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# Selecting a CHRO in an evolving financial services landscape

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MASSEY HENRY TALENT NEWSLETTER  
AUGUST 2023



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# PREFACE

In this article, we examine:

- The **emerging human capital priorities** top of mind for many financial services organizations
- A recommended approach for identifying and selecting a CHRO in today's evolving business environment, including the benefits of developing a **formal HR evaluation framework**

As with all Massey Henry thought leadership, this work is independent, reflects our own views, and has not been commissioned by any business, government, or other institution.

Massey Henry is a leading Canadian executive search and advisory firm, offering solutions to today's complex executive recruitment challenges, with a focus on the financial services sector.

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## FROM OUR NETWORK



*With areas such as artificial intelligence and the future of work top of mind for many financial services organizations, the role of the CHRO is evolving quickly. Having led governance strategy at the corporate and board levels, and from my experience working with Michael Henry, I have found that organizations that adopt a formal evaluation framework when selecting a CHRO are better positioned to navigate industry-wide transformation and human capital demands.*



**Ron Mock**

Member of the Board of Trustees,  
University Pension Plan  
Former President and CEO,  
Ontario Teachers' Pension Plan

# INTRODUCTION

The speed of change and the breadth of business transformation that financial services organizations are currently experiencing is unparalleled in modern times.

In the aftermath of COVID, and with areas such as **digital adoption, climate and social change, the future of work, and artificial intelligence** top of mind for both employees and organizations, the role of the CHRO is now more critical than ever.

While rapid change on such a scale is challenging, it also presents a tremendous opportunity for c-suite executives in financial services; CEOs and boards will need to carefully reflect on the scope and pace of organizational adaptation when planning for talent acquisition and retention.

To support this strategy, it will be important for organizations to select a CHRO with the ability to navigate this industry-wide transformation and position the organization for success while managing human capital effectively.

The remainder of this article will focus on a recommended and proven approach to identifying and selecting a CHRO in today's evolving financial services landscape.





## DETERMINE HUMAN CAPITAL PRIORITIES

Financial services organizations are often on different points of the spectrum of change and adoption, typically determined by factors such as competitive and shareholder considerations, strategic planning priorities, and regulatory limitations. To better inform the CHRO selection and screening process, organizations must first reflect on their short, medium, and longer-term human capital priorities.

A robust HR evaluation framework should account for key pillars of human resources activities and deliverables. These pillars will vary in name and scope by organization but generally cover primary HR responsibilities such as **talent management, change management, culture, and business partnering**.

Executive leaders and boards will need to further reflect on the pillars most critical to support their overall strategy and determine how current HR practices are delivering against each pillar.

Many organizations have similar models to evaluate the effectiveness of HR's service delivery and strategic impact. That said, it will be especially important to reaffirm human resource priorities given the recent impact of COVID and the acceleration of technology transformation over the last several years.

The key to successfully using such models within an executive search process is to ensure that senior executive groups and the board have consensus on organizational priorities from an HR perspective.

There are many models that can be beneficial in evaluating candidates relative to the priorities and requirements of the organization. Below, we've provided an example of one such model.

## SAMPLE CHRO EVALUATION MODEL



## EVALUATING AGAINST THE MODEL

Few CHROs enter an organization with experience across each pillar of the evaluation model.

Models like these are often aspirational but nonetheless beneficial in determining the suitability of a candidate. When coupled with an experienced interviewer and/or executive search firm, the capabilities profile of candidates can be quickly mapped against the pillars.

This provides the CHRO Selection Committee with helpful feedback on how a candidate can address identified priorities, and where there are gaps in skills or experience.

Once validated by the executive team and board, the model can also be leveraged as a framework for the new CHRO to conduct ongoing dialogue with senior leaders, and to ensure alignment regarding priorities.

Equally important, the model can be used as a performance measurement tool to assess progress and effectiveness - particularly in the CHRO's first year.



*Once validated by the executive team and board, the HR model can also be leveraged as a framework for the new CHRO to conduct ongoing dialogue with senior leaders regarding strategic human capital priorities.*



## CONCLUSION

With the speed and scope of organizational change in financial services reaching unprecedented levels, **deliberate and strategic consideration of priorities for a new HR leader will be critical in ensuring organizational success.**

Matching the right competencies and experiences to short and medium-term organizational challenges will enable a new CHRO to accelerate the right initiatives while empowering the organization to effectively adapt to changes — now and in the future.



# About Massey Henry

Massey Henry is one of North America's leading executive search and board advisory firms focused exclusively on the financial services sector. With an experienced team of industry leaders and executive recruitment specialists, the firm combines innovative technology with sector expertise to provide clients with full-scope talent assessment, coaching, succession planning, and executive search services.

## What Makes Us Different?

**Financial Services clients are our only priority.**

Unlike traditional search firms, we are not generalists. Whether corporate and commercial banking, insurance, asset management, or FinTech, we are a specialized firm that understands the nuances within the financial services sector, allowing us to build a deep network of vetted candidates from coast to coast.

## Financial Services Expertise

**We have led executive searches across the spectrum of the financial services industry, including:**

- Retail and Commercial Banking
- Insurance and Reinsurance
- Asset & Wealth Management
- Capital Markets
- Family Offices
- Credit Unions
- Private Equity
- FinTech
- Payments
- Corporate and Investment Banking

**Some of the roles we have supported include:**

- Board Chair and Directors
- Chief Executive Officer
- Chief Risk Officer
- Chief Product Officer
- **Chief Human Resources Officer**
- Chief Financial Officer
- Chief Compliance Officer
- Chief Client Experience Officer
- Chief Payments Officer
- Chief Investment Officer
- Chief Operating Officer
- Executive Vice President, Digital & Strategy
- Vice President, Cybersecurity
- Vice President, Finance





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