

26th Annual Global CEO Survey: India perspective

# Winning today's race while running tomorrow's

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# Foreword

## Riding the dual imperative to survive and thrive

If 2021 promised hope, resilience defined India in 2022. Despite evidence of a global economic slowdown, continuing high inflation and repercussions across the world of the conflict in Europe, the prognosis for India's economic growth has largely been positive. According to the World Bank, while India's economy might show a lower growth in 2022–23 compared to that in 2021–22, it will remain one of the fastest growing major economies in the world because of its robust domestic demand.<sup>1</sup> The World Bank revised its 2022–23 GDP forecast for India upward to 6.9% from 6.5% (in October 2022), while the Reserve Bank of India, in its latest report, lowered its projection marginally to 6.8% for the current fiscal, attributing the same to a global slowdown.<sup>2</sup>

The global economic climate is undoubtedly uncertain. So, for business leaders in India operating in an interconnected world, the slowing growth in major economies — along with inflation, macroeconomic volatility, climate change and geopolitical risks — is of urgent concern. Their worries are reflected in India CEOs' responses to a set of nine questions that fall under the following three groups in PwC's 26th Annual Global CEO Survey:

- the race for the future
- today's tensions
- a balanced agenda.

The findings of our survey, conducted in the last quarter of 2022, while underlining challenges facing business leaders today, underscore a dual imperative that confronts 4,410 CEOs from 105 countries, including 68 from India, who participated in the survey. They indicate that CEOs across geographies do not feel as optimistic about the future as they did in 2021.

About 78% of India CEOs, as against 73% of global CEOs, foresee a decline in global economic growth over the next 12 months.

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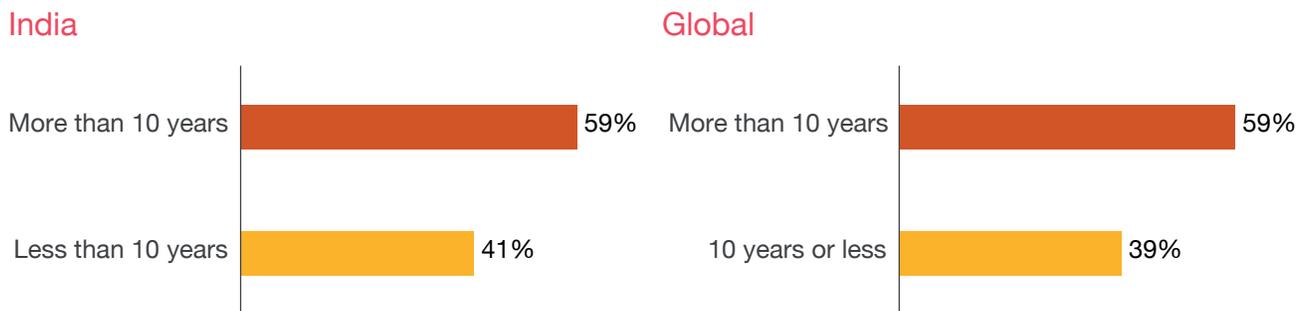
1 World Bank report

2 India GDP growth

CEOs in larger Asia Pacific territories, however, show a higher level of optimism (37%) than their global counterparts (29%) in their respective nation’s economic prospects. About 57% of India CEOs, 64% of China CEOs and 50% of Indonesia’s CEOs believe that their respective territory’s economic growth will improve over the next 12 months. At the same time, the global downturn will have a lower impact on countries such as Indonesia and India, where economic prosperity is buffered by significant domestic demand.

Related to the decline in global economic growth are worries on the home front. About four in ten CEOs — global and India — think their organisations will not be economically viable in ten years, if they continue on their current course. Five in ten CEOs in the Asia Pacific region believe that their current business models will not survive in ten years.

**Around 40% of CEOs think their businesses will not be viable in 10 years, if they do not transform**



But the survey also indicates that given the changing customer demands and supply chain disruptions, CEOs are looking at reinventing their companies over the next five years with the required investments in technology and people — both leaders and workers — without reducing the workforce size, to better meet the challenges of the future.

This dual imperative — of overcoming near-term obstacles while reinventing business for the future — runs through much of this year’s survey. It gives rise to a challenging set of questions on actions that CEOs need to take in the near term and long term to:

- address the potential for widespread business disruption
- develop corporate climate strategies
- assess the time horizons of critical risks
- connect today’s circumstances with tomorrow’s outlook
- balance strategies for business resilience and workforce retention

- plan for contingencies arising out of geopolitical events
- invest time and money in the future
- redefine their role as leaders to empower change
- develop collaborative ecosystems to create new sources of value.

While CEOs are already grappling with most of these issues, we hope to help them zero in on their biggest possibilities and vulnerabilities through this report. We also offer recommendations based on PwC's research and experience. The report underscores the need to:

- build trust among stakeholders – investors, employees, customers and local communities
- create new sources of value – business and societal
- strengthen collaboration among business and non-business entities
- enhance resilience to macroeconomic volatility, geopolitical turbulence, technology disruptions and climate risks
- address sustainable development and adapt to climate change.

These action steps are an opportunity for CEOs, as a community of solvers, to lead with purpose and play the role society needs them to – catalysing innovation and transformation to remain in business for the long haul. The title of the report – ‘Winning today’s race while running tomorrow’s’ – manifests this challenge.

**Sanjeev Krishan**  
Chairperson, PwC in India

**Vivek Prasad**  
PwC India Markets Leader

# India findings and the next steps

The past couple of years have offered learnings for all. On the business front, India CEOs have faced more headwinds rather than tailwinds, but have nonetheless managed to stay the course. The 26th Annual Global CEO Survey reveals that:

- 67% of India CEOs are adjusting supply chains to mitigate exposure to geopolitical conflict.
- 60% of India companies are currently innovating new, climate-friendly products or processes.
- 59% of India CEOs are reducing/have already reduced operating costs.
- 85% of India CEOs do not plan to reduce the size of their workforce, while 96% do not plan to reduce compensation.

The select measures outlined above indicate that neither uncertainty nor anxiety cloud the view from the top. India CEOs are cognisant of the undeniable linkage between profitability and sustainability, between technological disruption and innovation, between a strong balance sheet and the need for investments, and between business reinvention and a talented workforce.

## The race for the future

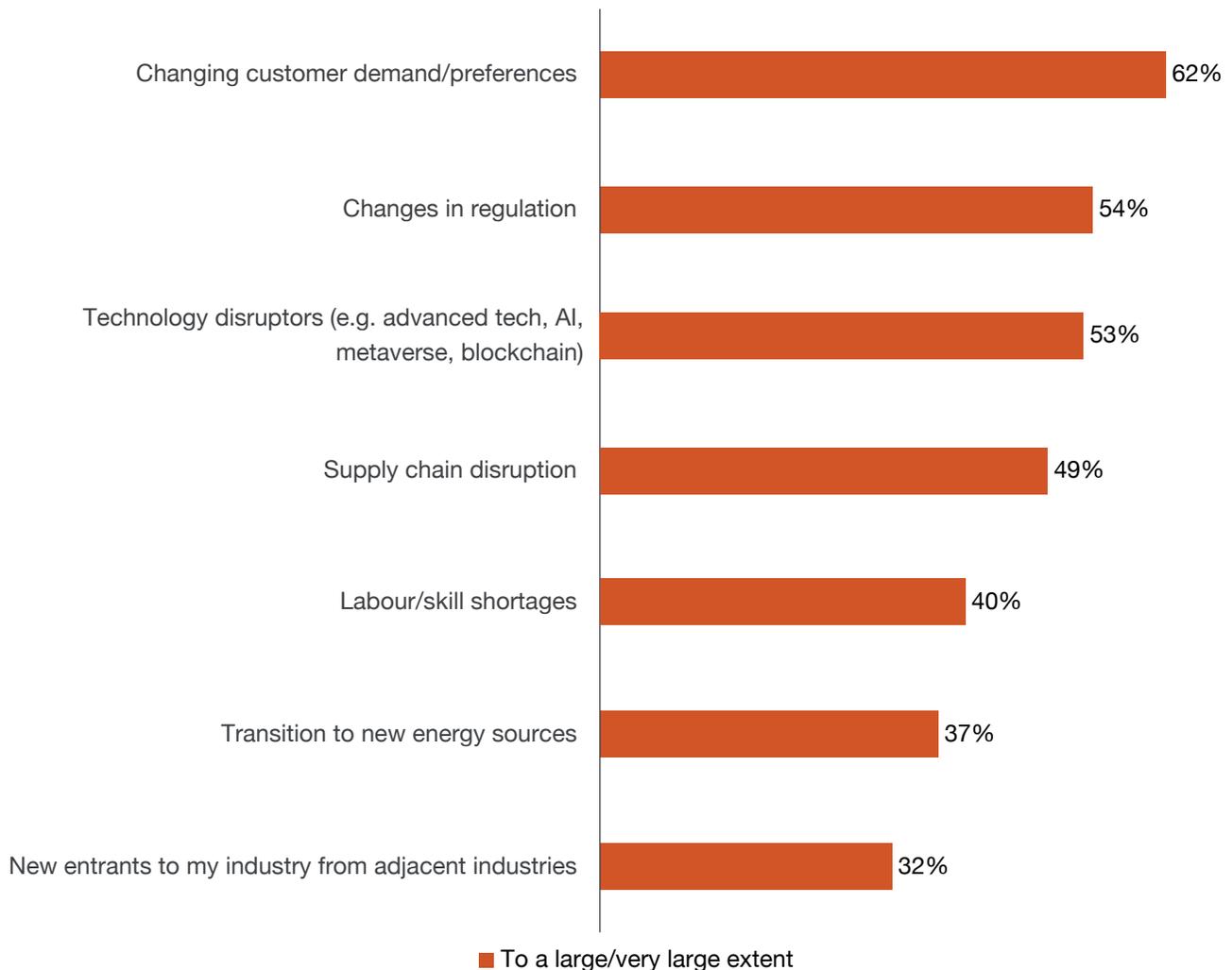
### What is the half-life of your business?

Responses to this set of questions reveal that CEOs recognise the potential for long-term megatrends such as climate change, technology disruption, demographic shifts, a fracturing world and social instability to dramatically reshape the business environment.

So much so that 40% of global and 41% of India respondents say that they do not expect their companies to be economically viable in 10 years if they continue on their current path, and see multiple challenges to profitability in their industry.

Around 62% of India CEOs believe that changing customer demand will impact profitability in their respective industries over the next ten years to a large or very large extent, followed by 54% who are concerned about changes in regulations. While 52% of global CEOs see shortage of labour and skills as their next biggest concern, 53% of India CEOs are more worried about technology disruptors such as AI and blockchain, and 49% are worried about supply chain disruption. Certain sectors such as pharmaceuticals, automotive, consumer electronics and chemicals have significant dependence on materials imported from countries such as China, Taiwan and Japan. These factors cause India CEOs to worry about supply chain disruption, uncertain lead times, heightened freight rates and commodity prices.

**India CEOs believe changing customer demand will impact profitability over the next decade**



The lower concern about availability of labour and skills – only 40% – is surprising and is perhaps a reflection of India’s youthful demographics, irrespective of concerns regarding skill set mismatch. About 67% of India’s people are in the working age group of 15–64, and these numbers are expected to grow for some years, according to World Bank data.<sup>3</sup> Compared to India, the same age group in countries such as Germany, France, Australia and the US is declining.

## The next steps

To ensure a harmonious and collaborative ecosystem that provides a level playing field for all, it is important for CEOs to:

- understand the fast-changing needs of customers to continuously deliver enhanced value.
- service the shift in consumer expectations across new channel models such as direct to consumer (D2C) that offer a wide product range, pricing and product reliability along with good delivery experience.
- model in geopolitical shocks to supply chains that could entail decoupling scenarios, diversification needs and consequent relocation adjustments.
- recalibrate skills to propel the future-fit transformation in anticipation of tomorrow’s demands.

## When will your company’s climate clock run out?

Over the next 12 months, global and India CEOs see climate risk impacting their supply chains and cost profiles. While those who are more impacted by climate change are the ones taking the most action, it is advisable to act early to minimise the impact of climate change.

India is amongst the top five best-performing countries on climate change, according to the Climate Change Performance Index (CCPI, 2023) published by German Watch, the New Climate Institute and Climate Action Network International based in Germany.<sup>4</sup>

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3 Population ages

4 India jumps two spots higher and now ranks 8th as per Climate Change Performance Index

Building on the supportive policy environment around energy and environment, corporates have begun to leverage various decarbonisation levers to achieve India’s Nationally Determined Contribution (NDC) targets – 45% reduction in carbon intensity in GDP over the 2005 baseline, and 50% non-fossil energy in the energy mix by 2030.<sup>5</sup>

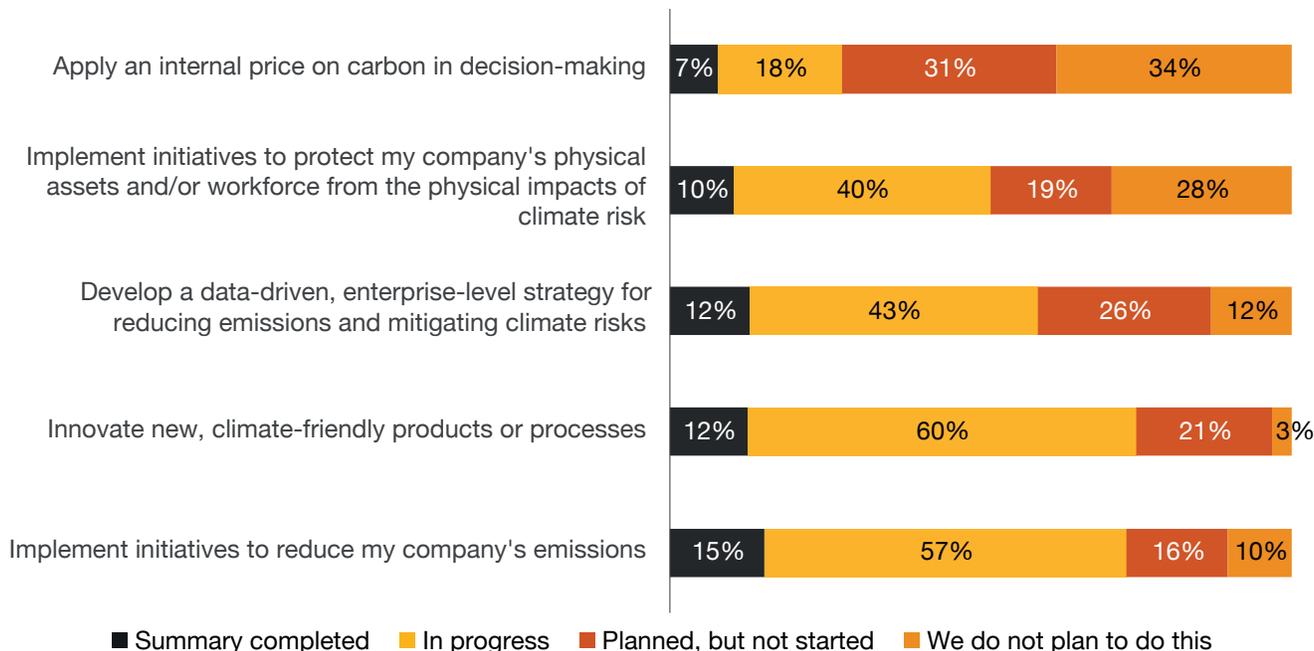
About 72% of India CEOs (as against about 60% of global CEOs) have implemented or are implementing initiatives to reduce their company’s emissions. The same percentage of CEOs have also innovated or are innovating climate-friendly products and services.



Blessed with abundant sunshine, India is naturally positioned to exploit solar energy to decarbonise our economy. The challenge is to bundle various forms of renewable energy – green hydrogen, wind and biomass – with storage technology, be it around batteries or pumped hydro. There is an urgent need for a commercially viable technological innovation.

– Dr. Praveer Sinha, CEO and Managing Director, Tata Power Co. Ltd

### India companies are trying to innovate, decarbonise and craft climate strategy in parallel \*



\*Please see note 3 on page 25.

5 India’s updated first nationally determined contribution under Paris Agreement (2021-2030)

Many companies are embarking on a journey to address climate risks and decarbonisation without information provided by an internal pricing mechanism for carbon. In India, 34% of companies say that they have no plans to apply an internal carbon price to decision-making. This could be a strong lever to account for considerations such as taxes and incentives, and leverage strategic trade-offs.

Measuring and communicating progress to critical stakeholders is another big challenge. In PwC's recent Global Investor Survey 2022, 87% of global investors said they think corporate reporting contains unsubstantiated sustainability claims, often referred to as 'greenwashing'.<sup>6</sup> While they also believe there is a climate change impact on their investments in the next 12 months, it is heartening to note that 72% CEOs are in agreement. This indicates convergence of mindset and can help establish the right platform for actions to be initiated.

According to the Climate Transparency Report 2022,<sup>7</sup> India lost 5.4% of its GDP (USD 159 billion) by way of labour capacity reduction due to extreme heat in 2021. Therefore, the key questions India CEOs face are:

- Which aspects of my business will be affected by intensifying climate change?
- What priority actions should I take now to ensure that future impacts can be effectively and efficiently managed?
- How do I establish governance systems to gain the confidence of the board of directors?



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6 Global Investor Survey 2022

7 Climate transparency report 2022

## The next steps

It is essential today to move at the right pace and prioritise the mitigation of climate change risks. There is a need for:

- a detailed corporate understanding of the risks and opportunities related to climate change for businesses
- an appropriate governance framework resting on evidence-based data to address risks and capitalise on opportunities
- an investment plan and roadmap
- accelerating and enhancing execution planning, monitoring and reporting on how CEOs are addressing sustainability risks and opportunities facing their businesses to gain investor confidence.

## Should you bring your key risks forward?

India and global CEOs identify inflation and macroeconomic risks followed by geopolitical conflict as the biggest threats to their businesses in the short term (a 12-month period). The grading is understandable, given that global economic activity is experiencing a broad-based slowdown with inflation higher than it has been in decades.<sup>8</sup>

Central banks across the world are raising interest rates to cool inflation, but these are beginning to impact consumer demands and raising overheads for businesses. The conflict in Europe has severely impacted food prices and disrupted energy supplies. China's prolonged COVID-19 pandemic-linked lockdowns and the rise in infections owing to a sudden removal of restrictions there have caused anxieties over disturbed global supply chains, affecting a range of businesses across the world.

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8 World Economic Outlook Report 2022

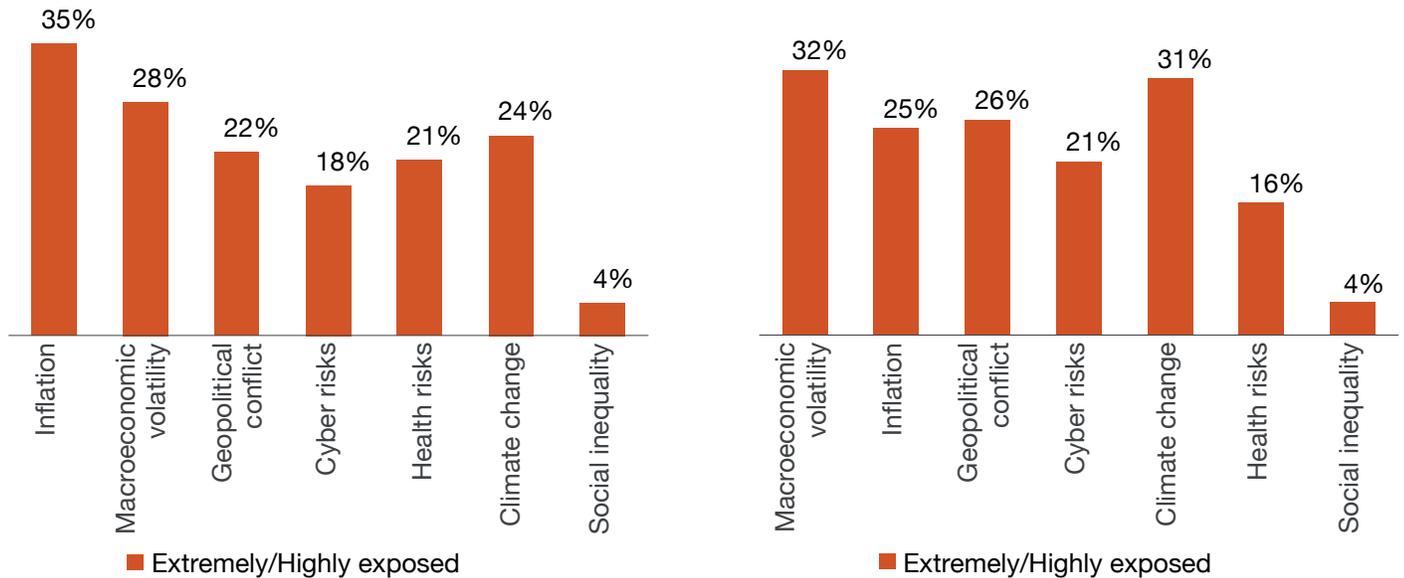
Around 35% of India CEOs point at inflation and 28% at macroeconomic volatility as key threats in the next 12 months, worries that are also voiced by Asia Pacific and global CEOs. CEOs across the Asia Pacific region, however, perceive threats differently depending on the economic maturities and nuances of their operating environment. Mature economies such as Australia and Japan worry more about cyber risk, while geopolitical conflict is the top threat for China, Hong Kong SAR and South Korea.

Climate change gains prominence as a cause for concern for India CEOs over the next five years, with 31% voicing that they believe their companies will be extremely/highly exposed to it.

### Inflation and climate change stand out as key threats in the next five years

Next 12 months

Next five years



The United Nations Intergovernmental Panel on Climate Change (IPCC), in its sixth assessment report<sup>9</sup> released in February 2022, identified India as one of the countries that would be most economically harmed by climate change.

India-based businesses therefore have a two-pronged objective to help meet the country's 2070 net zero target: address the cost and technological challenges of decarbonisation along with the negative socioeconomic impacts of decarbonisation.

9 Climate change 2022: Impacts, Adaptation and Vulnerability

## The next steps

Considering the magnitude of climate risks and natural disasters and its ability to progressively impact near-term cash flows through a cycle of disruption of supply chains and inventory, business leaders would need to:

- widen their focus beyond immediate concerns to develop a data-driven strategy for their businesses to reduce emissions and mitigate climate risk in the near and long term
- invest in climate-friendly products and processes
- move beyond environment, social and governance (ESG) to an ESG+R approach (where 'R' stands for resilience) to address the impacts of climate change across the strata
- stay ahead of cyber challenges by having a dedicated leadership group that understands the significance of cyber security and treats it as a priority.



We reframed sustainability as a mainstream opportunity to drive our performance and set some very bold goals. We aim to serve 1.5 billion patients by 2030 which will have to include the underserved, which will in turn add to our top-line growth.... We are committed to carbon neutrality, water positivity, 100% renewable power and zero waste to landfills. We are aiming for the water neutrality goal by 2030.

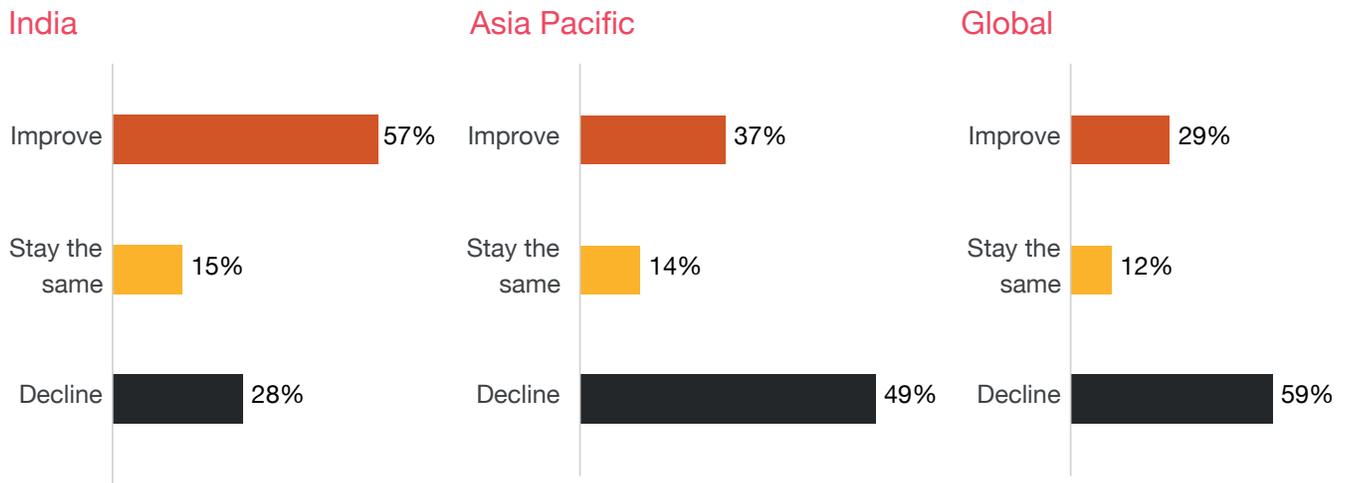
– **G. V. Prasad**, Co-Chairman and Managing Director, Dr. Reddy's Laboratories

## Today's tensions

### How much is your mood today affecting your view of tomorrow?

Most CEOs highlight their concerns over the world economy. About 78% of India CEOs, 73% of global CEOs and 69% of Asia Pacific CEOs believe that global economic growth will decline over the next 12 months.

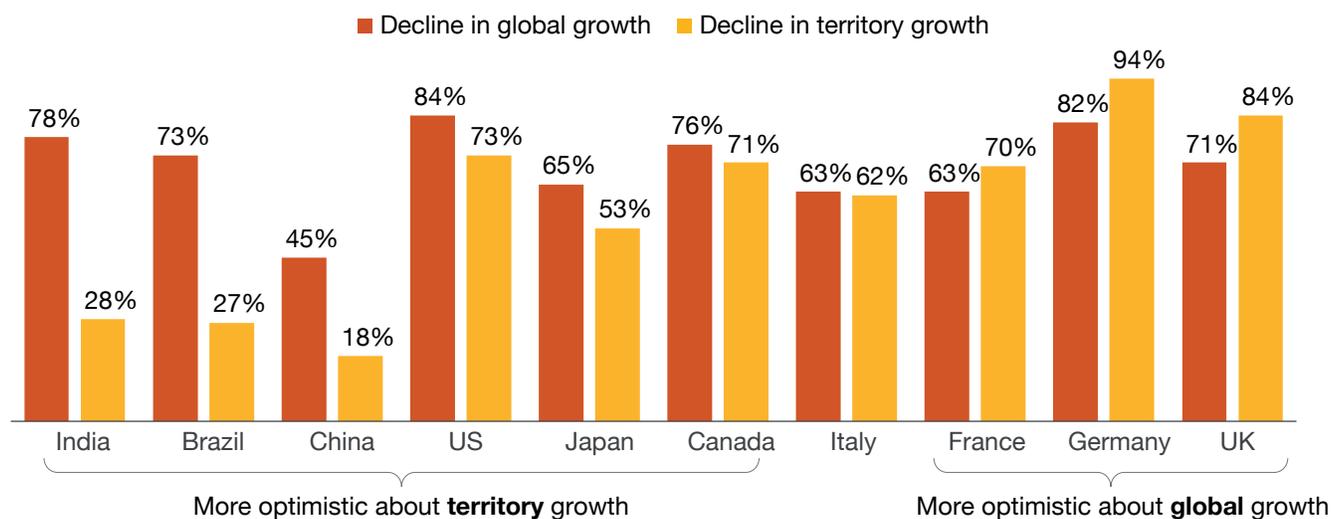
But our survey also indicates that despite the gloomy global outlook, India CEOs are hopeful about the country's economic growth: More than five in ten CEOs (57%) express optimism about India's economy over the next 12 months. In comparison, only 37% of Asia Pacific CEOs and 29% of global CEOs expect economic growth to improve in their countries or regions over the next 12 months.



57% of India CEOs are optimistic about India’s economic growth over the next 12 months.

The responses of India CEOs mark a dramatic shift from the mood in 2021, when 99% said India’s economic growth would improve over the next 12 months. The reasons are not far to seek. When the 25th Annual Global CEO Survey was being conducted in October–November 2021, it seemed the worst of the pandemic was over. But within weeks of fieldwork closing, news of the highly transmissible Omicron variant of SARS-CoV-2 broke out. When the present survey was conducted in 2022, the world was already reeling under the impact of the conflict in Europe and other macroeconomic issues.

### CEOs in many major economies are optimistic about the growth prospects of their countries



## The next steps

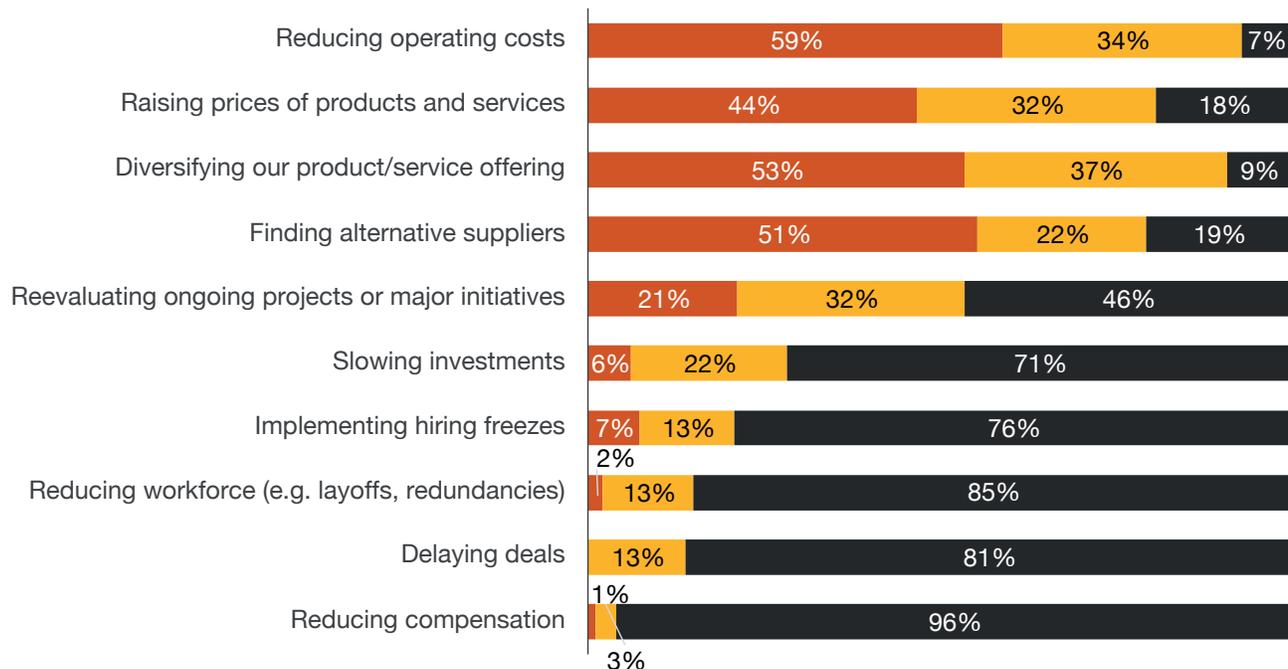
While it may be good to err on the side of caution, it is important that CEOs stay optimistic about the future. What is needed then is:

- an approach to combat bias in the boardroom by soliciting views through independent consultation or questionnaires
- discussions that are structured to consider overlooked possibilities
- assigning a devil's advocate role for critical discussions.

## How do your resilience and workforce strategies fit together?

The survey makes it clear that measures are being taken, or being planned, to meet the challenges of the future. Cost cuts are high on the priority list everywhere, with about 93% of India CEOs saying that they are cutting, have cut or are considering cutting operating costs and spurring revenue growth to mitigate economic challenges and volatility. About 85%, however, stress they will not reduce the size of their workforce, and 96% state they do not plan to reduce compensation – demonstrating their resolve to retain talent.

### Reducing operating costs and diversifying products/services are top priorities for India CEOs



■ We are already doing this/have done this ■ We are considering this in the next 12 months ■ We do not plan to do this

Employee attrition is another issue that confronts CEOs. The survey shows that India CEOs are divided, with 32% saying attrition rates will continue to increase slightly, moderately and significantly, and 34% holding that there will be no change. But this may be a bigger concern than is now being felt.

A marginally larger percentage (36%) of global CEOs believes that employee attrition is likely to increase slightly, moderately and significantly. A heartening observation is that globally, 60% emphasise that they do not plan to reduce the size of their workforce.

According to PwC's India Workforce Hopes and Fears Survey 2022,<sup>10</sup> the changing dynamics between the employer and employee over the past couple of years have modified the workplace. Today, employers are more focused on building a resilient workforce strategy that balances acting with speed and adaptability to position for scale.

Employees, on their part, place a premium on organisational trust, values and innovation, and these attributes are closely aligned with the ESG agenda. Innovative technologies can help mitigate climate risks; new age business models that entail the sharing of resources could enable circular business; and ESG levers such as diversity, equity and inclusion could strengthen the overall trust equation. Therefore, to enable a sustainable transformation over the next decade, companies would need to incorporate such ESG components to retain, upskill and motivate the workforce.



Many millennials are now in mid-management functions and, therefore, in influencing positions. They often have a strong sense of values and prioritise fairness and value addition to customers over making money. These employees remain with the organisation once they realise the firm is offering tangible value to its customers.

– **Varun Dua**, CEO, Acko General Insurance Ltd.

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10 India Workforce Hopes and Fears Survey 2022

## The next steps

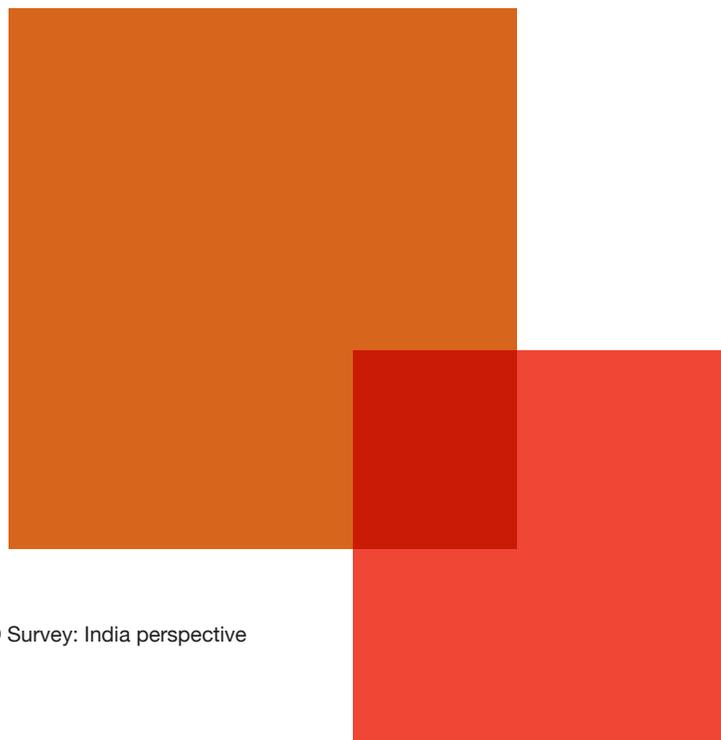
Employers need to think in a more holistic and integrated manner when developing the employee value proposition, and focus on opportunities for creativity, innovation, authenticity and meaning beyond financial reward. Accordingly, CEOs need to:

- question assumptions through a data-driven approach to broaden the understanding of what drives employees
- democratise the workplace concept to focus on a 'workplace of the people'
- prioritise culture as a competitive advantage
- use technology to enable productivity and performance
- provide opportunities to be one's authentic best self at work.

## As geopolitical risks rise, what new contingencies are you preparing for?

Geopolitical flashpoints have prompted CEOs to factor in disruptions in their scheme of things. Responding to a question on what actions, if any, their company is considering for the next 12 months because of the conflict in Europe, 67% of India CEOs say that they are adjusting supply chains; 59% highlight they are diversifying products and services; 50% emphasise that they are increasing investments in cybersecurity and data privacy, and 48% mention adjusting their presence in current markets and/or expanding into new markets.

In response to the current environment, 93% of India CEOs (as against 85% of global CEOs and 81% of Asia Pacific CEOs) say that they are reducing or planning to reduce operating costs.

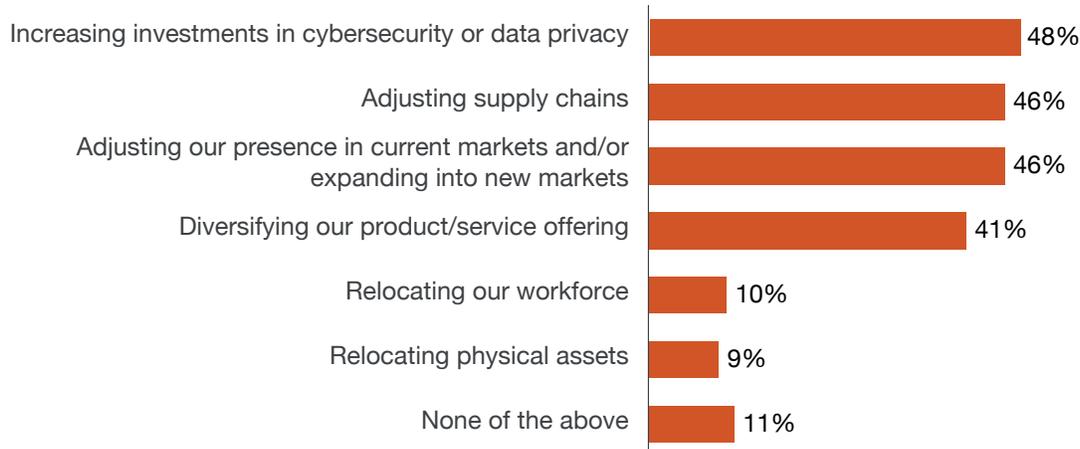


## India CEOs are adjusting supply chains in response to geopolitical conflict

### India



### Global



The priorities for global CEOs are different: 48% stress on cybersecurity and data privacy. For most Asia Pacific CEOs, the most important action is adjusting markets or exploring new ones (53%), followed by supply chains (49%), diversifying products or services (48%) and increasing investments in cybersecurity or data privacy (47%).

PwC's 2022 Digital Trust Insights Survey<sup>11</sup> indicates that India business leaders believe avoidable and unnecessary organisational complexity poses 'concerning' cyber and privacy risks. A security focus that cuts across the entire business – from top leadership to every department and across all employees – is key to instilling a culture of cyber security, managing cyber risks, enhancing communication between boards and management, and aligning cyber and business strategy.

India CEOs also underscore the need to include the impact of possible disruptions in scenario planning and corporate operating models. Supply chains, for instance, in the past have relied on siloed functions, limited data availability, manual decision making and unconnected planning with limited options for customisation. The supply chain of the future needs to be:

- customised to cater to specific expectations of service levels/product availability/package sizes
- made autonomous using AI and ML technology that can handle daily supply chain scenarios, while leaders focus only on managing exceptions/extremely critical scenarios
- integrated through a supply chain control tower that would provide an end-to-end integrated view across plan, source, make and deliver
- powered by data analytics and integrated planning solutions to drive the underlying processes and optimisation requirements. A positive trend, indicated by a recent PwC survey, is that India's manufacturing sector has integrated supply chain planning among its top priorities for 3–5 years.



Building flexibility in the supply chain is a more appropriate strategy than aiming for complete resiliency in the first place. The COVID-19 pandemic and the Russia-Ukraine conflict required Dr. Reddy's Laboratories to bring in this flexibility by vigilant day-to-day monitoring of the situation and by reacting to these developments with agility. This flexibility led us to attaining resilience in our supply chain.

– **G. V. Prasad**, Co-Chairman and Managing Director, Dr. Reddy's Laboratories

11 2022 Digital Trust Insights Survey: India edition

## The next steps

CEOs need to prepare for both anticipated and unanticipated disruptions and security risks to keep their businesses viable and growing. The need of the hour is to:

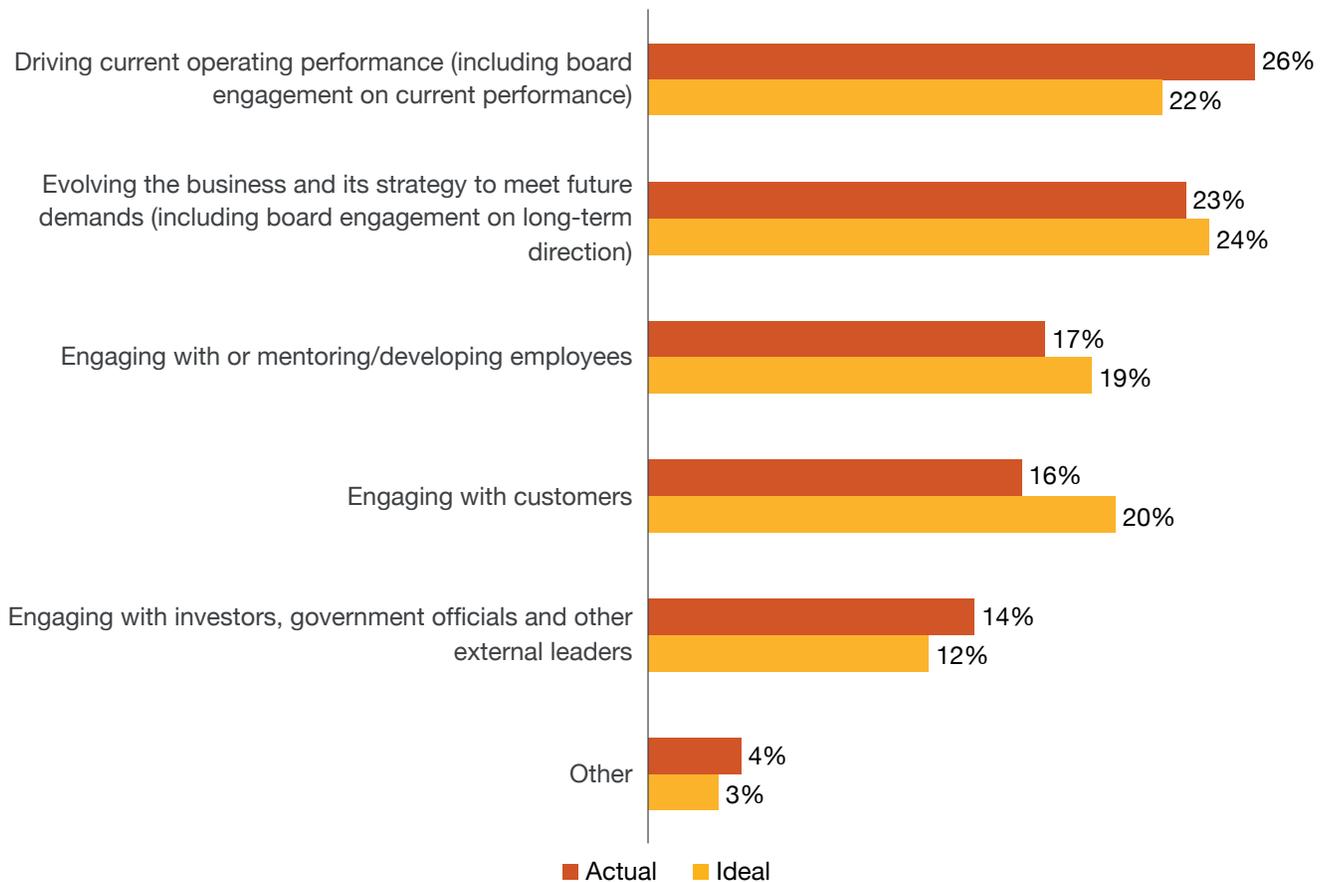
- plan scenarios for a wider range of disruptions, and invest in and develop more agile supply chain strategies powered by data and technology to enable real-time responses to crises before they occur
- customise to create a network of supply chains that is specifically tailored to customer needs, and ensure connected dashboards of data, key business metrics, and events personalised to decision-makers across the supply chain
- build rapid-response tech-savvy teams to handle crises and to ensure they are supported
- simplify the complex cybersecurity ecosystem and prioritise investments in the right areas
- develop a dedicated leadership group that understands the significance of cybersecurity and treats it as a priority.

## A balanced agenda

### How much time and money are you investing in the future?

To effectively navigate the dual challenge of dealing with the present while preparing for the future, CEOs must perform a balancing act that starts with their own calendars. It appears that for 26% of India CEOs, driving current operating performance ‘actually’ consumes the biggest share of their time. Asked how they would ideally allocate their time if they could start with a blank calendar, 24% of India CEOs say that they would like to spend more time evolving their business and its strategy to meet future demands and 19%, ideally engaging with and mentoring/developing employees.

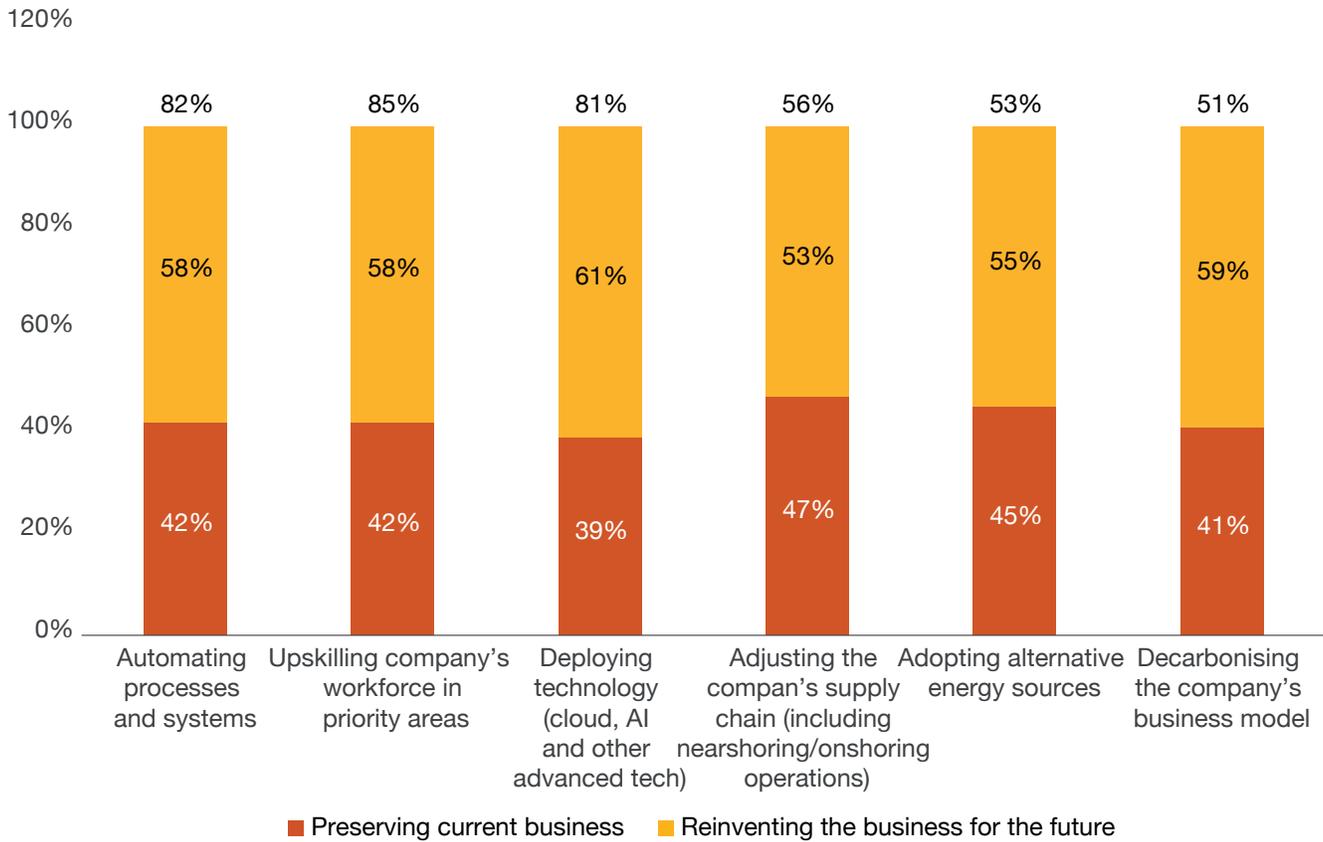
## India CEOs want to ideally spend more time evolving their business and its strategy



It is also clear from the responses that technology- and reinvention-oriented investments are a top priority for many CEOs. Around 85% of India respondents are investing in upskilling their workforce in priority areas, 82% in automating processes and 81% in deploying technology such as cloud and AI over the next 12 months.

Asked to what extent the different investment areas are needed to preserve their current business and to reinvent for the future, both global and India CEOs flag investments in deploying advanced technologies as a priority for reinventing the business for the future.

While upskilling (85%), automating processes (82%) and deploying technology (81%) are the three top areas where companies are investing, deploying technology (61%) and decarbonising the company’s business model (59%) are two top priorities for reinventing the business for the future.



**Base: Those respondents who are making an investment in any of these areas in the next 12 months**



The power sector has huge growth potential and is poised to move to the next level with a laser focus on renewable sources and their integration with digital technologies, including storage, smart grid, smart metering and other integrated solutions. These can help the country leapfrog from conventional generation, transmission and distribution to a more distributed power generation and electricity service model providing better quality service to consumers.

– **Dr. Praveer Sinha**, CEO and Managing Director, Tata Power Co. Ltd

Constantly evolving technologies make upskilling a challenge in today's world. A range of social jobs are also growing in demand because of certain trends that may influence the future composition of labour markets. According to the World Economic Forum's 'The Future of Jobs Report 2020'<sup>12</sup> the adoption of new technologies will entail upskilling for 50% of all workers by 2025.

CEOs are therefore striving to perform a balancing act to preserve the current business while reinventing the business for the future.

## The next steps

The balancing act facing India CEOs starts with his/her own calendar and extends to most corporate resource allocation decisions. The CEOs need to:

- invest in upskilling as a lever to address talent shortage and provide training as required
- invest in technology to reinvent the business
- speed up investment in alternative energy sources and decarbonising.

## How central are YOU to your company's reinvention?

Reinventing the business, ensuring it is future-fit while navigating near-term operating challenges requires C-suite leaders, middle managers and front-line employees to work in tandem. Engaged and empowered organisations move faster, innovate more readily, and collaborate more effectively to get work done. The CEOs' responses in this survey to questions on their companies' leaders and employees throw up some warning signs but also underline some positives.

About 78% of India CEOs say that the leaders of their company rarely or just occasionally make strategic decisions for their division or function without consulting them. Around 65% (as opposed to 56% of global CEOs) say that the leaders encourage dissent and debate; 51% (as against 46% of global CEOs) say that they tolerate small-scale failures. About 93% of India CEOs (85% of global) underline that their employees are often/usually aligned with their company's values and direction.

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12 The Future of Jobs Report 2020 | World Economic Forum

## Leaders are often unable to take independent strategic decisions



Reluctance on the part of leaders to take independent strategic decisions seems to indicate that conditions are not appropriate for managers and employees to independently grasp new opportunities or respond to disruptive threats.

### The next steps

CEOs and their top teams have to drive change and business reinvention top-down in the years ahead. Transformation is only possible when individuals at all levels adapt and grow. For this, the leadership has to:

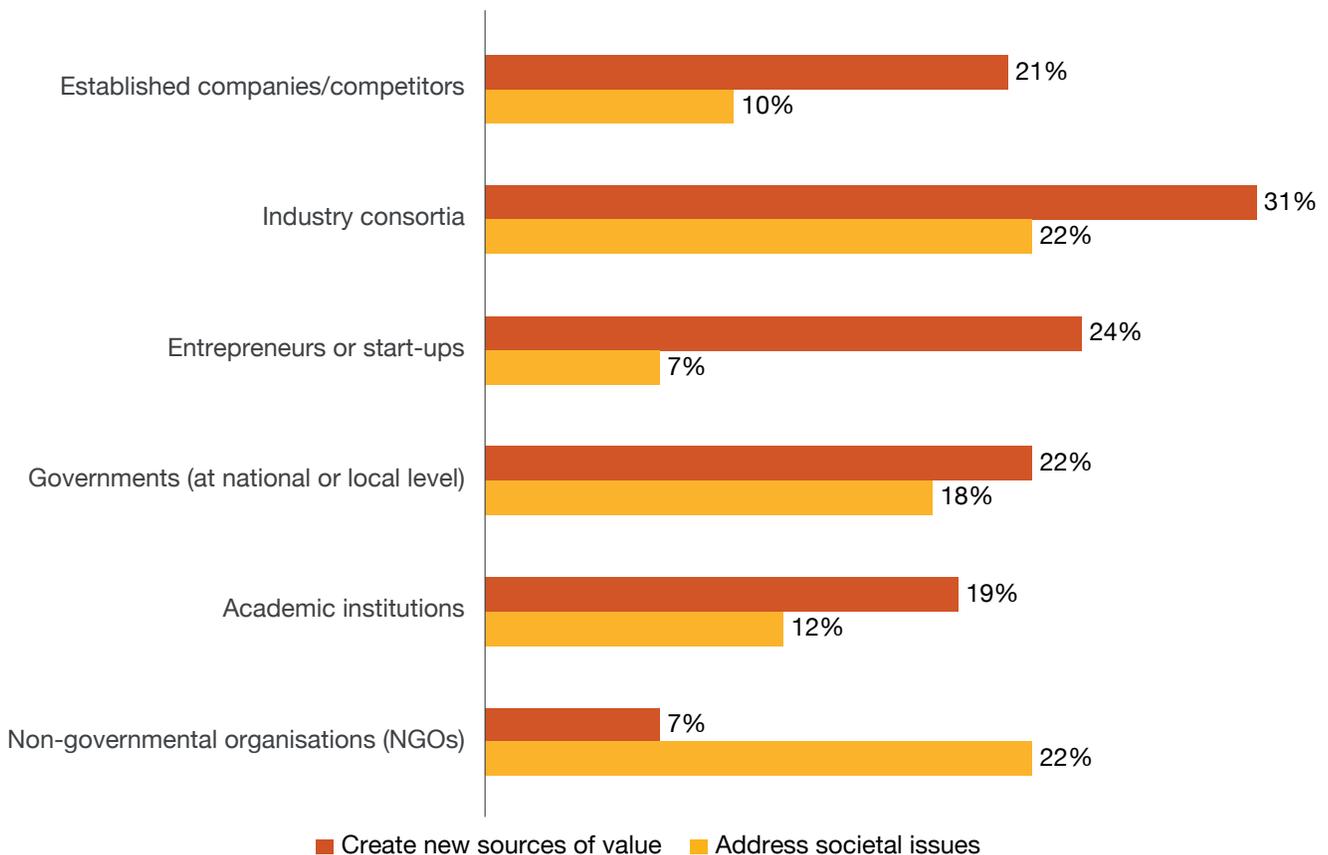
- decentralise decision-making and empower leaders in their companies to take strategic decisions independently
- double down on setting a shared vision and being visible champions of change
- encourage small-scale risk-taking, and tolerate small-scale failure and dissent
- use technology to augment human potential
- balance business considerations with individual aspirations.

## What kind of ecosystem are you building?

The diversity and complexity of today's business challenges are placing a premium on the need to collaborate across the boundaries of the corporation. To get a window on these dynamics, we asked CEOs how they forge partnerships – with whom and to what objective. The results show that companies work with a wide network of collaborators, and those relationships are most often struck to create new sources of value. Addressing sustainable development, education and climate change is more often a goal of collaboration with non-business entities such as NGOs and government agencies. In fact, 73% of CEOs collaborate with non-business entities to address sustainable development, while 57% of CEOs collaborate on education.

The survey indicates that 31% of India companies are more likely to collaborate with industry consortia to create new sources of value, while only 22% work with industry consortia to address societal issues.

### India companies collaborate more to create business value rather than address societal issues



Companies, however, partner with non-business entities such as governments, NGOs and academic institutions to address sustainable development, diversity, equity and inclusion (DE&I), education, climate change and other such issues, with 73% of India respondents saying they are engaged in collaboration on sustainable development.

## The next steps

The magnitude of today's global challenges makes it critical for CEOs to extend their use of collaborative ecosystems beyond creating business value to generating societal value. To do this, they have to:

- commit their organisations to an ESG identity factoring in the multiple stakeholder view of the ESG focus areas
- map the interests of critical ecosystem partners; identify the combinations of talent, technology, processes and insights that those partners can provide
- build trust through reciprocity; and nurture a corporate culture that embraces collaboration across traditional institutional lines
- co-create innovative solutions, technologies, and hybrid partnership and business models that address sustainable development challenges.

## Notes

1. PwC invited CEOs worldwide to participate in our 26th Annual Global CEO Survey from 4 October to 11 November 2022. 4,410 CEOs from 105 countries responded, including 68 from India.
2. Asia Pacific countries covered are Australia, Bangladesh, Cambodia, China, Hong Kong SAR, India, Indonesia, Japan, Malaysia, Myanmar, New Zealand, the Philippines, the Republic of Korea, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.
3. Not all figures in the bar and stacked bar charts will add up to 100% as a result of rounding of percentages and the decision in certain cases to exclude the display of 'neither/nor', 'other', 'none of the above' and 'don't know' responses.

# Trust, leadership and the C-suite conversation

The growing importance of trust is deeply intertwined with the changing nature of leadership due to the increased complexity of stakeholder dynamics, the growing need for the private sector to help solve important societal problems and the intensification of geopolitical and social tensions. CEOs have often been participants in these shifts. Meaningful dialogue with top management teams about the leadership implications of these forces may now help them strengthen and unleash the C-suite, enabling greater personal focus on the future.

In the near term, CEOs across the world need to prioritise and manage external risks and challenges to survive and drive profitability. But in the long term they need to reimagine, reinvent and reconfigure their businesses and work culture to thrive. Importantly, they need to act on both now, and simultaneously.

Building trust – customer, investor and employee – and a strong workplace culture is as fundamental to business as inclusiveness that connotes acknowledgement of not only diversity but also differences of perspectives and experiences. An advanced analysis of data from the last global CEO survey uncovered a statistically significant direct correlation between customer trust and both financial and non-financial performance of a company.



We have invested in creating a ‘trust and brand’ company as opposed to a complex products company. We believe products must be such that customers have significant claim experiences. Insurance products without significant claims do not establish trust. If you build trust and create a differentiated experience, customers are bound to buy the next product from you.

– **Varun Dua**, CEO, Acko General Insurance Ltd.

Leaders also need to push for a better environment for doing business by engaging with the government and other relevant stakeholders to speed up the unboxing of regulatory frameworks and initiatives for ease of doing business. This is particularly important for India – global and Asia Pacific CEOs in the survey have placed India among their choice of top nine investment destinations.

The need to reinvent their business along with ensuring it survives the current uncertainties provides an opportunity for CEOs to lead with purpose, build trust in the entire ecosystem, and establish collaborative systems with business and non-business entities. As catalysts of change, CEOs can help generate both business and societal value, and in the long run drive sustainable development.



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# 26th Annual Global CEO Survey

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