

# Climate change and environmental impact

The scarcity of resources  
is a mounting problem



The nature of leadership will have to change dramatically if organizations are to harness the benefits and counter the negative effects of the six megatrends identified by Hay Group as likely to have the greatest effect on organizations and their leaders over the coming decade. Here we examine the organizational and leadership implications of one of these megatrends: climate change, environmental impact and scarcity of resources >>

The problems caused by rising CO2 emissions and temperatures will be aggravated by growing industrial and residential waste in emerging and developing countries. Meanwhile, the growing scarcity of strategic resources such as water, minerals, metals

and fossil fuels will cause price hikes and could trigger regional and global conflicts. Greater environmental responsibility and accountability will be the inevitable corollary and investment in clean technology will rise.

“ restructuring along sustainable lines has become a strategic imperative ”



### Organizational implications

Clearly, organizations that lower their eco-footprint will see direct benefits to their performance, bottom line and competitiveness, so restructuring along sustainable lines has become a strategic imperative. Investors, employees and customers alike are increasingly factoring environmental considerations into their decisions to invest in, work for and buy from organizations, so the economic arguments for change are being reinforced by the social responsibility driver too. There will also need to be greater collaboration between organizations to find solutions to environmental problems. And firms must accept rising costs – both in terms of raw materials prices and as a result of introducing more environmentally sustainable processes – as part of their license to operate.

### Leadership implications

Leaders will need outstanding cognitive skills to balance the competing demands of financial success, social responsibility and environmental custodianship. They will have to think more strategically and conceptually, getting their companies onto a more sustainable footing and factoring environmental considerations into their planning. They must also act as change agents, advocating environmentally responsible business practice within and outside the organization, and forging new levels of intra-and inter-company collaboration in order to encourage team, rather than individual, solutions.

#### About Hay Group

Hay Group is a global management consulting firm that works with leaders to transform strategy into reality. We develop talent, organize people to be more effective and motivate them to perform at their best. Our focus is on making change happen and helping people and organizations realize their potential.

We have over 3000 employees working in 87 offices in 49 countries. Our insight is supported by robust data from over 125 countries. Our clients are from the private, public and not-for-profit sectors, across every major industry.

To find out more about how to prepare your organization for the leadership challenges that lie ahead, contact your local Hay Group office through [www.haygroup.com](http://www.haygroup.com)