

20<sup>th</sup> CEO Survey

# *20 years inside the mind of the CEO...What's next?*

High Tech and Leadership Skills for Europe

January 2017



[www.pwc.nl/ceosurvey](http://www.pwc.nl/ceosurvey)  
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# *20 years inside the mind of the CEO...What's next?*

**Introduction, methodology and participants**

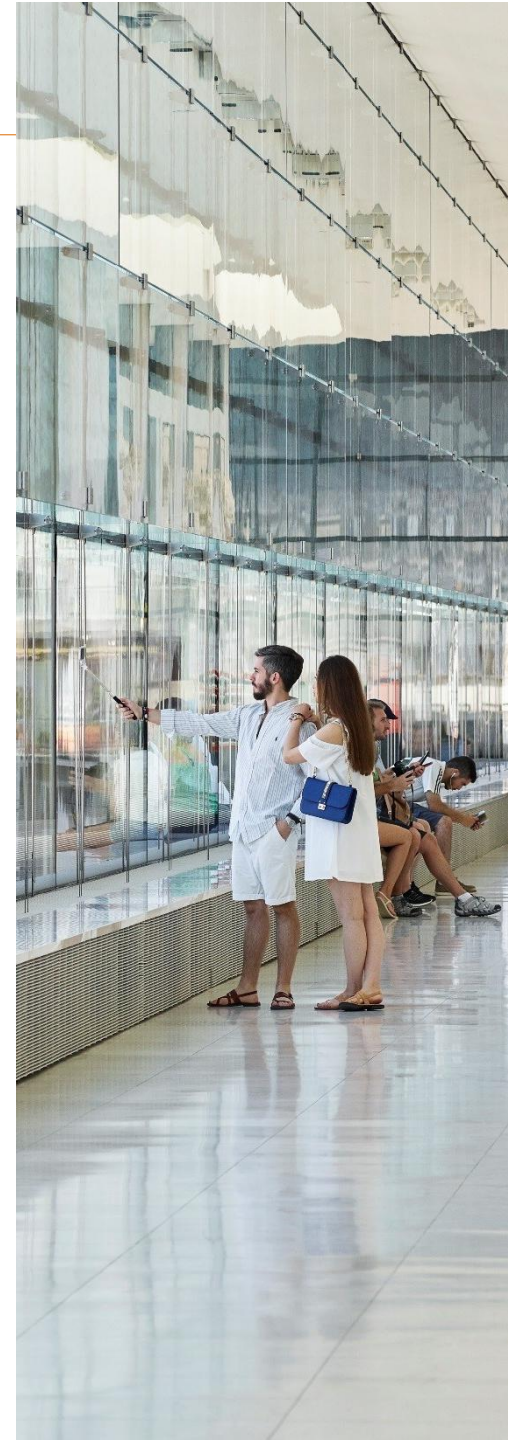
**Key findings**

Competing in an age of divergence

Managing man and machine

Gaining from connectivity without losing trust

Making globalisation work for all



### Fieldwork in numbers

**2,311**  
*surveys completed*

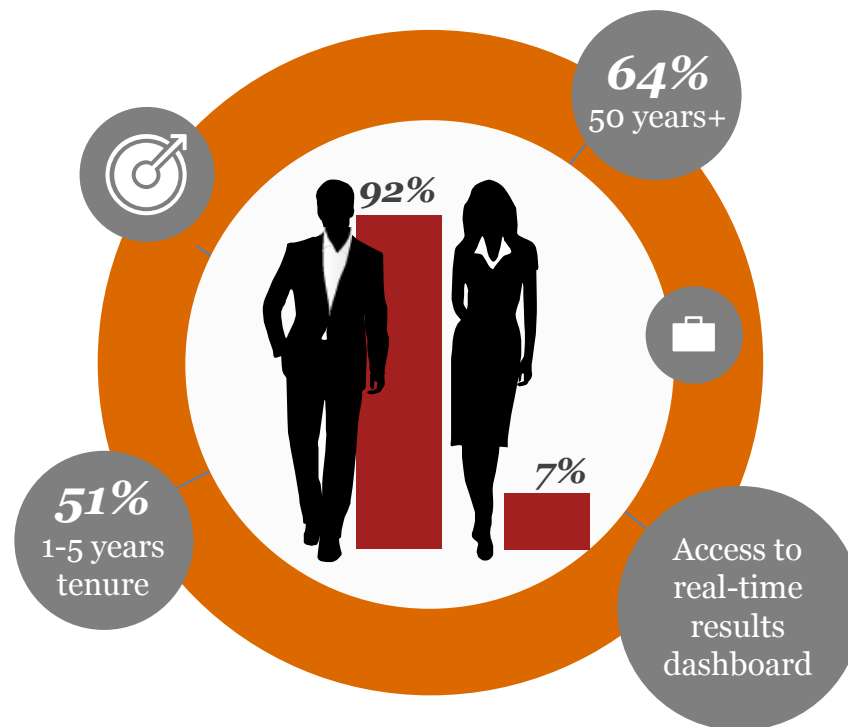
**2,900**  
*CEO panel members*

**79**  
*countries*

 **63%**  
*Online*

 **28%**  
*Phone*

 **9%**  
*Mail*





*20 years inside the mind of the CEO  
...What's next?*





## *The Sentiment: CEO's are standing at cross-roads*

- A Black Swan Each Year.
- Greater convergence has come with greater divergence.



*Competing in an age  
of divergence*



*Managing man and  
machine*



*Gaining from  
connectivity without  
losing trust*



*Making globalisation  
work for all*

*“These are the best of times and the worst of times for CEOs.”*





# A Black Swan Each Year - globalisation and technology

## ***In trade***



- 4x trade flows
- 5x financial flows
- BRIC economies

## ***In technology***



- 500x global online traffic
- Google, Wikipedia, Facebook, Alibaba

## ***In society***



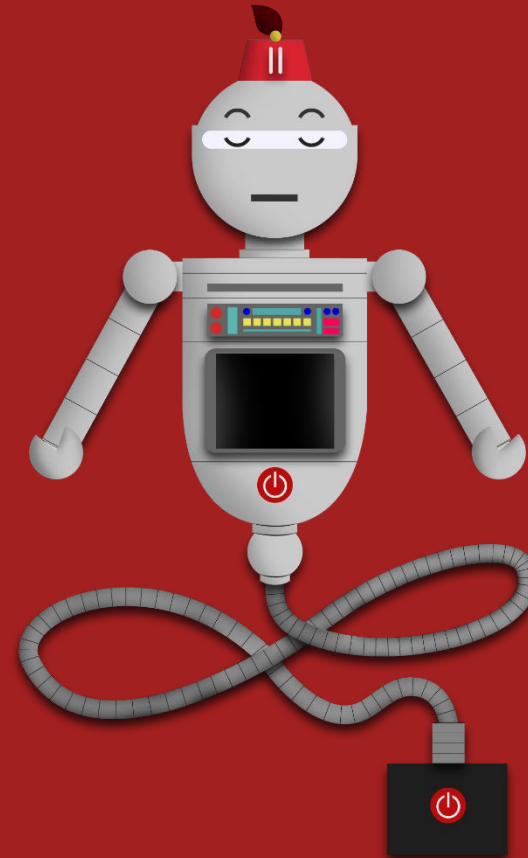
- Lifting 1 billion out of extreme poverty
- New emerging middle class

## ***... however***

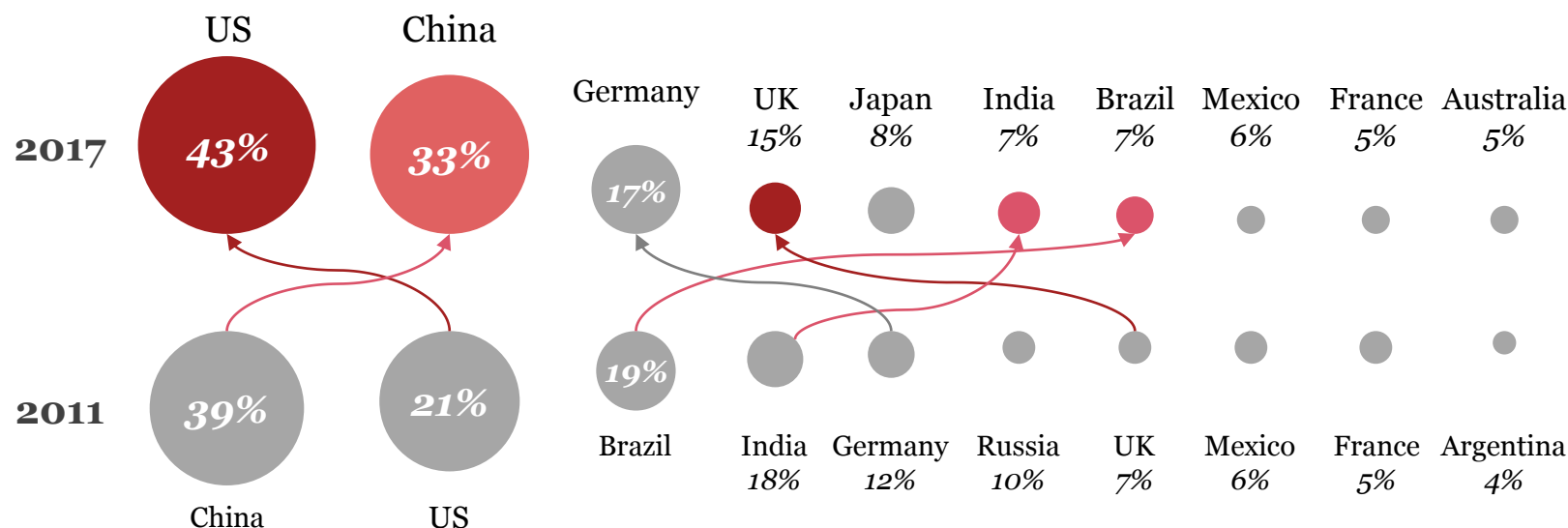
- Inequality is on the rise
- Mistrust in business
- Growing social instability
- Rise in populism

The genie of  
globalization and  
technology is out  
of the bottle...

... and it won't go  
back in



## The US has surged ahead as CEOs' top choice for growth next year – at the expense of BRICS



Source: PwC, 14th Annual Global CEO Survey and 20<sup>th</sup> CEO Survey. Base: All respondents (2017=1,379; 2011=1,201)

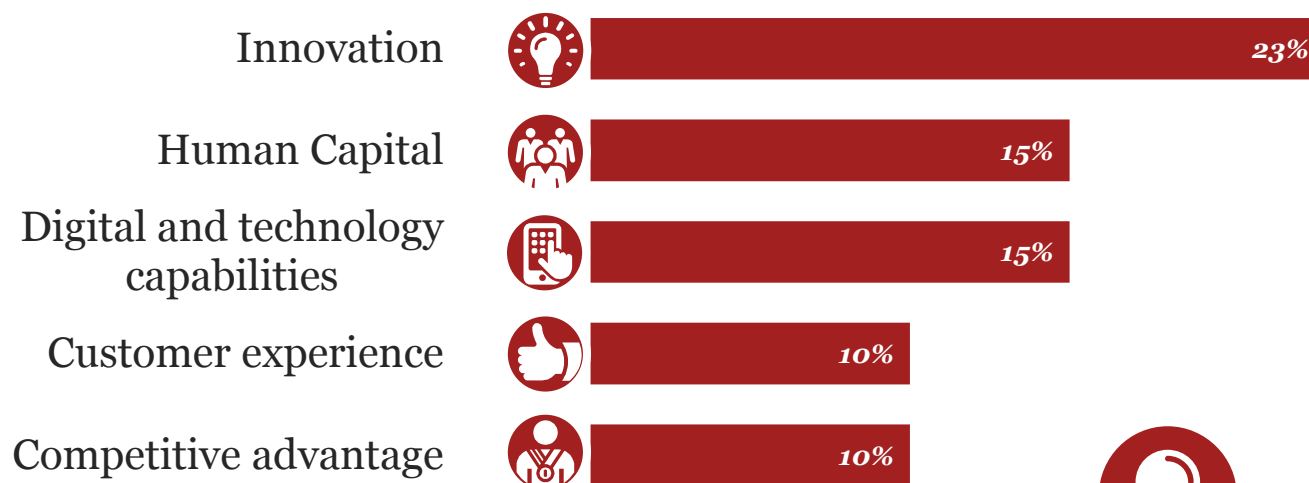
Q: Which three countries, excluding the one in which you are based, do you consider most important for your organisation's overall growth prospects over the next 12 months?





### *CEOs are creating their own opportunities – as usual*

78% are focusing on organic growth - 21% want to strengthen innovation



Q: Given the business environment you're in, which one of the following do you most want to strengthen in order to capitalise on new opportunities?

# Managing man and machine – raising headcount, but what sort?

Technology is a key catalyst for innovation, 32% of CEOs are worried about human skills

**67%**

of very confident CEOs  
plan to increase  
headcount

**19%**

of non-confident  
CEOs plan to  
increase headcount

**11%**

of very confident CEOs  
plan to decrease  
headcount

**46%**

of non-  
confident CEOs  
plan to decrease  
headcount



Q: Do you expect headcount at your company to increase, decrease or stay the same over the next 12 months?

Q: How confident are you about your company's prospects for revenue growth over the next 12 months?



## ***Job losses due to automation or technology – private vs social***

***To what extent will the decrease in headcount be the result of automation and other technologies?***



***To some extent***



***To a large extent***



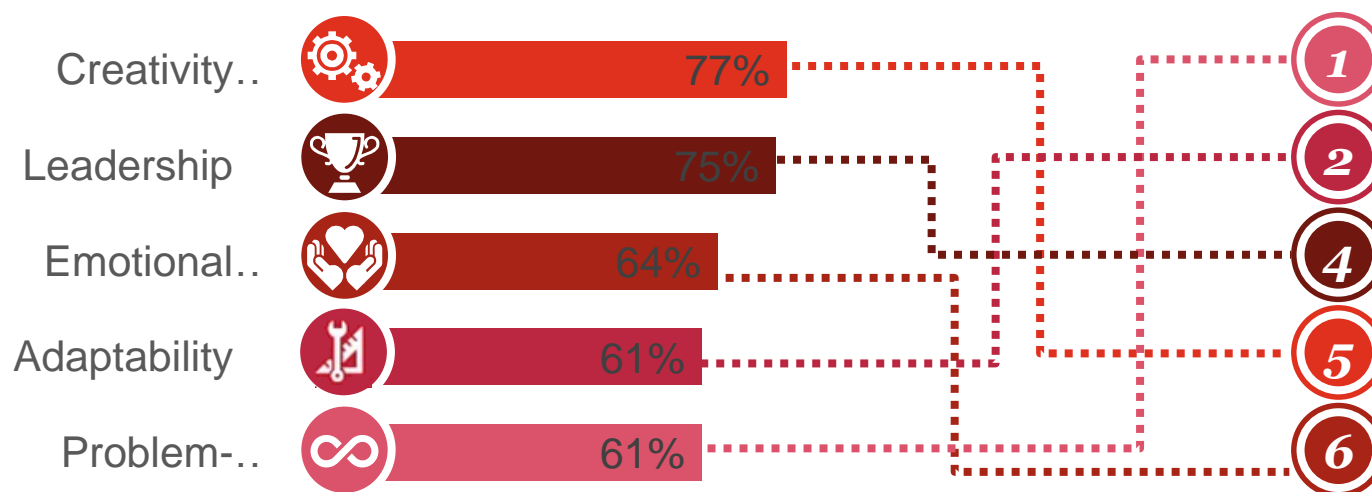
***Not at all***

Note: The graphs may not add up to a 100 due to rounding errors

# *Creativity can't be coded – machines capture productivity-based jobs*

*Difficulty to recruit people with skill*

*Ranks in importance*



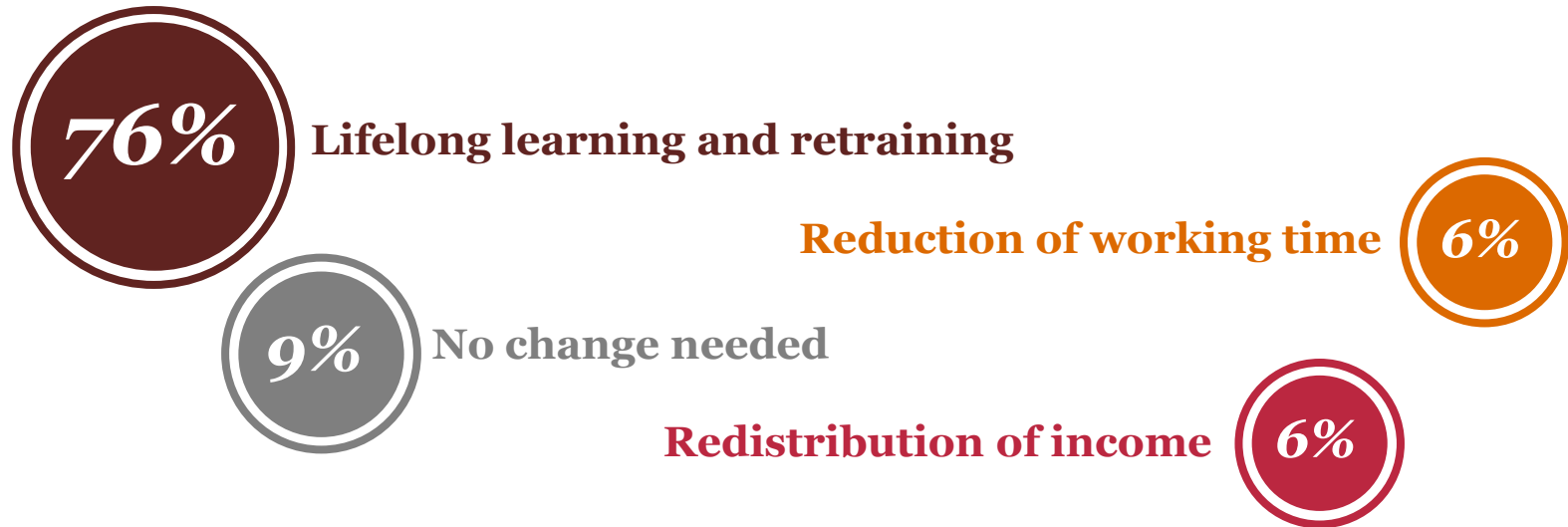
Q: In addition to technical business expertise, how important are the following skills to your organisation?

Q: How difficult, if at all, is it for your organisation to recruit people with these skills or characteristics?



## *Dealing with technological change – changing Europe's job markets*

### *Actions needed to deal with technological changes*

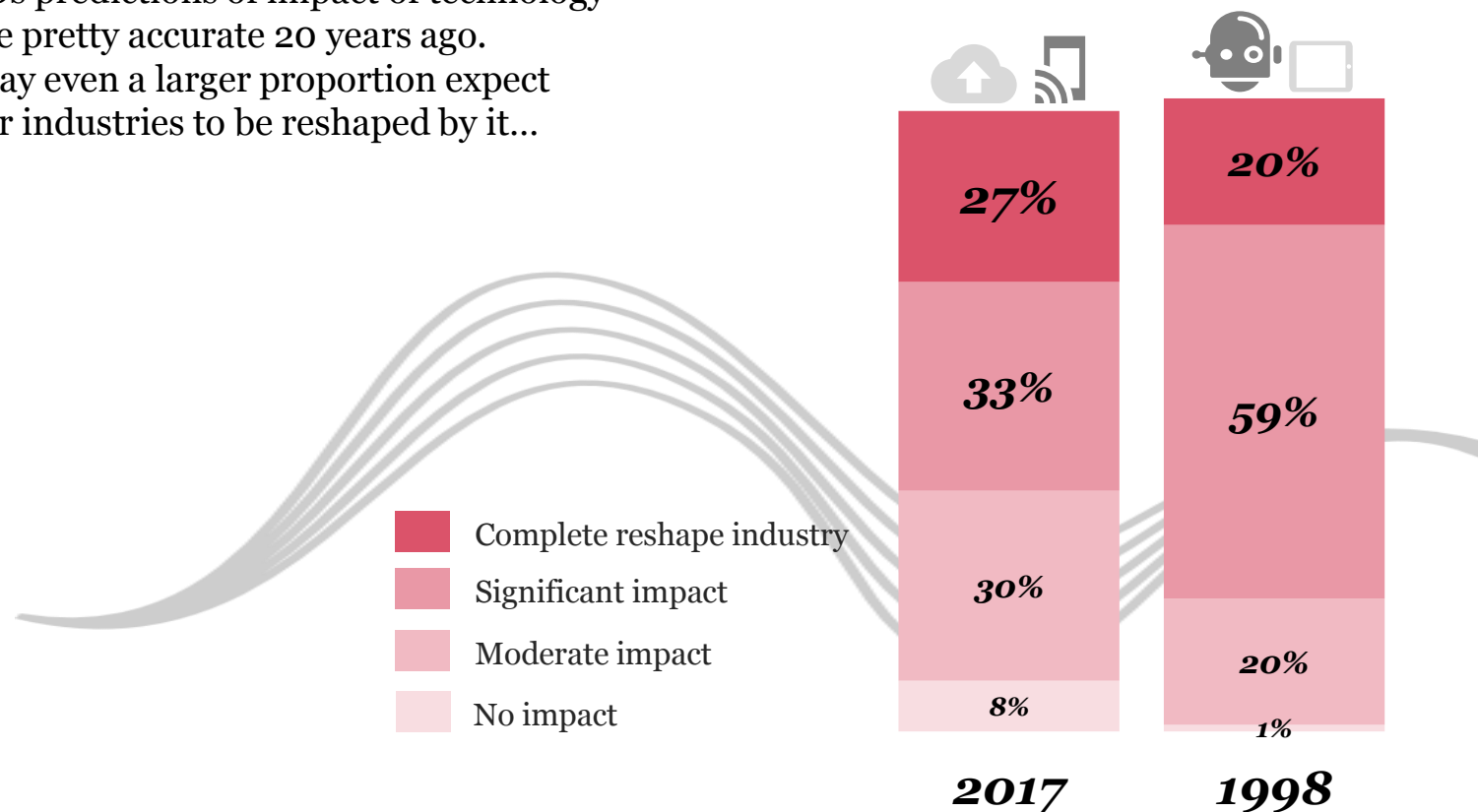


Q: Which one of the following actions, if any, do you think should be implemented in the job market in the Netherlands as a result of technological changes?



### Waves of change

CEOs predictions of impact of technology were pretty accurate 20 years ago.  
Today even a larger proportion expect their industries to be reshaped by it...



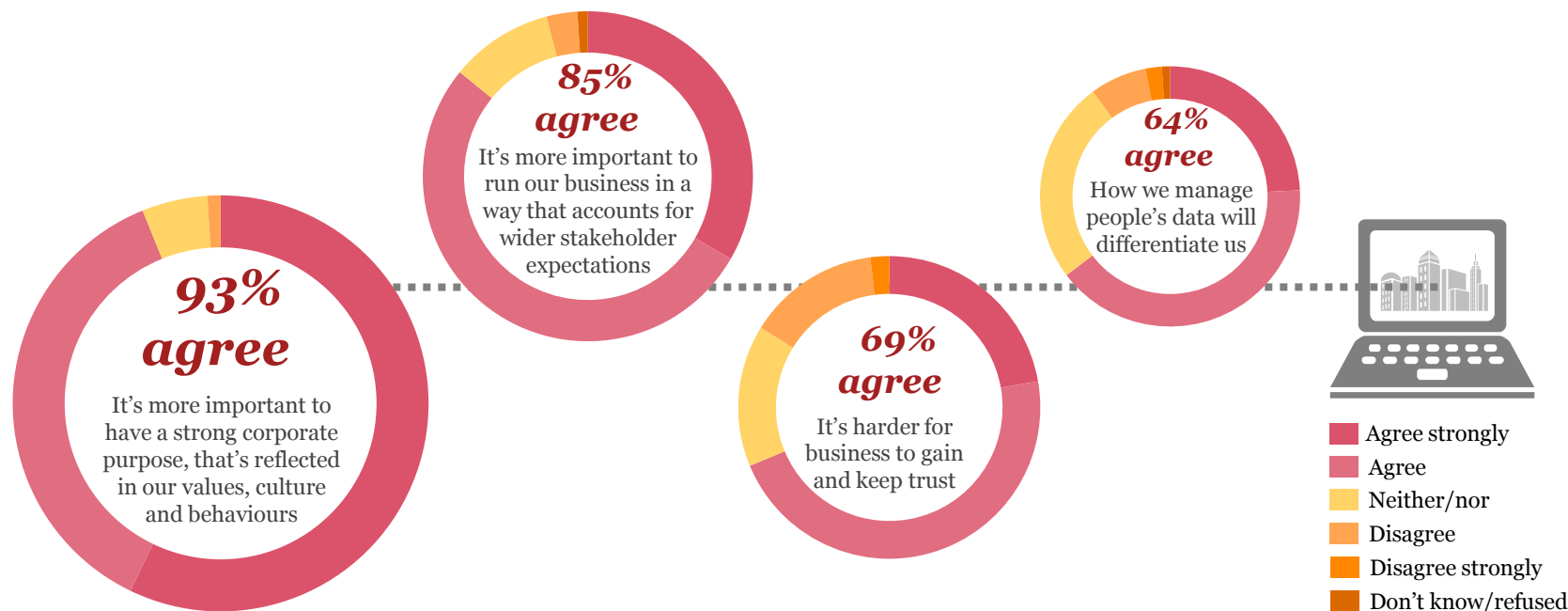
Source: PwC, 1st Annual Global CEO Survey and 20<sup>th</sup> CEO Survey. Base: All respondents (1998=377; 2017=1,379)

Q: To what extent do you think technology will change competition in your industry over the next 5 years?



### Keeping connectivity without losing trust

In 2003 70% of CEOs thought corporate misdeeds posed little or no threat to growth. Today, 59% of CEOs worry about lack of trust in business.



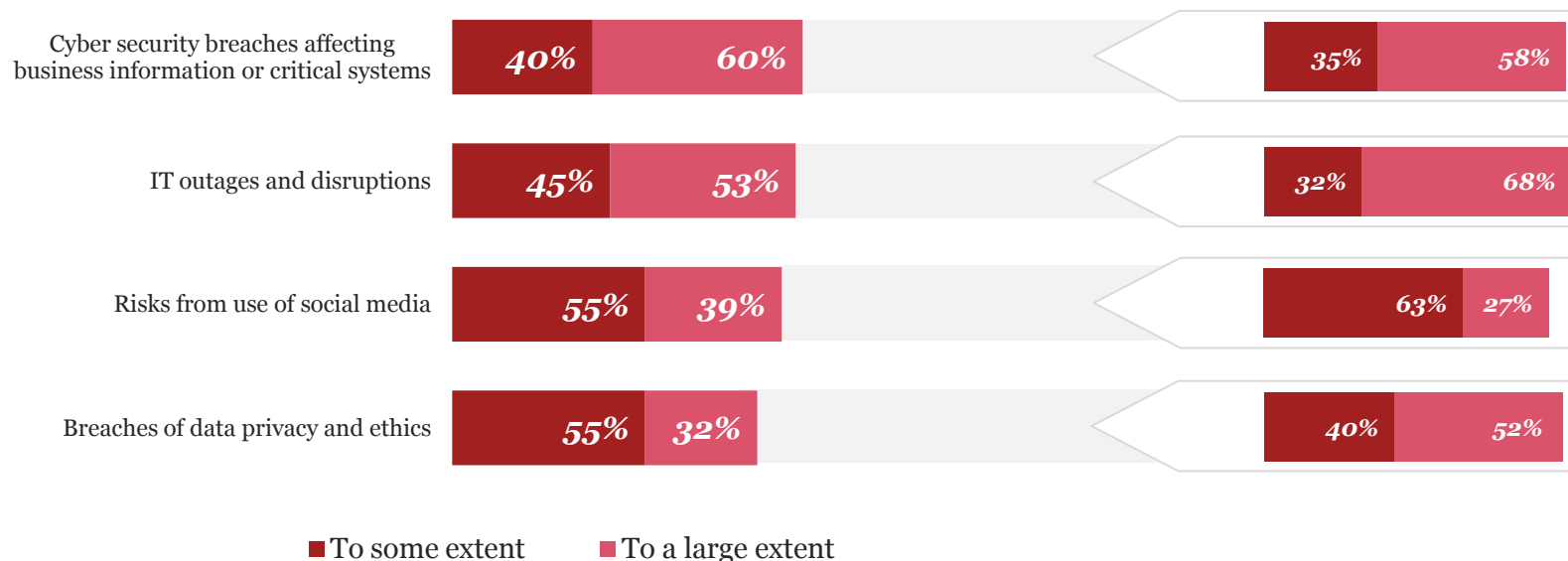
Note: The graphs may not add up to a 100 due to rounding errors

Q: In the context of an increasingly digitised world, to what extent do you agree or disagree with the following statements?

## The dark side of connectivity – proper data management as a qualifier

*The extent of negative impact on trust over the next five years...*

*The extent to which CEOs are addressing each area today*



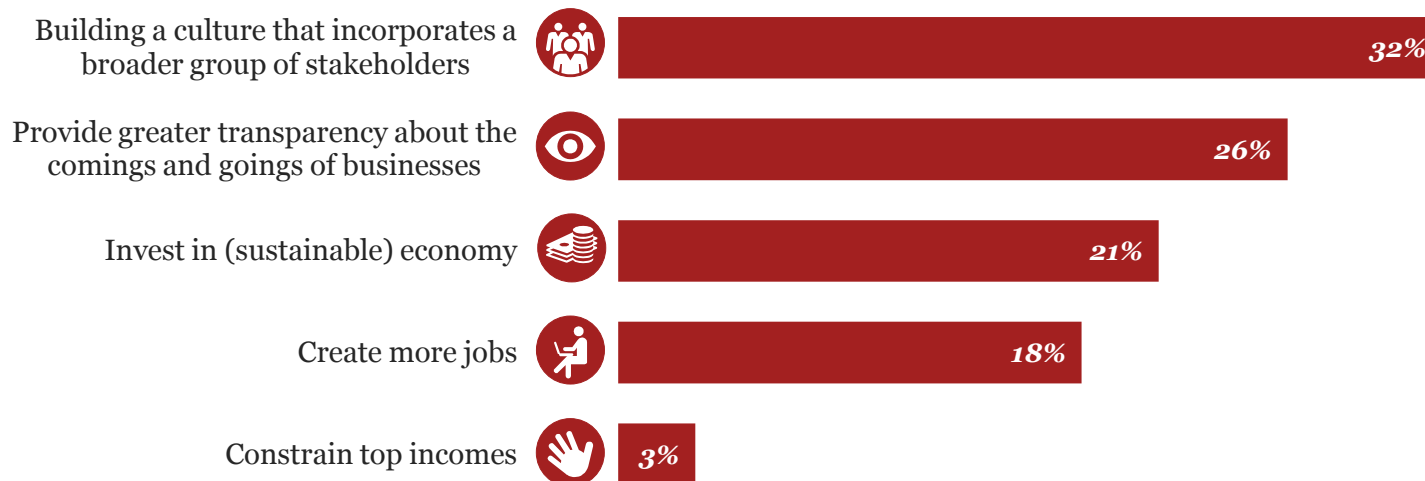
Q: To what extent do you think the following areas will impact negatively on stakeholder trust levels in your industry in the next five years?

Q: To what extent is your organisation addressing the following areas today?





# What to do to restore confidence in society – transparency to stakeholders



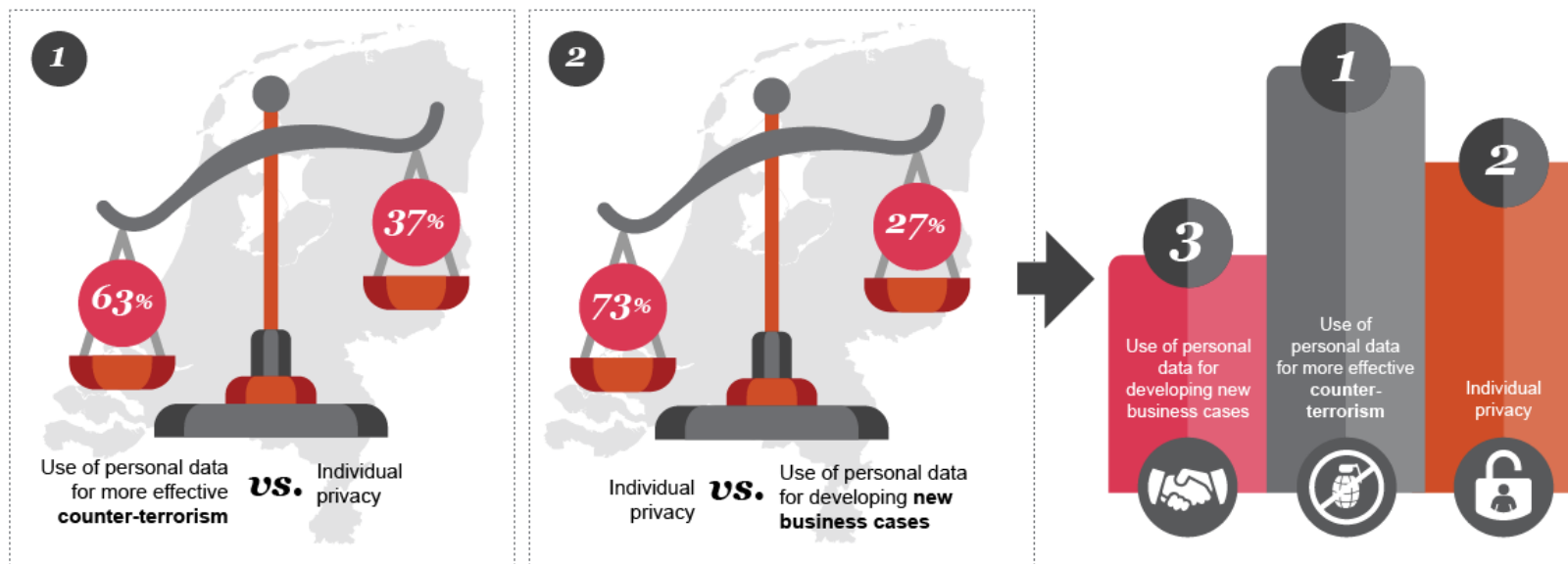
Q: Which one of the following, if any, do you think business could do, to help restore confidence within society?

# Weighing the costs and benefits of data privacy

CEO's value privacy higher against business interests, and lower if it helps in the fight against terrorism.

## Data privacy

According to Dutch CEOs, what weighs heavier?  
What do they find the most important?



Q: Thinking about data privacy, which of the following do you believe is most important?



## CEOs agree that the shine has worn off globalisation – corporate purpose & socialising towards system change



Q: To what extent has **globalisation** helped with the following areas?

### *‘It’s ethics and psychology, stupid’*

#### *CEO’s are:*

- *Positive about the economic outlook*
- *Positive about the opportunities of Globalisation and Technology*
- *Increasingly aware that too much converge breeds divergence*
- *Conscious that they need to take up new ethical dilemma’s*
- *Conscious that they need to internalise societal repercussions ...*
- *... not just as a marketing or recruitment tool*

We surveyed 5,351 global consumers across our 21 strategic council territories in December 2016.

\* Note CEOs were asked for views on global growth and consumers for views on growth in their own country



# Disclaimer



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