Gartner

General Counsel Leadership Vision 2022

3 Strategic Actions for Success
From Chris Howard, Chief of Research, Gartner

As we head into 2022, we continue to feel the human toll of the global pandemic, but we already know it has been a watershed period in which attitudes and norms have permanently shifted — in our everyday lives and at work.

Living through COVID-19 has increased social awareness — as have growing demands for equity for those who are underrepresented.

Businesses have also changed. For many organizations, the pandemic has catalyzed digital business initiatives as we adapt to the demands of employees, customers and other stakeholders, who were forced into new digital options that they have now come to favor.

B2B purchasers are happy to buy digitally, without a sales representative; B2C consumers are buying off social media platforms; employees are physically distributed and communicating asynchronously — and IT infrastructures must secure the organization despite this “anytime, anyway, anywhere” way in which we’re operating.

You and your team may be burning out, and it’s never been more important to prioritize your time and energy.

In your role as a leader, you’ve now spent months adapting to change and delivering new solutions at speed. You and your team may be burning out, and it’s never been more important to prioritize your time and energy. To help with that, Gartner Leadership Vision provides top-level guidance to leaders and their teams on where to focus — based on our data-driven research.

We’re providing detailed insights to our clients across dozens of roles, and we’re now excited to share excerpts with the business community beyond our clients. We hope this will help you to focus discussions with your teams, peers and other leaders, so you can more quickly and effectively diagnose priorities and actions, especially as you solidify your strategic plans for 2022.

Chris Howard
Chief of Research, Gartner
Where the General Counsel (GC) Should Focus in 2022

Three challenges requiring GC leadership

- **Changing expectations of corporate behavior**
  Stakeholders are pushing companies to reconsider their corporate purpose and the very meaning of long-term value. The GC is critical to affirming the company’s “social license to operate,” judged against a wide range of environmental, social and governance (ESG) criteria.

- **A rise in risk and decision complexity**
  Today’s cross-functional risks and workflows have made decision making less clear. Two-thirds of executives fail to make risk-informed business decisions, creating costs and risk in the process. The GC must build the processes that support risk-informed decisions.

- **Rebuilding team engagement**
  Burned-out legal staff, hybrid working models and a rapidly changing legal services market present an opportunity to change how the legal department operates. The GC must renew staff engagement and create a more sustainable legal department.

**GC challenges**

- How do I build an effective ESG program?
- How do I improve organizational decision making?
- How do I drive long-term staff engagement?

**GC actions**

- Integrate ESG into strategy and operations.
- Enable decision makers to make sense of risk information and effectively balance quality decision making and corporate speed.
- Make legal work more fulfilling.

Source: Gartner
Integrate a Response to Evolving Societal Expectations in Strategy, Decision Making and Risk Management

To ensure that the organization accounts for evolving societal expectations in strategic planning, operational decision making and corporate risk management, the GC should:

**Determine program scope**
Focus your ESG program on top areas of stakeholder concerns by conducting a materiality assessment and posing questions to stakeholders about their areas of concern.

**Align strategy, goals and targets**
Consider the benefits, impact, competitive advantage and costs of each goal, to set targets that align to your overall corporate strategy.

**Drive role clarity, and focus on data reliability**
Ensure structural governance that clarifies roles and responsibilities. Build an ESG-reporting infrastructure now to ensure reliability and accessibility of data.

**Assess narrative strength**
Ensure that your ESG program’s efforts and accomplishments reach your intended audience by underscoring tangible program achievements and the connection to strategy and risk management. Measure the impact on key stakeholder perceptions.

**Review board charters**
Clarify board committee oversight responsibilities and update board and committee charters.

Source: Gartner
Own Your Central Role in Corporate Decisions

The GC is increasingly important for navigating new demands, strategies and points of tension.

- Support diverse, high-performing board.
- Establish “return to office” procedures.
- Enable and support new lines of business.
- Support fast, opportunistic acquisitions and partnerships.
- Build ESG program scope and narrative.
- Create the processes and policies that support new employee value propositions.
- Support supply chain resilience and sustainability.
- Ensure governance for new initiatives (such as AI, DEI, and information).

AI = artificial intelligence; DEI = diversity, equity and inclusion
Source: Gartner
Realize That Decision Making Has Become Less Sound

**Less Rigorous Decision-Making Process in 2020**

To respond quickly to the events of 2020, decision makers accepted a less thorough and rigorous decision-making process.

Percentage of respondents:

- **48%** Agree
- **48%** Neutral
- **4%** Disagree

*n = 200 executive decision makers

Source: 2021 Gartner Audit Business Partner Panel Survey

**Atypically Big Decisions Could Continue Into 2022**

The atypically impactful decisions that emerged in 2020 have persisted and could last far into 2022.

Percentage of respondents:

- **58%** Agree
- **40%** Neutral
- **2%** Disagree

*n = 200 executive decision makers

Source: 2021 Gartner Audit Business Partner Panel Survey
Make Decision Making Easier for the Organization and Improve Decision Quality

To be a corporate sense maker, the GC should:
- Provide frameworks for strategic decisions that synthesize risk information
- Teach decision makers to make sense of risk information independently
- Embed decision controls into operational processes to reduce the burden of compliance

Decision makers are more effective with a sense-making approach. Percentage change in decision quality as a result of moving from 10th to 90th percentile in providing more risk information and sense making

n = 370 executive decision makers
Source: 2021 Gartner Risk Panel Survey
Acknowledge the Legal Team Is Exhausted

Percentage of in-house lawyers who are exhausted\(^1\)

<table>
<thead>
<tr>
<th>Exhausted</th>
<th>Not Exhausted</th>
</tr>
</thead>
<tbody>
<tr>
<td>54%</td>
<td>46%</td>
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Impact of lawyer exhaustion\(^2\)
- Half as likely to say they intend to stay
- 3.5 times more likely to give guidance that forgoes business opportunity
- Five times more likely to be viewed as an obstacle by business partners

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\(^1\) Exhaustion is calculated by general agreement with the following statements: I am often overwhelmed with work; I often sleep poorly because of the circumstances at work; I constantly feel bad because my work forces me to neglect my closest friends and relatives; When I get up in the morning, it's hard to make myself go to work.

\(^2\) Impact of moving employees from Somewhat-Highly Exhausted to Not Exhausted
Improve Staff Engagement — Which Reduces Exhaustion More Than Reallocating Work

The GC’s guide to building staff engagement:
- Counter to popular belief, staff engagement is fairly controllable.
- Providing staff with “fulfilling work” has 90% more impact on engagement than does compensation, benefits and job title.
- To build engagement, the GC should:
  - Help lawyers see the business impact of their work
  - Create opportunities to explore areas of interest

Lawyer engagement is the key to reducing lawyer exhaustion.

Engagement increases capacity to take on more work.

2021 Gartner Corporate Lawyer Engagement Survey
Actionable, objective insight

Explore these additional complimentary resources and tools for legal leaders:

- **Research**
  - **The Future of Legal**
    Discover the six shifts the GC should make now to build a more flexible, resilient legal department of the future.
  - **Build a Better Strategic Plan for Your Function**
    Turn your strategy into action with our tools and templates.

- **Resource Hub**
  - **Future of Work Reinvented**
    Reinvent where, when and how we work to maximize employees’ engagement and productivity.

- **Journal**
  - **Gartner Business Quarterly**
    Stay up to date with the most compelling research on organizational issues that cut across the C-suite.

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