

MASSEY HENRY EXECUTIVE TALENT BRIEF | MARCH 2026

CANADA'S CAPITAL MARKETS

Pivoting in the Age of AI



Executive Summary

Artificial intelligence (AI) is reshaping capital markets at a pace surpassing governance frameworks, workforce adaptation, and traditional role design.

In the near term, AI primarily augments professionals and improves productivity rather than replacing roles. Over time, however, its impact is more disruptive – automating standardized work, reshaping teams, and widening differentiation between high- and low-value roles.

With a focus on seven senior key capital markets roles, this report examines how AI will reshape skills and leadership requirements over the next decade.



Key takeaways



AI augments roles first, then drives structural redesign



Relationship- and judgment-intensive roles endure longest



Leadership capability, not technology, is the primary constraint on successful adoption

Interested in a deeper dive into how AI is shaping individual capital markets role?

Contact us to receive a detailed, role-specific breakdown.

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.

Ranked among Canada's Top Growing Companies by The Globe and Mail, Massey Henry is one of North America's leading executive search and board advisory firms focused exclusively on the financial services sector.



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The Current AI Landscape

AI adoption across financial services has moved rapidly from experimentation to early institutionalization.

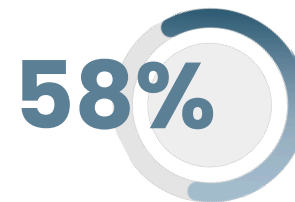
Where AI is today in financial services

Canadian institutions have taken a more cautious, risk-first approach than their U.S. counterparts, raising questions on whether AI-integration will occur fast enough for organizations to remain competitive, while managing workforce transition responsibly within a comparatively cautious regulatory environment.

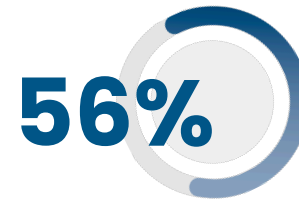
*Regulators are tasked with **shaping oversight, regulation, and guidance that enable responsible AI innovation and adoption in Canada**, ensuring its benefits – including improved operational efficiency and accuracy, enhanced trade surveillance and market-manipulation detection, and stronger advisory and customer service capabilities – are realized while safeguarding investors and the integrity of Canada’s capital markets.*

Where is focus shifting?

*We asked senior leaders across Canada’s financial services sector **which areas will have the greatest impact on their organizations in the year ahead.***



AI, automation, and digital transformation



Productivity, cost management, and operating model redesign

*More than half cited **AI, automation and digital transformation**, as well as **productivity, cost management and operating model redesign**, as the areas expected to have the greatest organizational impact in 2026.*

SOURCE: MASSEY HENRY EXECUTIVE TALENT SURVEY 2026

AI's Unique Impact on Capital Markets

Capital markets roles are uniquely exposed to AI-driven disruption due to their data intensity, regulatory oversight, speed of execution, and margin pressure.

According to a KPMG (2025) Financial Planning Survey, while younger Canadians are adopting digital tools, the majority of the population still values human expertise in financial planning:

- **Human Preference:** 54% prefer face-to-face interaction.
- **Generational Split:** Baby Boomers favour human advisors (56%), Gen Z leans digital (54%).
- **High Net Worth** individuals strongly prefer in-person, personalized service.
- **64% of respondents** say personalized, human-driven plans are essential.

Overall, empathy and expertise from in-person advisors remain critical, especially for complex or long-term planning.

SOURCE: KPMG FINANCIAL PLANNING SURVEY 2025



Outlook for Capital Markets Roles: 2026 – 2036+

Short-Term Outlook (0–2 years)

AI primarily augments existing roles, with senior professionals largely insulated as tools reduce time spent on routine analysis, reporting, and monitoring.

Medium-Term Outlook (3–5 years)

Structural change accelerates as role redesign and consolidation take hold. Generalist execution roles face increasing pressure as standardized work is absorbed at scale and teams become leaner and more technology intensive.

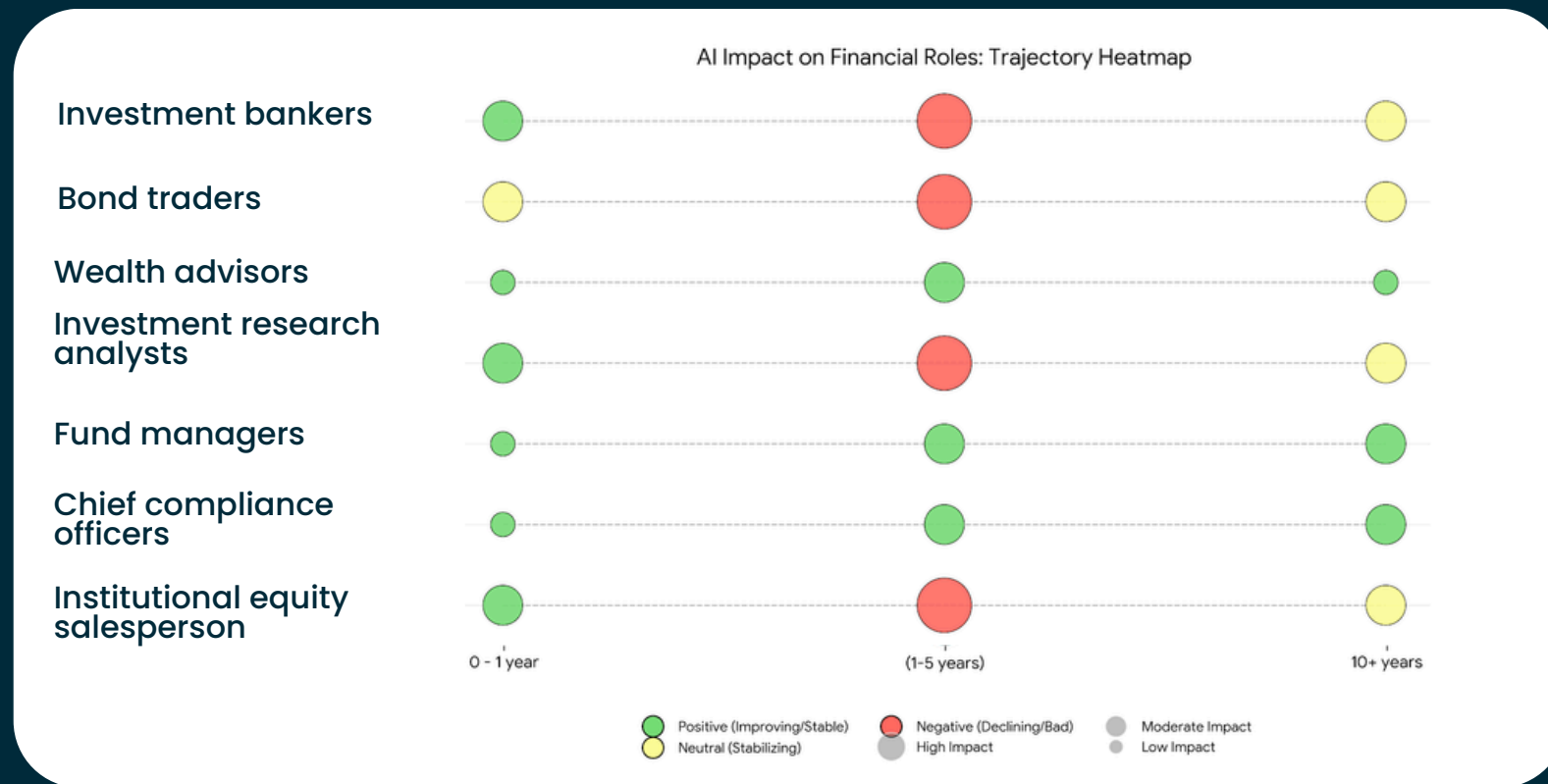
Long-Term Outlook (10+ years)

AI drives fundamental changes across front-, middle-, and back-office functions. Teams become smaller and more selective, with a premium placed on professionals who deliver irreplaceable human value — strategic insight, complex judgment, and trusted advisory.

Role Impact Assessment Across Capital Markets

We assessed AI's impact across **seven senior capital markets roles** in Canada over short-, medium-, and long-term horizons.

Role-by-role summary



SOURCE: AI-generated visualization based on original, independent research by Massey Henry.

Role Impact Assessment Across Capital Markets

How will these roles endure in the medium-term?

These roles are relationship-intensive and rely heavily on human judgment in complex, high-stakes situations. Senior demand is expected to remain stable or grow, even as supporting teams become leaner.

High Disruption & Transformation

- **Investment Bankers & Research Analysts:** AI agents are rapidly taking over valuation modeling and data synthesis, leading to leaner teams and a "Negative" medium-term trajectory for traditional execution roles.
- **Bond Traders & Equity Sales:** These roles see early impacts as algorithmic systems handle routine work. Automation continues to compress margins in trading and sales, accelerating headcount reductions and pushing surviving roles toward advisory and specialized niches.

Stable Augmentation

- **Wealth & Fund Managers:** Disruption remains "Low" and "Positive" as AI automates back-office tasks like rebalancing, freeing managers to focus on client service and complex strategy.
- **Chief Compliance Officers:** This role evolves into a "Strategic Controller." Compliance stays stable by shifting focus from manual monitoring to the governance and auditing of the firm's AI models.

Across all roles, enduring advantage comes from irreplaceable expertise, strong relationships, comfort using AI as a tool, and a shift from execution-focused work toward strategic advisory.



Human Skills That Prevail

While AI capabilities are expanding, human skills are not obsolete.

Judgment and Decision-Making Under Uncertainty

Where stakes are high and errors can be catastrophic, human judgement — even as a second-line of defense — becomes essential.

Relationship-Building and Empathy

Trust-based advisory remains difficult to automate because it is fundamentally relational. Particularly in moments of market volatility, clients often seek more than information — they seek active listening and and empathetic communication. Wealth advisory demonstrates how AI can strengthen personalization, but human advisors retain responsibility for critical decisions and the establishment of trust and credibility.

Ethics, Governance, and Oversight

As AI becomes embedded across functions, leaders must think systemically about integrating technology into strategy, while managing risk, culture, and governance. AI systems replicate patterns in data, reinforcing the need for human oversight around explainability, bias, and unintended outcomes.

Poor decision-making is not a purely human trait.

Self-driving cars have been shown to adopt aggressive behavior seen in human drivers — making illegal U-turns, zigzagging through tunnels and rolling past stops.

This example highlights how AI does not inherently distinguish between optimal and appropriate conduct without human control.

SOURCE: Wall Street Journal. 2025. "Waymo's Self-Driving Cars Are Suddenly Behaving Like New York Cabbies."



*"The 'human in the loop' isn't just a safety net — they are the primary engine for model reliability. In my view, the **real value of keeping human experts engaged on complex cases isn't just about risk management today; it's about generating the high-quality 'edge case' data needed to retrain AI models for tomorrow.** The more complex scenarios humans solve, the better the training dataset becomes, which is the only way to optimize AI from 'confident' to truly 'reliable' at scale."*

Pradeep Kumar

Former SVP, Axis Bank | Former VP, Citibank

AI Adoption: What Will Influence the Timeline

AI adoption will not be linear. The pace of change will be shaped by regulatory and governance requirements, data quality and infrastructure readiness, and — most critically — leadership capability.

In Canada, stronger model risk management and accountability expectations may slow deployment but reduce downstream risk. Across institutions, talent availability and leadership comfort with AI-enabled decision-making are emerging as the most binding constraints on adoption.

Announced in Fall 2025, Canada's Sovereign AI Compute Strategy is a multi-year initiative designed to secure domestic AI infrastructure, intellectual property, and data independence.

SOURCE: Government of Canada, 2025. "Canadian Sovereign AI Compute Strategy."

Several structural factors will shape the pace and trajectory of AI adoption in Canada:

- **Regulation & policy** — governance frameworks that enable or constrain deployment.
- **Digital and technology infrastructure** — availability of connectivity, cloud, and processing capacity.
- **Talent & workforce readiness** — depth of AI expertise and reskilling capability.
- **Economic investment climate** — access to capital and incentives for innovation.
- **Public trust & social acceptance** — confidence in ethical and responsible AI use.
- **Innovation ecosystem strength** — collaboration between academia, industry, and government.
- **Global competitive dynamics** — alignment with international standards and market pressures.
- **Sector-specific demand** — industry readiness and use-case maturity.
- **Infrastructure readiness** — data centres, computing capacity, energy, and other resources.

Talent and Executive Hiring Implications

As AI reshapes capital markets roles, executive mandates are expanding beyond traditional functional boundaries. Leaders are increasingly accountable not only for performance, but for how AI is deployed, governed, and integrated into decision-making.

Shifting Executive Mandates

Executive roles are broadening to include responsibility for AI strategy, talent transition, and ethical oversight, alongside traditional commercial objectives.

What Will Financial Services Organizations Look for in Capital Markets Leaders?

Future-ready leaders will demonstrate:

- AI fluency and awareness of tools and appropriate use, without needing deep technical expertise
- A track record of transformation and change leadership
- Strong judgment and critical thinking
- The ability to balance innovation with risk and governance

Looking Ahead: Preparing for an AI-Shaped Capital Markets Future

AI will not replace leadership in capital markets, but it will redefine it. As automation accelerates, the value of human judgment, trust, and strategic oversight increases.

For professionals at all stages – from early career to executive – success will hinge on combining technical fluency with judgment, adaptability, and strategic thinking.

Organizations that recognize executive talent strategy as a core competitive lever – rather than a downstream consideration – will be best positioned to compete and thrive in an AI-shaped capital markets future.

- 1 Investment bankers
- 2 Wealth advisors
- 3 Bond traders
- 4 Investment research analysts
- 5 Fund managers
- 6 Chief compliance officers
- 7 Institutional equity salesperson

Contact us to receive a detailed, role-specific breakdown on any of the seven senior capital markets roles identified in this paper.

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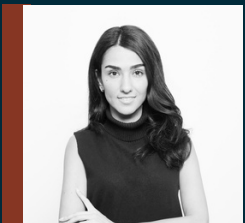
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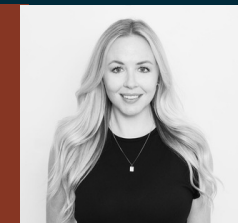
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About Massey Henry

Ranked among Canada's Top Growing Companies by The Globe and Mail, 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, commercial, or investment banking, insurance, asset management, or fintech, we are a specialized firm that understands the nuances of the financial services sector and institutional capital markets, allowing us to build a deep network of vetted candidates from coast to coast.

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

- Retail and Commercial Banking
- Insurance
- Asset & Wealth Management
- Capital Markets
- Family Offices
- Credit Unions
- Private Equity/Debt
- Fintech
- Payments
- Corporate/Investment Banking
- Regulatory Compliance & Legal

Some of the roles we have supported include:

- Board Director(s)
- Buyside Trader
- Chief Executive Officer
- Chief Risk Officer
- Chief Human Resources Officer
- Chief Financial Officer
- Chief Compliance Officer
- Chief Investment Officer
- Chief Operating Officer
- Head of Equities
- Head of Wealth & Investment Management
- Investment Analyst
- Senior Advisor, Private Wealth
- Senior Portfolio Manager
- Managing Director, Investment Banking
- Portfolio Manager, Fixed Income (Rates)
- Portfolio Manager, US Equities
- Vice President, Cybersecurity

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