



How the general counsel role is changing in 2020: A new job description?

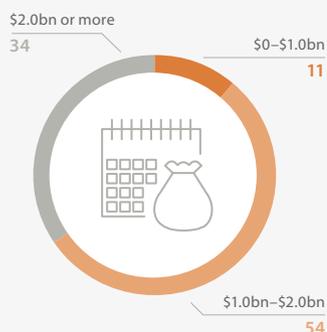
A survey of 90 general counsels in the United States on how their role and that of legal departments has changed this year and what they expect for the future shows that many general counsels have played a central role in companies' responses to the events of the tumultuous first half of 2020 and that their responsibilities as a whole are evolving.

General counsels have often been a moral, ethical, and regulatory compass for their organizations as well as the chief advisors on moderating reputational issues and addressing systemic risks. Their primary role has often been to prepare for, respond to, and remove obstacles an organization may face in achieving its strategic goals. This year, we have seen general counsels expand their influence to include setting the moral direction of their organization rather than just implementing based on it; moving from dealing with what their organization hopes to avoid to guiding their organization to what it hopes to become; and beginning to use their enterprise-wide knowledge to help their organization develop an understanding of not only what's legal but what's right, in alignment with its overall purpose and culture.

We have seen this growth most clearly in the role general counsels have played in advising on risks related to the COVID-19 crisis and in being key advisors in formulating their company's response to the protests against racial and social injustice. However, the general counsel's role and how legal departments have changed in recent months have received less attention than many other recent organizational changes. We surveyed 90 general counsels in the United States on how their role has changed this year and what they expect for the future.

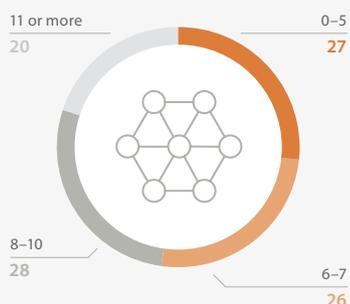
Overall respondent demographics

Annual revenue (%)



Note: Numbers may not sum to 100%, because of rounding.

Direct reports (%)



Note: Numbers may not sum to 100%, because of rounding.

Legal expenditure (%)



Number of direct reports, by legal expenditure

	Less than \$10.0m	\$10.0m - \$24.9m	\$25.0m - \$49.9m	\$50.0m - \$99.9m	\$100.0m - \$249.9m
25th percentile	5	5	6	7	9
Median	7	7	8	9	10
Average	7.6	7	10.2	10	10.1
75th percentile	9	8	10	14	12

Source: Heidrick & Struggles' 2020 general counsel survey, 2020, n = 90 general counsels

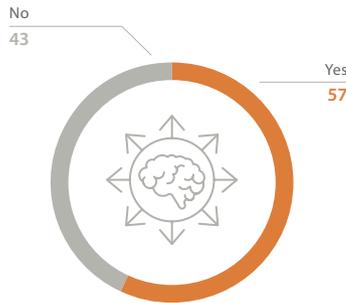
Diversity and inclusion

More than half of general counsels said they were very involved in their organization’s response to the killing of George Floyd and the subsequent increase in pressure for racial and social justice. Two-thirds of general counsels with eight or more direct reports said they were very involved, compared with only 43% of those with smaller teams, suggesting that general counsels with larger teams may be more able to free up time to take on more strategic questions.

It’s also notable that nearly three-quarters of respondents said they are rethinking how their organization manages diversity and inclusion, and more than half say they are also thinking about the diversity of their external law firms. Furthermore, 75% of general counsels at companies spending the most on legal services (\$25 million or more a year) say they are reassessing both internal and external diversity and inclusion, perhaps indicating that there will be sustained pressure on their law firms to address diversity and inclusion as well, to meet the expectations of these big clients.

Rethinking diversity (%)

Are you rethinking diversity both within your own firm and of your external law firms?



Source: Heidrick & Struggles’ 2020 general counsel survey, 2020, n = 90 general counsels

COVID-19 and new ways of working

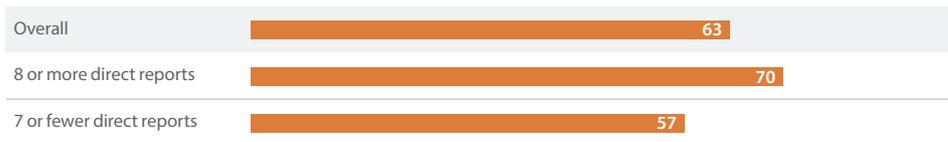
Strong majorities of general counsels said that they, personally, as well as their legal departments, were fairly or extremely well prepared for the COVID-19 crisis: 86% personally and 91% for their department. Here, too, general counsels heading larger legal departments had a notably different view than those leading smaller departments: 33% of those with the largest teams said their department was very well prepared, compared with only 11% of general counsels with smaller teams.

Most general counsels, and more often those with larger teams, have asked members of their department to take on different responsibilities since COVID-19 began affecting business operations. Only 18%, however, have actually restructured their teams, most often by eliminating positions or cutting pay.

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General counsels with larger legal teams more likely to change reports’ responsibilities

Have you asked your direct reports to take on different responsibilities since COVID-19? (% Yes)

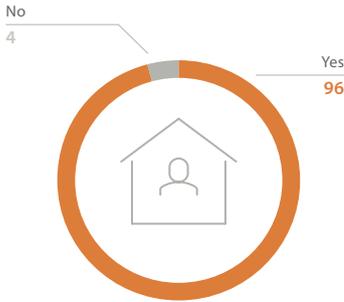


Source: Heidrick & Struggles’ 2020 general counsel survey, 2020, n = 90 general counsels

Nearly all general counsels say their teams are well suited to working remotely, and most expect them to continue to do so. However, they are concerned about the lack of informal interactions on team relationships, as well as their ability to make business decisions and preserve confidentiality. General counsels expect greater flexibility in work schedules, more use of video, and more planned communications and check-ins going forward.

Working remotely is here to stay... (%)

Are your teams well suited to working remotely now?



Will your teams continue to work remotely in the future?



Source: Heidrick & Struggles' 2020 general counsel survey, 2020, n = 90 general counsels

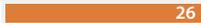
...but it raises some concerns (%)

In a remote working environment, some things are difficult to replicate regarding relationships.

Informal interactions with team members and senior leaders



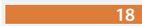
In-person contact/ face-to-face meetings



Informal interactions/connection with colleagues not on team



Collaboration



Maintaining culture



Making nuanced or confidential business decisions is also difficult to replicate in a remote working environment.

Business decisions, confidentiality



Internal networking, career and professional development



Leading teams



External meetings with clients



Always "on"



Source: Heidrick & Struggles' 2020 general counsel survey, 2020, n = 90 general counsels



One general counsel surveyed said, "While working remotely has been more effective than I could have expected, the lack of personal collaboration and interaction is impactful. There is a real benefit to being able to walk over to someone in our department and talk through an issue (rather than doing it via email or arranging a call), and, similarly, it's valuable to sit with other members of senior management to discuss matters that require time and thought."

What general counsels are doing differently

Two-thirds of general counsels say they're spending more time with their boards than before, though more than half, 54%, say the issues they are discussing and advice they're providing the board have not changed. Among those who are offering advice on new topics, they most often cited risk and crisis management as new topics discussed.

The new issues general counsels are discussing with boards (%)

Risk management, crisis management, and scenario planning



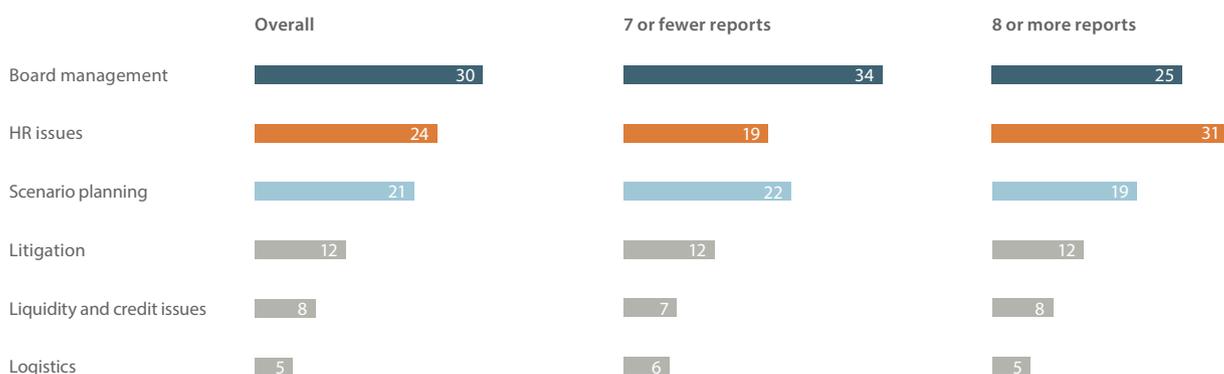
Of the 46% of general counsels who are offering boards advice on new topics, three key themes emerged:

- Managing future risk
- COVID-19's impact on business
- Employee welfare and diversity

Source: Heidrick & Struggles' 2020 general counsel survey, 2020, n = 90 general counsels

There are a few notable differences between what general counsels with larger teams and those with smaller teams have been spending the most time doing. Those with eight or more reports are spending more time on HR issues, perhaps suggesting that larger companies (with larger legal teams) also are facing more complex HR questions in the wake of the events of the first half of 2020.

How general counsels are spending their time (%)



Source: Heidrick & Struggles' 2020 general counsel survey, 2020, n = 90 general counsels

If they had more time, almost all general counsels would like to have more one-on-one meetings and spend more time with their teams, particularly in an informal setting—echoing their concern about the effect of fewer informal interactions on relationships. One general counsel said that he would “spend more time on development, checking in with them, and thinking about the future.” Another noted the importance of “more time with the broader team to talk about change, remote management, and what’s working [and what’s] not.”

Looking ahead

On the whole, general counsels are spending more time with boards and playing a larger role in organizational responses to the ongoing calls for racial and social justice—all while leading more remote teams and figuring out new ways of working. Whereas the role of the general counsel used to be to determine whether an action is legal, that is now just the first inquiry, closely followed by whether the action is ethical and whether it's what the organization wants to stand for, as well as other questions tied to the organization's moral and strategic direction. Furthermore, the crises of this spring appear to have increased momentum that had been building over the past few years (as a result of the growing importance of areas such as privacy law and environmental, social, and corporate governance) to shift general counsels' contributions well beyond the typical legal sphere—beyond even HR or administrative work—to work that has typically been reserved for P&L leaders. General counsels with larger teams feel more prepared, perhaps because of a greater breadth of knowledge on the team, and therefore, it seems, these general counsels may have more time for more strategic work such as crisis response.

Looking ahead, we encourage general counsels and CEOs to ask what kinds of expertise are most important for general counsels themselves to have in this new context, and what can be done most effectively by the rest of the legal team.

We also encourage general counsels to find the time to work with the board, the rest of the C-suite, and the legal team on linking organizational purpose to decision making about crucial reputational and HR issues. This may be harder for those with smaller teams, but it is central to maintaining a thriving culture and to their organizations' financial performance, as other work by Heidrick & Struggles has shown.¹ It is even more crucial as organizations undergo radical change in response to these crises, and general counsels' traditional role as moral and ethical compasses for their organizations makes them particularly well suited to taking on this responsibility.

Finally, we encourage general counsels to ensure they and their teams are agile. Most seem to have a good start, given how prepared they felt for the pandemic, but time spent on learning, foresight, resilience, and adaptability will be valuable as teams continue to adjust to new responsibilities and ways of working. What cannot be underestimated is the importance of a general counsel's judgment and emotional intelligence. As one put it, "At the beginning of the crisis, it was very tactical, as we were wanting to keep people working, thinking things would be temporary. [We] have now moved on to really focusing on the well-being of our employees, not just physically, but mentally as well."

We encourage general counsels and CEOs to ask what kinds of expertise are most important for general counsels themselves to have in this new context, and what can be done most effectively by the rest of the legal team.

¹ For more on the link between strong organizational purpose and company culture and performance, see Alice Breeden, Rose Gailey, and Duncan Wardley, "Activating organizational purpose," Heidrick & Struggles, June 29, 2020; and Jeremy C. Hanson, "Restructuring with purpose: Leading through disruption to build long-term strength," Heidrick & Struggles, June 2, 2020, heidrick.com.

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Legal, Risk, Compliance & Government Affairs Practice

Heidrick & Struggles' Legal, Risk, Compliance & Government Affairs Practice draws on more than 60 years of leadership expertise to provide strategic counsel to some of the world's most influential public and private organizations.

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ONE LEADERSHIP TEAM AT A TIME®

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