



Recruiting Leaders in Sustainability.

With the advent of the Corporate Sustainability Reporting Directive (CSRD), the EU now has mandatory reporting standards in this area. Large and listed EU-based firms will be required to collect and provide dependable and standardised sustainability data. This will give stakeholders the opportunity to assess the non-financial performance of companies and evaluate the organisation's impact on people and the environment. So how will this impact searches for future leaders?

C-suite executives who understand the importance of sustainable and socially responsible business practices are preparing for the CSRD by formulating environmental sustainability, social sustainability, and corporate governance (ESG) strategies that align with their organisation's goals. Executives will need to possess a combination of technical knowledge, strategic thinking and deep understanding of sustainability principles. They will also require considerable organisational change skills.

Leaders will need to be adept at navigating this transition

and engaging with investors, clients, employees, and regulators. The collection and handling of CSRD data presents huge technical and organisational challenges, several companies in industries such as oil and gas, food and beverage, manufacturing, and consumer goods are already using ESG reporting and data management software from providers such as Enablon, IBM and UL Solutions. Process effectiveness will sit across many functions including Risk, Finance, HR, Legal, Technology, Procurement, Supply Chain and Sustainability. The CIPD anticipate that sustainability will exert a growing influence on the future of work.

These eight competencies
are essential to lead
effectively in this area:

1. Sustainability Expertise: A strong grasp of ESG sustainability concepts and how these relate to organisation operations and business strategy.

2. Technical Expertise: Knowledge of best practice for data management and solutions that enhance firms ESG performance.

3. Regulatory Knowledge: The ability to interpret and implement mandatory and voluntary reporting regulations effectively.

4. Strategic Vision: The integration of sustainability goals with corporate strategy, embedding sustainability objectives in the organisation's long-term vision.

5. Risk Management: The identification and mitigation of environmental, social, and governance risks to comply with sustainability reporting directives.

6. Ethical Leadership: Authenticity and the ability to inspire and lead cross-functional teams dedicated to sustainability initiatives.

7. Monitoring and Reporting Performance: Tracking sustainability initiatives through KPI's and incorporating sustainability data within management reports.

8. Financial Acumen: Understanding the financial implications of sustainability initiatives, making sound financial decisions related to sustainability investments.

According to KPMG, 43% of CEOs in Ireland felt that the greatest challenge in their ESG strategy is attracting new talent.



The challenge for Executive Search firms and HR leaders will be in selecting C-suite executives aligned to their organisation's commitment to sustainability. The recruiting process should be rigorous and comprehensive, and include each of the following stages:

Define Role and Responsibilities: Responsibilities should include developing and implementing sustainability strategies, assessing risk, ensuring compliance with relevant standards, reporting on Corporate Social Responsibility (CSR) performance, evaluating technology and engaging with stakeholders.

Identify Key Qualifications and Skills: Seek candidates with a strong background in sustainability, ESG practices, and driving CSR initiatives. They should demonstrate experience of using technology to drive these initiatives efficiently.

Prepare Detailed Briefing Document: Highlight the company's dedication to CSR in the briefing document and throughout the assessment process.

Conduct Comprehensive Competency Based Interviews: Assess candidate knowledge of CSR, values, and ability to drive sustainable practices. Seek evidence of implementing CSR programmes, their outcomes, and ascertain their approach to stakeholder engagement.

Evaluate Cultural Alignment and Leadership Proficiency: Evaluate the candidate's leadership style for alignment with company culture. Executives should possess the ability to motivate and guide teams towards enduring CSRD objectives.

Conduct Thorough Reference Checks: Check the candidate's qualifications, track record, and suitability for the role. Perform due diligence on any public information about the candidate.

Communicate Expectations: Clearly communicate the company's expectations including specific goals, reporting requirements, and key performance indicators related to CSR.

Outline Competitive Compensation and Benefits: Offer a compensation package that is commensurate with the significance of the role and the impact it can have on sustainability.

Plan Onboarding and Integration: Formulate an onboarding strategy that encompasses an introduction to the company's CSR initiatives and make introductions to key stakeholders.

Role Specifications will vary depending on the size, scale and complexity of an organisation. However, a commitment to sustainability and a willingness to adapt are essential for C-suite leaders to effectively navigate compliance with CSRD and broader sustainability initiatives.

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Sources

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