complete, unique responses.²

1. Of the 117 anonymous responses, 96 unique respondents fully completed the survey and have formed the basis of this report. Respondents have some experience in international business and represented a comprehensive range of regions, industry sizes and seniority levels. Seniority levels included: C-Suite Leadership/Board Member (43.8%), Executive/Senior Management (39.6%), and Director/Middle Management (16.67%). Of those who voluntarily provided their organizational information, 88% came from executive leaders in small and medium sized enterprises (< 1,000 employees), 57% were US-based, and 43% were headquartered in nearly 20 countries among regions including Asia-Pacific (8.5%), Europe (19.5%), South America (6.1%), North America (57.3%), and Sub-Saharan Africa (8.5%).

2. Complete, unique responses indicate that respondents have fully answered all required questions but may not have shared their company information.

Findings

EXECUTIVE SUMMARY

Capitalizing on a changing global workforce may be your greatest competitive advantage.

Since the last survey report in the Fall of 2022, there has been increased attention and media coverage on AI, layoffs across the tech and other industries, and continued supply chain disruptions, as it relates to the global workforce. We asked respondents to share their sentiments on the future of global work to achieve a greater understanding of the state of global business and how these technologies and changes are impacting workers. Overwhelmingly, **two-thirds** of survey respondents recognized that while the global workforce will continue to evolve, more innovative, technological solutions, like AI and automation, will **positively transform** how they work in their own organization. **One-third** of respondents mentioned an **increased interest** in pursuing new markets for their recruitment and retention plans to manage the impact of public health crises and geo-political developments on commerce, supply chains, and services. Only **5%** of survey respondents feel that the state of the global workforce will remain the same.

While respondents are generally positive about their overall outlook on global business, the sentiment is **not equally distributed** across executive functions - from Director, C-suite, up to the Board level. With forecasts of higher inflationary environments and shifts in geopolitical alliances, respondents are **approaching global business more cautiously** (similarly to previous report findings) but still focused on leveraging prospects beyond their home markets as a necessity for their core business. In most cases, respondents still see incredible growth potential to continue doing global business.



Key insights include:

- Continued trends of executives pursuing new market opportunities, particularly through a regional “nearshoring” approach, to offset risks and uncertainty in their home market.
- Focus on building or strengthening strategic alliances with other businesses.
- Hiring directly in new markets or partnering with local businesses to increase international presence.
- Overall enthusiasm for continued international activities despite mixed feelings on current global conditions.

“While there may be an economic downturn, it is still important to expand globally and build market strength to help account for the possibility of decreases in interest...domestically.”

- Survey Respondent

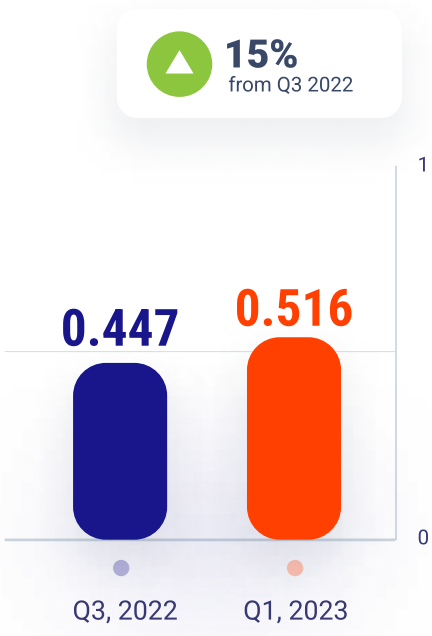
Sentiment Index Score Analysis

The Sentiment Index Score is based on five key indicators that contribute to the overall score and measure respondents’ perceived morality, risk tolerance, global business plans, global organizational performance, and macroeconomic expectations.

On a scale of -1 (most negative) to 1 (most positive), total sentiment score is calculated at **0.516** (+15% from Q3, 2022), indicating slightly **increased positive sentiment toward global business** from six months ago.

Respondents scored higher for almost all sentiment indicators with exception for their risk tolerance, which scored the lowest at 0.085. Respondents scored most positively at 0.120 when asked whether **doing international business is good for their organization** based on their forecast for the current global economy. Respondents had **more mixed responses to their macroeconomic expectations** and feelings about the world of global work —scoring at 0.094.

0.516



Perceived Morality - 0.120	▲
Global Organizational Performance - 0.109	▲
Global Business Plans - 0.107	▲
Macroeconomic Expectations - 0.094	▲
Risk Tolerance - 0.085	▼

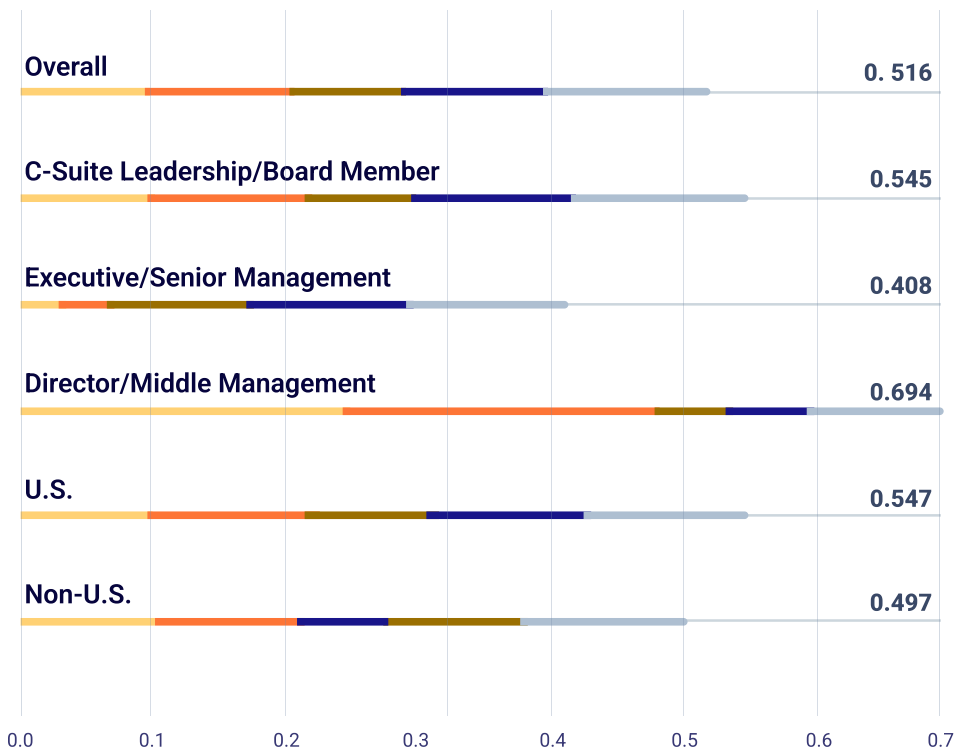
Increased positive sentiment toward global business



While sentiment towards global business has increased, it is not equally distributed across executive functions. Respondents who identified as Director/Middle Management scored higher (35% above overall weighted average) than respondents who identified as C-Suite Leadership/Board Member (6% above overall weighted average). Respondents who identified as Executive/Senior Management scored most negatively (21% below overall weighted average).

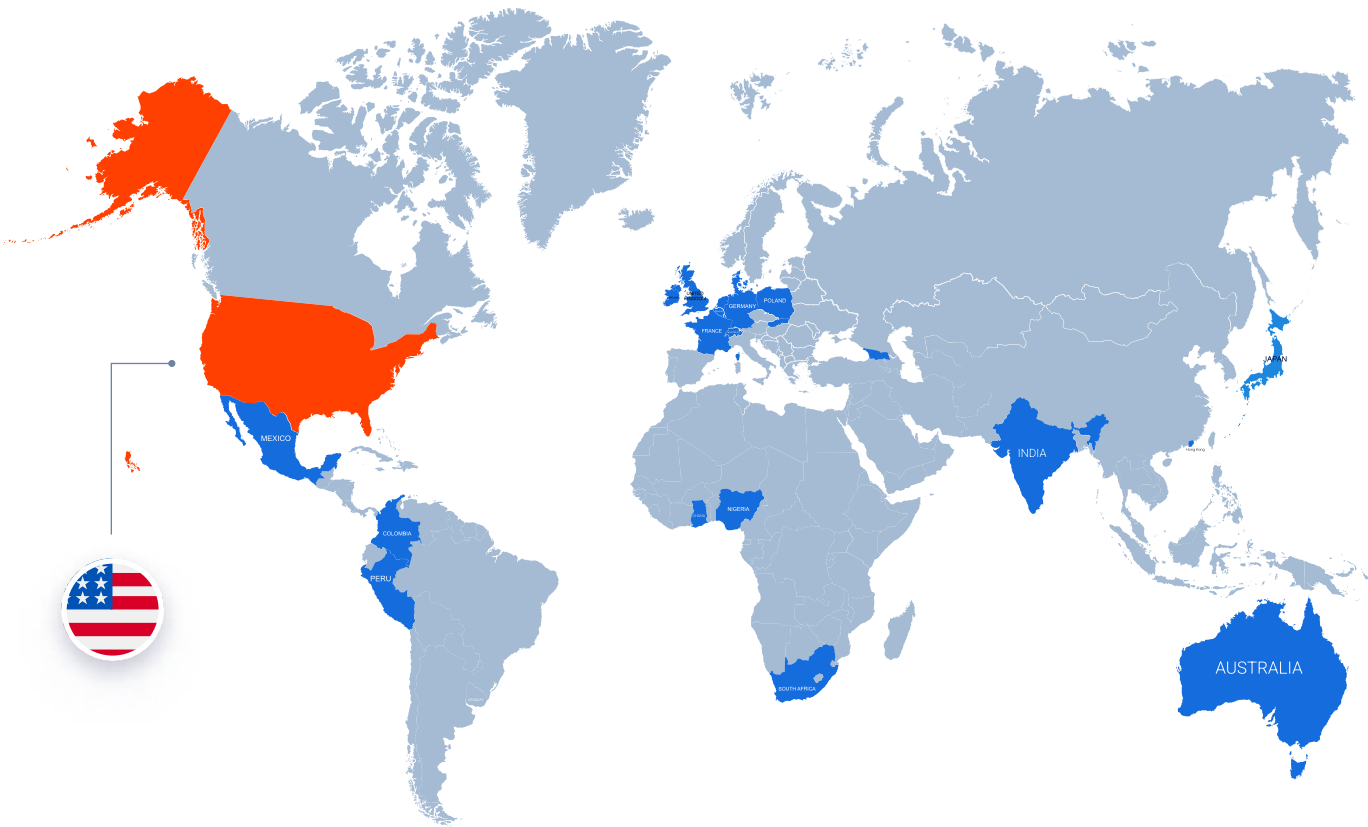
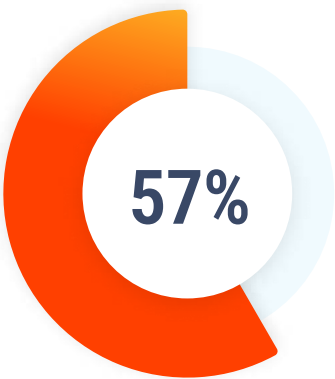
Sentiment Score Comparison by Respondents' Role & Company Headquarter Location

- Macroeconomic Expectations
- Global Performance
- Risk Tolerance
- Global Business Plans
- Perceived Morality



U.S. vs Non-U.S.³

- U.S.
- 57% of respondents were U.S. based.

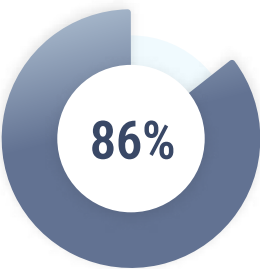


3. Countries represented: Australia, Belgium, Colombia, France, Germany, Ghana, Hong Kong SAR, India, Ireland, Japan, Mexico, Nigeria, Peru, Poland, Singapore, South Africa, Switzerland, United Kingdom.

Macroeconomic Expectations

While there were more mixed responses to feelings about the world of global work across job seniority levels, respondents were generally positive and align overwhelmingly with the following sentiments:

- There will be more innovative, technological approaches, including AI and automation, that will positively transform how the work in my organization will be done.
- The impact of public health crises and geopolitical developments on commerce, supply chains, and services have encouraged me to pursue new markets for my recruitment and retention plans.

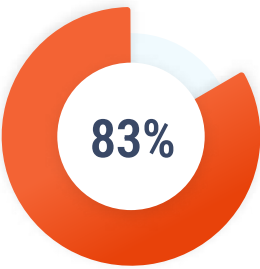


Perceived Morality

86% believe that doing international business is good for their organization based on their forecast for the current global economy over of the next months.



18%
from Q3 2022

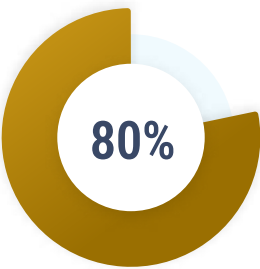


Global Organizational Performance

83% of respondents have a positive view on their organization's performance globally.



13%
from Q3 2022

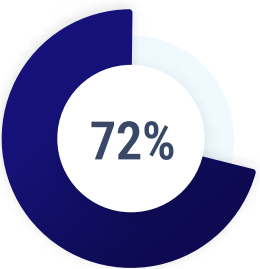


Global Business Plans

80% of respondents have plans to continue or increase international activities in the next six months.



7%
from Q3 2022



Risk Tolerance

Nearly 72% of respondents **do not agree** that it is currently too risky for their organization to continue or increase business with international counterparts.



-4%
from Q3 2022

Macroeconomic Expectations

Changing state of global work will spur transformation and growth, amid uncertainty

Despite continued changes in the geopolitical landscape, inflation, economic uncertainty, and remaining public health challenges, survey respondents are still upbeat. Overwhelmingly, survey respondents recognized that the global workforce will not remain the same and feel that more innovative, technological approaches, including AI and automation, will **positively transform** how work in their organization will be done. Some were both encouraged and motivated by the recruitment of talent in new markets and retention plans to offset the impact of continued uncertainty and economic slowdown.

Sentiments on the world of global work today, ranked by most selected responses.⁴

1

There will be more innovative, technological approaches, including AI and automation, that will positively transform how the work in my organization will be done.

75% of respondents feel this way

2

The impact of public health crises and geopolitical developments on commerce, supply chains, and services have encouraged me to pursue new markets for my recruitment and retention plans.

35% of respondents feel this way

3

I have a neutral view on the future of global work.

13% of respondents feel this way

4

There will be more innovative, technological approaches, including artificial intelligence and automation, that will negatively transform how the work in my organization will be done.

9% of respondents feel this way

5

The impact of public health crises and geopolitical developments on commerce, supply chains, and services have discouraged me to pursue new markets for my recruitment and retention plans.

7% of respondents feel this way

6

The global workforce will remain the same.

5% of respondents feel this way

4. Of 5 sentiments presented as answer choices in Mar 2023. n=112; Source: Factum Global Business Sentiment Survey, 117 executive participants, February 14- March 12, 2022.

Perceived Morality

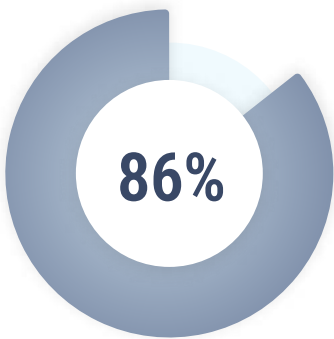







Nearly 86% believe that doing international business is good for their organization

We asked survey respondents, based on their forecast for the current global economy over the next 6 months, whether doing international business is good for their organization. When asked to explain further, most affirm that doing global business is critical to their core business despite continued global uncertainty and economic slowdown— a recurring theme from the previous survey report in Fall 2022. While many cited the growth potential of continuing international business, there were mixed responses to the extent of its impact on their organizational performance due to their specific industry and local markets. The few who disagreed or remained neutral expressed continued caution due to inflation rates, high utility costs, and supply chain challenges but predicted improved conditions beyond the next 6 months.

 +18% from Q3 2022

Respondents agree that doing international business is good for their organization, based on their forecast for the current global economy over the next 6 months, % of respondents




 Strongly Agree	50.00%	<div><div></div></div>
 Agree	36.46%	<div><div></div></div>
 Neutral	10.42%	<div><div></div></div>
 Disagree	3.13%	<div><div></div></div>
 Strongly Disagree	0.00%	<div><div></div></div>

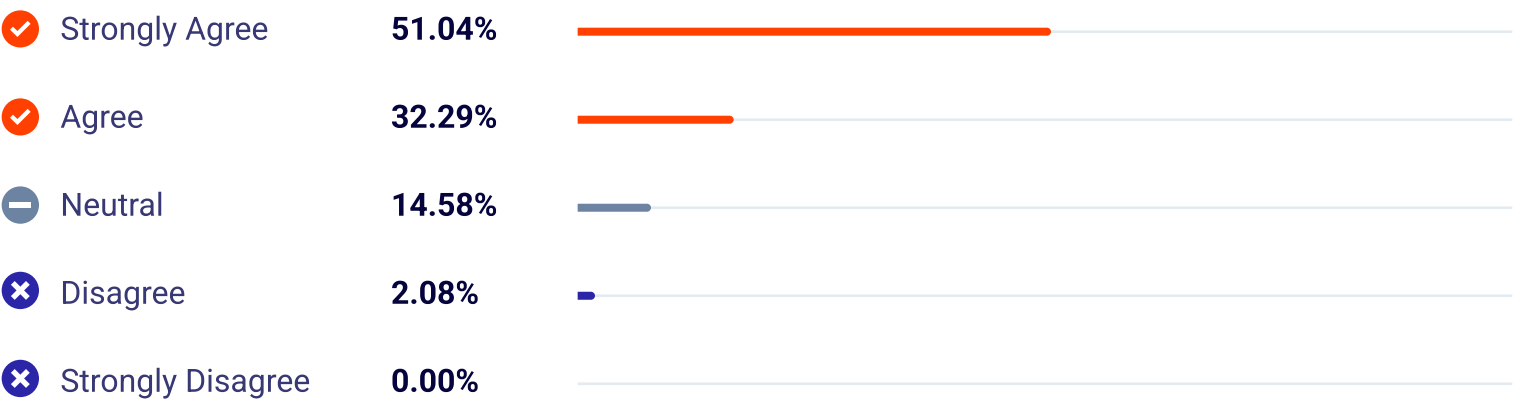
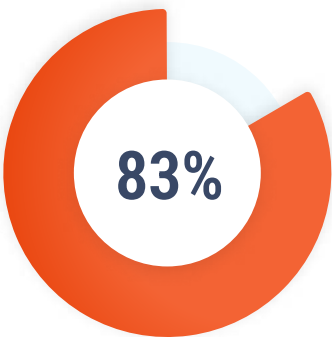
Global Organizational Performance

83% of respondents have a positive view on their organization’s performance globally.

When asked how respondents view their organization’s performance, they expressed a highly positive view — the biggest increase from the previous survey report in Fall 2022. Respondents highlighted an increase in the diversity of revenue sources, growth opportunities, and enhanced workforce capacity as critical factors to their positive view. Respondents who felt differently cited reasons due to continued uncertainty, operational challenges, increased risk in their industry or market, and inflationary concerns.

 +13% from Q3 2022

Whether respondents have a positive view of their organization’s global performance, % of respondents



“This is our niche. Although it is a challenging environment, we know how to navigate it!”

- Survey Respondent

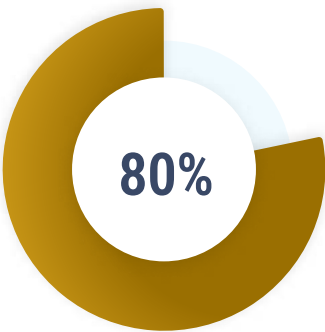
80% of respondents have plans to continue or increase international activities






Considering the increased positive responses in respondents’ view of their organization’s performance globally and forecast for the near future, it is no surprise that there would also be an **increase in respondents** with plans to continue or increase international activities in the next 6 months. Many share how they’re forging new strategic alliances overseas to offset risks in their home market, seeking technological solutions to expand their global footprint, and placing a greater focus in high growth sectors within the emerging economies. Those who are not planning to increase international activities in the near term expressed limited organizational capacity, resources, and a lack of prioritization from top leadership and from within strategic plans.

When hiring internationally, companies have an array of options, including one of the simplest ways — working with an **Employer of Record (EOR)**. Surprisingly, **52%** of respondents were not at all familiar with EOR, and of the 48% who were, only **13%** are using this method.

 **+7% from Q3 2022**

Respondent’s plans to continue or increase international activities in the next 6 months, % of respondents



 Strongly Agree	47.92%	<div><div></div></div>
 Agree	32.29%	<div><div></div></div>
 Neutral	14.58%	<div><div></div></div>
 Disagree	5.21%	<div><div></div></div>
 Strongly Disagree	0.00%	<div><div></div></div>

Risk Tolerance

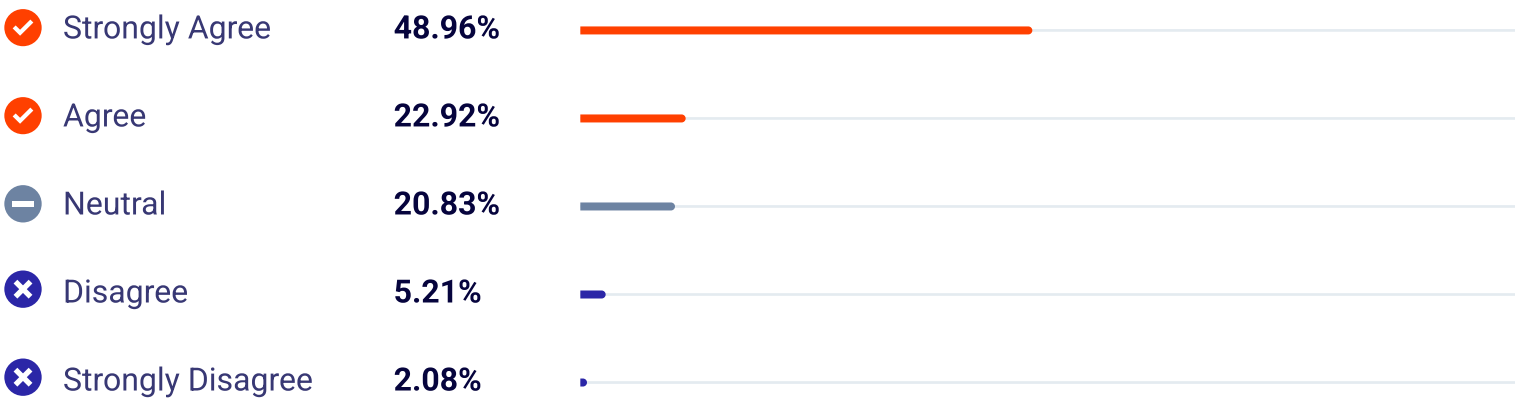
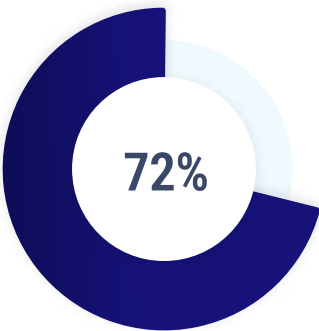
Nearly 72% of respondents do not think it is too risky for their organization to continue or increase business with international counterparts

While most respondents generally **do not agree that it is currently too risky** for their organization to continue or increase business with international counterparts, this proportion of the overall sentiment score has declined since the last survey report in Fall 2022. Those with less risk-averse responses shared how the growth potential and rewards of continued or increased global business far outweigh the risks for their organization. For some, business with international counterparts remains essential.

Respondents who noted some hesitancy to continue or increase business with their international counterparts cite reasons related to industry-specific, management-related, or geopolitical challenges.

▼ -4% from Q3 2022

Respondent’s risk tolerance to continue or increase business with international counterparts,% of respondents



“As inflation rates rise throughout the world, certain jurisdictions will be a better landscape to grow the business than others.”

- Survey Respondent

“ Despite all of the ongoing challenges in the world, Global is STILL good!

Our members, across 525 metro regions, understand the limitations of being local. It's simple. When you stay local, you're limiting your growth potential. Did you ever consider that your most loyal customer, supplier, or partner might be halfway around the world? So, don't get stuck being local! Be global and UNSTOPPABLE to take advantage of infinite business opportunities. By adopting a global business strategy, you will not only generate success for your company but set yourself up for a lifetime of personal growth, fun, and happiness.



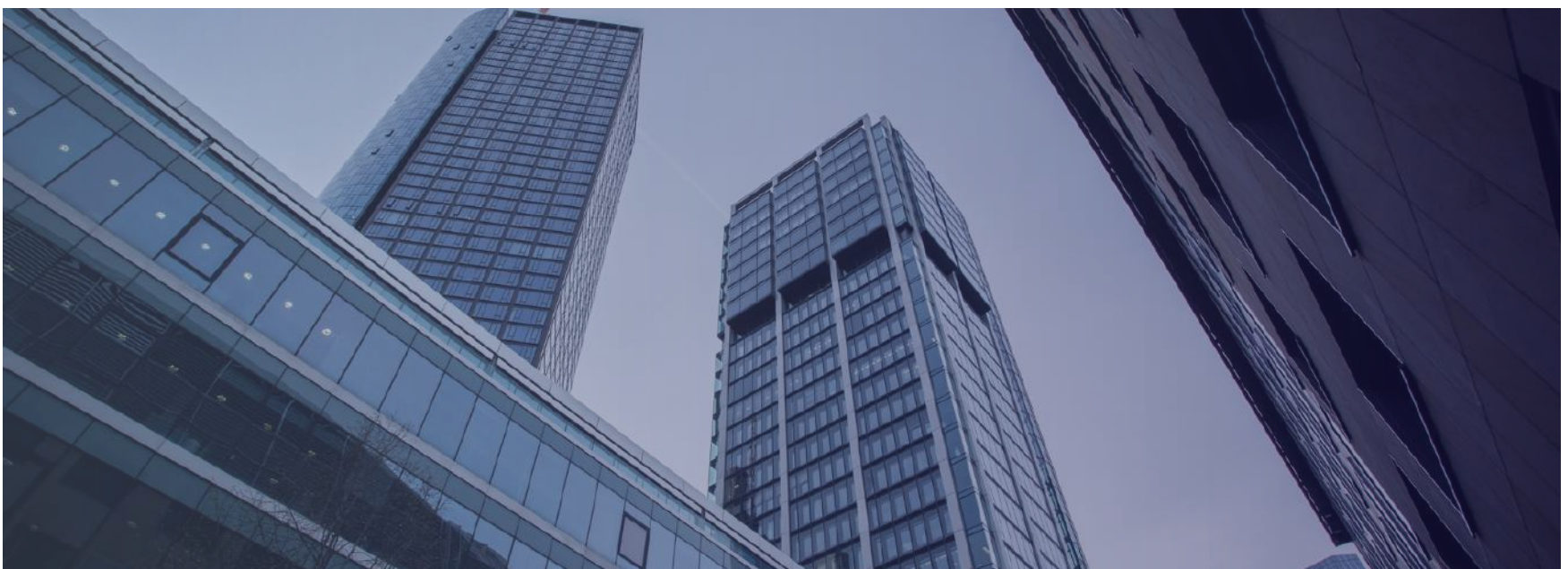
Doug Bruhnke,
Founder & CEO, Global Chamber®



Global Chamber

is a growing and collaborating virtual community of CEOs, executives and leaders in 525 metro regions around the world - everywhere! We're the only chamber of commerce operating in hundreds of locations that helps exporters, importers and investors in every market segment

connect to new clients, partners, projects and resources anywhere through a database of over 100 million trusted people via warm introductions, AI-match making, training, events and more. Be global and UNSTOPPABLE! For more information, visit www.GlobalChamber.org



“ Hiring globally *used to* come with significant cost.

Now with plug and play services Employer of Record providers offer, securing talent in any country is very straightforward. Not only do these services reduce cost but it also allows domestic businesses to offer staff they want to retain the option to live abroad since COVID showed us we didn't all have to work in the same physical location anymore! For example, you can have a growing US business but some of your best talent want to live in Asia or Europe for a year. Now you can easily say yes by engaging an Employer of Record provider to secure a work visa for them and ensure they are compliant with that European or Asian country's legal and tax requirements. This was not very easy to do before.”



Matthew Kyle

Chief Commercial Officer & Co-Founder, weConnect



weConnect

Global Expansion raises the stakes - while your growth opportunities improve, the consequences of your errors are magnified. Even minor missteps can snowball at an international scale. weConnect understands the local

landscape in 86+ countries, and can mitigate the international risks that come with growing your business globally. We'll help you navigate the complexities of international expansion and keep you compliant with local laws and regulations, so you avoid pitfalls that could derail your expansion budget and detract from your overall return on investment.

Don't know what to do first? Check out this page for more information about how to begin expanding globally: www.weConnect.co



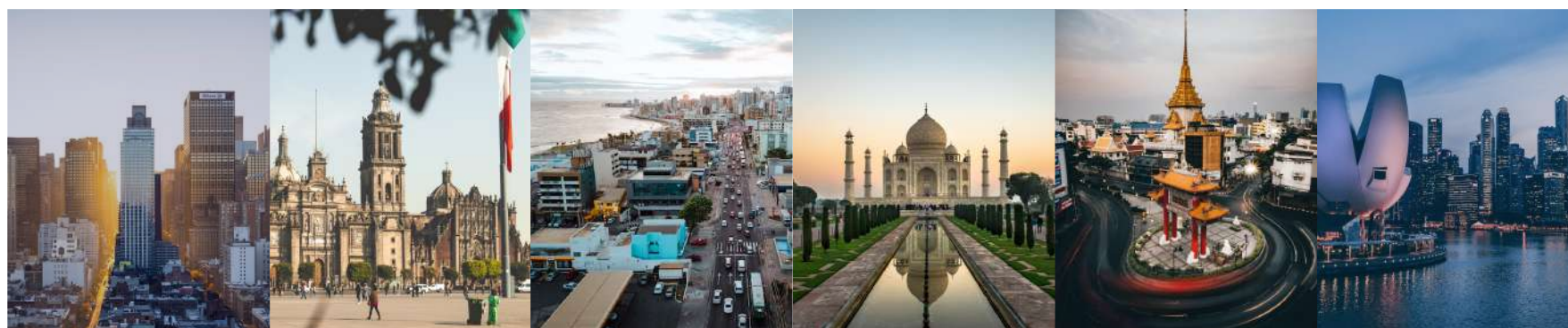
ABOUT US



Factum Global

Factum Global is an international consulting firm that helps organizations expand globally. With over 75 years of combined global expansion experience, our team disrupts the status quo through a company model that brings you transparency, personalized executive-level service, and a proven roadmap to accelerate your organization's growth.

Whether it's launching into a new market, establishing a local office, or navigating tax laws — we will guide you every step of the way. Let us help you create your global strategy and connect you to the world, profitably. www.FactumGlobal.com



Contact

Please email lanh@factumglobal.com for questions about this report.

 [company/factum-global](https://www.linkedin.com/company/factum-global)

 [factumglobal](https://twitter.com/factumglobal)

Follow us on [LinkedIn](#) and [Twitter](#) for more news and insights on international business and global expansion trends.

Credits

Special thanks to our collaborators; Lam Anh-Le, Associate, Factum Global, for her work on survey development and data analysis; Daniela Esteve, Creative Director, Factum Global, for graphic design and web; Cesar Trebanco, VP of International Business Services, Global Chamber, for marketing and technical support.



FactumGlobal.com