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Global General Counsels' Views Shift Widely Post Pandemic

Take a look at 6 big changes revealed in benchmark of corporate legal leaders

By E. Leigh Dance



In January 2020, legal leaders in 57 global companies told us that strategic thinking would be the skill demanded most by their bosses in the coming year. How right they were! Since then, General Counsel not only contribute more on business strategy, but are involved in diverse operational issues, interact with far more stakeholders and lead constantly busy legal functions. Legal leaders' contributions have been valued in new ways since the pandemic began, and the demand won't likely wane.

The big question is: how long into 2022 can global general counsel sustain this gruelling pace? Our just released 2021 benchmark gives us a better sense of the challenges. We share here six changes in roles and perspectives that we find most significant. What's surprising is that the changes are remarkably similar for in-house leaders across many countries and industries.

Our last benchmark study was completed just before Covid-19 became a household word. We were so eager to compare new benchmark data to pre-Pandemic that we fielded our study earlier, in September 2021. Participants are corporate legal/compliance chiefs or one level down in 54 large global organizations across

many industry sectors and mostly well-known brands. They are based nearly equally in US, Canada, EMEA and the UK.

Here are six changes in the global General Counsel's role and perspectives that stand out most in our new benchmark. We hope they will inform how you move forward in 2022.

Key Change 1: Scope Creep on Steroids

According to global General Counsel respondents, balancing constantly growing and changing demands is the biggest personal issue they face at work. They describe it in the benchmark study as added responsibilities and complexity, more demands in new legal areas and broader scope in every arena, plus greater involvement with enterprise risk.

They comment about giving input on strategy far more often, in addition to the legal elements. They are challenged with "changing and competing projects and priorities," which can be exhausting when mixed with frequently "unclear and uncertain business direction."

On the other hand, large corporate legal and compliance leaders say they truly appreciate the greater role in strategy and feel they have much to contribute. But it comes at a cost, and can lead to ...

Key Change 2: Overwork and Exhaustion

Respondents describe their second biggest personal challenge at work (just a hair behind Key Change #1) as "being overworked and setting limits around availability and capacity."

Gartner recently reported that a troubling number of in-house counsel are not fully engaged. They identified a strong correlation between lack of engagement and inclination to leave one's current job. That's a real issue but doesn't appear true of corporate legal and compliance chiefs, who are fully engaged and show no signs of wanting 'out.' Still, they are very tired.

One General Counsel said that a problem of remote working is that business colleagues always know where to find him. Executives don't think twice about scheduling Zoom calls at 6 on a Saturday night, because they assume he is home and available. Even with fewer Covid restrictions, the 7-day work weeks remains for

many. As highly competent service providers, in-house lawyers are not good at saying "No."

It doesn't help that the (distant) third biggest personal challenge revealed is "Constant budget pressure and being asked to do more with the same." Nothing new there, except that when budget pressures are piled onto exploding demands, it's often impossible to get it done with 'the same.'

Key Change #3: Internal Stakeholders Matter Most

Benchmark participants' ranking of their top two internal and external stakeholders has changed in the last 20 months. The last few years have seen a growing mix of stakeholders for General Counsel, and current findings show that Legal's key stakeholders are all inside. The CEO is by far their top stakeholder and tied in second place are the Board of Directors and the exec team/ senior managers/ business leaders.

That's a few dozen stakeholders. Add external stakeholders such as investors, customers, regulators and NGOs and you understand the reality of Key Change #1: scope creep on steroids.

Our study reveals a surprising decrease in the ranking of shareholders. Today, less than 10% of our respondents consider shareholders among their top 2 stakeholders, down by 50% from January 2020. Meanwhile, "the company itself" as stakeholder now ranks far higher.

Key Change #4: Workloads Reach Their Limit for In-house Teams

Never in 11 years of our global counsel leader benchmarks has a question had a unanimous response. We were taken aback that 100% of respondents from companies and institutions in >20 countries said their professionals' workloads have increased. In January 2020, 81% of respondents saw an increase in workloads of their legal/compliance teams. This finding is simply unsustainable.

It has been a while since the in-house role could claim to offer more work-life balance than law firms. Non-stop workload increases are a sub-optimal way to manage legal risks. Legal team leaders are struggling to fill positions of leavers and worry about the vague value proposition for in-house counsel roles.

With little hope for demands on corporate counsel to decrease, the two options to lighten workload and avoid growing burnout seem to be to:

- 1) get budget to increase headcount (unlikely for many), and
- 2) generate more operational efficiencies

Making progress on digital capabilities to gain operational efficiency was high on the General Counsel's list of priorities in January 2020. The current benchmark shows that success with digital capabilities fell woefully short of aspirations. Which brings us to...

Key Change #5: Dismal Progress on Digital Advances

There were many hopeful reports of corporate counsel's big automation advances during the Pandemic. But more than 75% of the new study's respondents give their departments an average or lower score on digital improvements in the last 18 months. Of those, a striking 40% give themselves a failing grade (1 or 2 on a scale of 1-5 with 5 highest). Only two respondents rated their progress a 5.

This problem cries for attention. Without greater operational efficiencies, how can workloads ease up? Unfortunately, it's the work volume that often keeps General Counsel from implementing new productivity tools. One respondent wrote, "Not enough progress yet and still too much to do to actually speak of real digitization." Corporate legal departments must solve this conundrum.

The constraints on making progress with tech and automation for in-house teams are different than 20 months ago. General Counsel now say their biggest challenges are:

- 1. Budget for tech-related operational improvements
- 2. Expertise/experience to determine which tools we need
- 3. Getting people to change habits and consistently use tools

Budget issues moved from 3rd to 1st place and the 2nd constraint wasn't even in the top 5 in early 2020.

How will your team pull ahead and introduce helpful new tools in 2022? Consider involving junior professionals in deciding the tools needed and making the case for investing.

Key Change #6: Far more time engaging and inspiring virtual teams

Last but not least, nearly every benchmark respondent refers to the demands of leading and engaging a remote team. One GC wrote, "It's more critical than ever to

demonstrate agility and resilience, manage change, and balance priorities between needs of the business, needs of functions and needs of self/ team."

General Counsel spend many more hours than pre-pandemic on weekly 1:1 checkins and Zoom calls with their people. Many schedule extra team meetings and have increased communications to keep the team connected.

This is easier for legal teams returning to the office. But since many companies are expected to transition to virtual or hybrid working, General Counsel will need to continue to inspire remote teams and improve how they onboard new joiners.

2022?

The Covid-19 virus has provoked a new and unique chapter in the in-house legal profession, one that is already leading to significant professional growth. In-house leaders will have interesting choices to make in 2022. It will require devoting attention to setting parameters and providing regular pauses for themselves and their teams. Every effective strategic thinker knows that she needs to stop and make time to think.

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