

How Can Financial Services Organizations and Executives Respond to the ESG Challenge?



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The urgency for the adoption of ESG practices has drastically increased

Climate change, the digital revolution, and global economic pressures have accelerated the need for change.



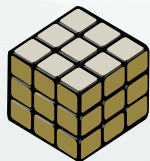
Key Considerations for Financial Services Organizations

In the coming years, organizations need to account for: ESG driven portfolios, regulatory challenges, demographic shifts in the workforce, limited government incentives for change, complexity and speed limitations for implementing universal solutions, and a short supply of ESG skills and experience.



Talent Competencies Needed to Navigate ESG

To adapt to ESG considerations, organizations need executives who can: strike a balance between technical skills and experience with different market cycles; possess critical thinking and agility regarding second and third order consequences; multi-disciplinary talent backgrounds; and, demonstrate resilience in the face of uncertainty and shifting goal posts.



Solving the ESG Executive Talent Challenge

Executive leaders will need to define their ESG strategy by evaluating current practices, assessing risks and opportunities, determining realistic targets, and identifying talent gaps. They can better solve talent gaps by:

- Identifying and sourcing key competencies
- Building consensus around candidate backgrounds
- Fostering or enabling critical thinking and agility
- Honestly reflecting on internal capabilities
- Creating development opportunities for younger leaders

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"ESG considerations have become dynamic, as organizations are challenged to meet the demands of technology transformation, commitments to carbon net zero, and employee physical and mental health issues.

Underlying the above is the pressure for wealth redistribution, as well as limited capacity to support change from governments and regulators.

Traditional approaches to ESG will continue to be challenged both strategically and operationally and made more complex as the definition of ESG expands.

As decision makers balance the need for timely and profitable execution, a responsible approach to ESG takes on new meaning – and if in place – creates tremendous opportunity."



George Cooke
Chair of the Board, OMERS Administration Corporation, and Advisory Board Member of Massey Henry