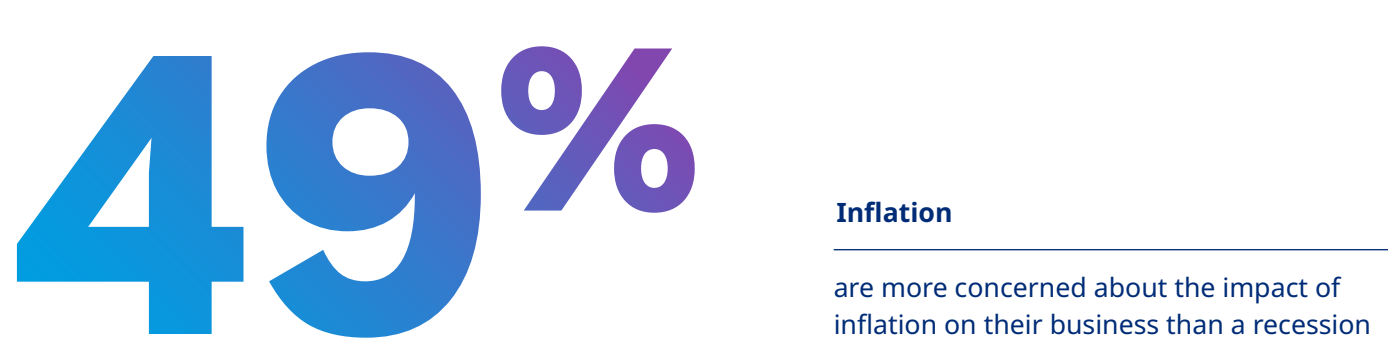




# Insights from Mercer's Executive Outlook study on the 2023 business climate

We canvassed the views of over 400 CEOs and CFOs globally to learn more about how they viewed the economic outlook and how this was impacting their 2023 talent decisions. Read on for our top findings. How is this impacting your thinking on your people agenda? What will you do different in 2023?

**Both CFOs and CEOs are more concerned about the impact of inflation than a recession. That said, there is more concern about a global recession than a local one.**



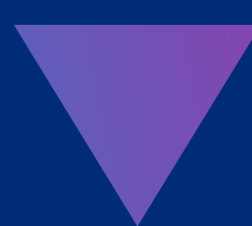
**Over half of our respondents expect inflation to remain the same or increase in 2023.**



**20% higher**



**32% same**

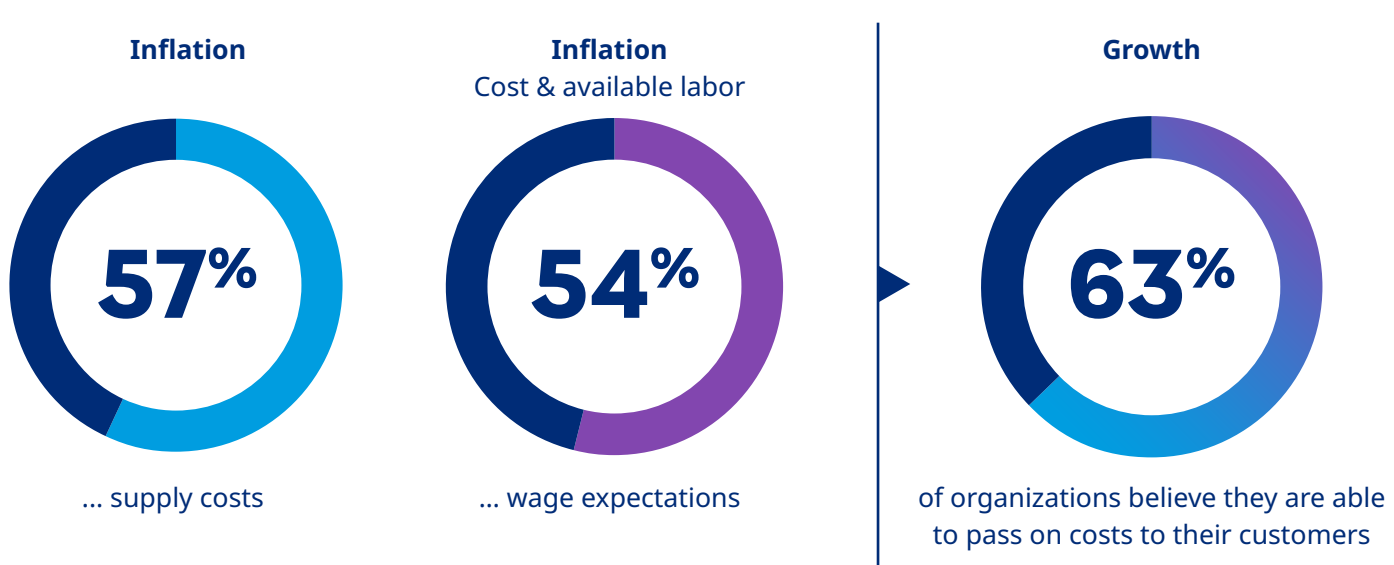


**43% lower**

## How is the economy impacting business and people plans?

More than half our respondents expect wages and supply costs to continue to rise in the next year. However, the majority expect they will be able to pass on higher costs to their customers.

**Anticipate an increase in ...**

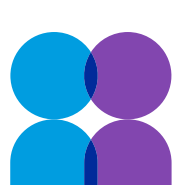


**Although inflation is a greater concern for most, executives are bracing themselves for a deepened recession. Plans include:**



### Business

1. Increase the use of AI and automation
2. Increase strategic partnerships
3. Change business/product mix



### People

1. Increase variable staffing model
2. Accelerate reskilling
3. Hiring freeze/hire critical roles only



### Cost

1. Reduce travel/freeze expenses
2. Review and/or expand low-cost well-being investments
3. Outsource investment responsibilities

**With continued optimism, six in ten organizations say their workforce model is sufficiently agile to pivot talent across the business.**

However, only 35% believe their model could scale talent needs up or down in response to market demands.

**Cost and available labor**  
Workforce models are sufficiently agile to ...



Pivot talent from one area to another

Quickly scale talent needs up and down

**Want to learn more?**  
**Read our executive outlook paper and reach out to your Mercer consultant to discuss how these trends might impact your strategy for 2023.**