

# The chairman of PwC said that after surveying more than 1,200 CEOs, he believes there are 4 things every CEO must do

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PwC global chairman Bob Moritz said CEOs need to commit their companies to a purpose if they want to survive and thrive. PwC

- **Bob Moritz is PwC's global chairman, and in January wrote a letter accompanying his firm's annual CEO survey recommending four things every CEO should do.**
- **We spoke with Moritz at the CECF's CEO Investor Forum, dedicated to replacing toxic short-term fixation with a renewed emphasis on creating long-term value.**
- **Moritz believes that CEOs have an obligation to committing to a purpose that takes into account all shareholders, not just because it's morally good, but because it's necessary for survival.**
- **This post is part of Business Insider's ongoing series on Better Capitalism.**

For the past two decades, professional services giant PricewaterhouseCoopers has been surveying more than 1,000 CEOs around the world each year.

Over the past few surveys, it's become clear that a growing number of CEOs are concluding that maximizing quarterly growth is not the path to sustainable, long-term value.

Treating employees as more than an expenditure or incorporating a societal purpose into your company is no longer seen as feel-good marketing, but a necessity for survival.

Business Insider spoke with PwC global chairman Bob Moritz at the CECP's CEO Investor Forum in February, where CEOs of international public companies met with investors to discuss ways to move toward prioritizing long-term value in a way that benefits all stakeholders, including customers, employees, communities, and shareholders.

Moritz told us that a CEO who complains that shareholders won't let them make necessary investments for the future are missing the point (a belief media mogul and former New York City mayor Michael Bloomberg shares). "You will never satisfy everybody," Moritz said, adding that you shouldn't have to.

"The onus is on the CEO and the management team to put forth a value proposition that over a certain time horizon investors should want to participate and share in the returns of the company," he said.

Moritz explained to us that the debate over how to balance short-term and long-term strategies has been going on in the United States since the 1930s, but it's emerged in a new context because of the rise of instant data transfer, years of hedge funds and day traders, and an increasingly empowered and informed consumer base and workforce that is demanding more from businesses.

In the 2018 CEO survey (which included more than 1,200 respondents) Moritz wrote that this year's findings reveal a community of CEOs who are seeing a troubling misalignment of economic growth and social progress, primarily fueled by income inequality. He offered four suggestions for ways corporate leaders can address this.

### **Develop metrics beyond financial goals**

"As business executives, we can supplement measures such as GDP and shareholder value with indicators of quality of life," Moritz wrote.

He said he's found there's an increasing number of chief executives working with boards to developing long-term goals that will improve the relationship with the stakeholders other than investors. For example, consumer-goods company Unilever is working toward having all of its agricultural raw materials be sustainable by 2020 as part of its ambitious and broad Unilever Sustainable Living Plan.

### **Implement emerging technologies in a socially conscious way**

For the last few years, one of the hottest topics in the entire business world is the rise of artificial intelligence across all walks of life, and how it will displace jobs. Moritz recommended that companies incorporate emerging technologies like AI in ways that take

into consideration the ways they will affect their employees — an approach Microsoft's leadership team is currently focused on.

### **Invest in employee education**

Moritz wrote that he found it encouraging that the majority of the CEOs surveyed recognized the importance of investing in their employees' skillsets, given that we are in an age of rapidly changing technologies that will either transform or replace existing jobs.

### **Commit to a purpose that accounts for all stakeholders**

BlackRock CEO Larry Fink caused a stir when he announced in January that his company, the world's largest asset manager, would only do business with companies that could define both their role in society and their long-term strategy.

Moritz agreed, noting that it's a necessity in today's world.

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