PwC Greater China Chairman and
Chief Executive Officer on how
business leaders can build and
sustain trust in the digital age

Technology and trust in the age of disruption

Undoubtedly, technology is reshaping our industry landscape. It is also adversely impacting stakeholders' trust, both in China as well as globally. This is reflected in PwC's 20th CEO Survey findings, which reveal that nearly half of China chief executive officers are finding it harder for their businesses to gain and keep trust. Twenty years ago, trust was not high on most business agendas. Today, 58 percent of CEOs are worried about the lack of trust in business, substantially higher than 37 percent in 2013.

CEOs identify cybersecurity, data privacy breaches and information technology disruptions as the top three technology threats to stakeholder trust. Not surprising then that 66 percent of the CEOs surveyed in China believe that how they manage people's data will differentiate them from their competitors.

Thinking ahead to the next 20 years, CEOs are expecting to see disruptions in transportation (autonomous driving), finance or currency (moving towards digital and cashless society), communication (virtual reality), manufacturing (3D printing), renewable energies, healthcare (robotics, personalized medicine) and automation (Internet of Things, big data, and artificial intelligence).

What then is our responsibility as business leaders to increase trust in the digital age?

Companies have to respond by using the augmented intelligence underlying the technology-enabled transformations to better understand the key problems facing society and business to find solutions and opportunities. Nearly half of the respondents in China told us that they "agree" or "agree strongly" that technology is to be used to improve people's well-being.

Given the advent of automation, it is imperative that businesses think critically about worker displacement. More has to be done to offer retraining, reskilling and retooling to offset long-term social and economic consequences. Chinese companies should also explore the benefits of humans and machines working together as only 38 percent of executives in China are engaging in this (compared to a global average of 52 percent) and only 42 percent are considering the impact of artificial intelligence on future skills needs. Marrying technology with unique human capabilities would be one of the critical factors for success.

In order to establish trust in the age of disruption, business leaders need to be guided by purpose. PwC's CEO Survey found 89 percent of business leaders in China agree strongly that it is important to have a strong corporate purpose that's reflected in an organization's values, culture and behaviours. Companies face the challenge of maximizing shareholder value while ensuring that environmental and social concerns are being reflected in their strategic thinking. In the China context, 86 percent of executives told us that it has become increasingly important to run business in a way that accounts for wider stakeholder expectations.

Given the lack of trust in the digital age, companies will have to build and sustain stakeholder trust and confidence through actions such as enhanced management of cybersecurity, digital and data risks. Emerging technologies, such as blockchain, can help businesses build greater trust in audit and accounting transactions or records.

Leveraging technology to improve people's wellbeing and to create new value and opportunities will help build and sustain trust. Business leaders today have a great opportunity and responsibility to lead through the disruptions by demonstrating purpose and increasing trust through corporate behaviour that leads to positive outcomes and real returns for all stakeholders.

> **"More has to be done to offer retraining, reskilling and retooling to offset long-term social and economic consequences."**