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# A New General Counsel for a New World

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What kinds of skills do general counsels need today? This article builds upon Egon Zehnder's presentation at its Annual European General Counsel event in Paris on March 29 and 30, 2017.

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## Context

Over the last decade, industries and companies have been roiled by more dramatic and more fundamental change than ever before. In this VUCA (Volatile Uncertain Complex Ambiguous) world, we have seen organisations blur, roles change and leadership increasingly challenged.

The legal function has not been immune from this turmoil. New challenges include shareholder activism, cyber warfare and espionage, new media, increased turnover in the C-suite, heightened regulatory scrutiny, artificial intelligence, and last but not least, new business models triggered by disruptive technology.

To respond appropriately, we need a new leadership paradigm. Leaders must demonstrate a higher level of responsiveness and proactivity in an ever-more-unpredictable environment. This requires a holistic approach: not only must the leader develop new skills and competencies, but teams must also work together differently and organisations must be structured differently as well. All of this makes the cultural and values dimension even more crucial. The goal of the modern leader is to create the right mindset at all levels of the organisation and to make it a place where individuals and teams dare to take risk.

This new leadership model is relevant for all leaders, not only for CEOs. It is particularly relevant for General Counsels.

## The five dimensions of the new leadership model

The new leadership consists of five dimensions. These dimensions are not a rejection of traditional competencies, but rather a more dynamic understanding of the usual competency frameworks; here, the richness of the journey is as important as the quality of the outcome. The dimensions emphasise the link between the leader and his or her team, the organisation and the external ecosystem.

They are also intended to help leaders and their teams become more agile and flexible and make them more comfortable in dealing with paradox. Thinking in this way may be more challenging for General Counsels than for other categories of leaders, because legal counsels are by nature programmed to identify and avoid risk and to operate within the framework of the law.

The five dimensions are:

1. **Mastering complexity:** the ability to integrate perspectives of multiple stakeholders to help drive transformation.

Related questions General Counsels should ask themselves:

- How much do you see opportunities rather than hurdles in market complexity?

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- Are you sufficiently agile in shaping solutions and implementing plans?
  - Do you adopt different leadership styles for different situations or individuals?
  - Are you able to reconcile conflicting expectations from your stakeholders (external and internal)?
2. **Orchestrating creativity:** the ability to encourage a culture of ideas, innovation and problem-solving at all levels.

Related questions General Counsels should ask themselves:

- How much do you question the status quo?
- How much do you proactively encourage experimentation and disruptive perspectives?
- Do you recruit/select people with strong creativity?
- How do you leverage and embed outside views into your innovation process?

A critical aspect of this new leadership dimension is to create a context in which others are able and willing to innovate. The ability to innovate requires a culture that:

- allows and stimulates open debate;
- pursues and tests all ideas in a quick and efficient manner;
- decides which ideas to implement and which to drop.

The willingness to innovate requires a sense of community based on three pillars:

- Purpose (why we exist).
- Shared values (what we agree is important).
- Rules of engagement (how we interact with each other and think about problems).

3. **Growing emotional commitment:** the ability to create commitment to driving change that endures beyond programmes and processes and leverages emotion.

Related questions General Counsels should ask themselves:

- Do you have an inspiring shared purpose for your organisation/department?
- How much do you energise this purpose through your own authenticity and the emotional richness of your team?
- Do you communicate enough around this purpose and how it should translate into goals and behaviours? Is it understood and embraced?
- How do you create a sense of community in your department?

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Particularly for Millennials, how we do this will be critical. Yes, they expect flexibility and like technology. But they also need a sense of purpose and a sense of community. For them it is important to feel that a leader cares. Meaning and learning/development opportunities are more important to them than money or status. Some think they are less loyal than former generations, but experience proves that they are looking for clear direction and concrete targets. If they feel connected and have a sense of belonging, they will stick around.

4. **Anchoring in society:** the ability to connect the company's business purpose to long-term social value.

Related questions General Counsels should ask themselves:

- Is it clear to everyone who your key external stakeholders are and why?
  - How much time and energy do you and your team members invest in connecting with the stakeholders? Do you have mechanisms in place to get this done?
  - Do you integrate feedback from external stakeholders into your objectives/plans of action?
  - How do you and your team create high social impact? Are you ambassadors of your company in the outside world?
5. **Building next level leadership:** the ability to nurture and develop future talent in order to strengthen the organisation.

Related questions General Counsels should ask themselves:

- Do you invest a lot of time and energy in attracting diverse talent? If so, how much?
- How much do you stimulate collaboration and exchange of ideas within your team? Do you foster a culture of regular and candid feedback?
- Are you a role model when it comes to personal development? Do you ask for feedback?

In the VUCA world, talent will be based more on character and potential than on prior, proven experience or competencies. The key character traits will be reliability, authenticity, vulnerability and generosity. The key elements of a leader's potential will be curiosity, insight, engagement and determination.

The challenge is how best to operationalise these new ways of leading. Role modelling or "walking the walk" is one way; storytelling, showing that failures are commonplace, is another. Some feel that successes should belong to the team and that the leader should take accountability for failures. And yet in the VUCA world, people are likely to become more conservative if they are not allowed to fail.

### What does this mean for General Counsels?

This evolution forces the General Counsel more and more into the role of transformational leader. The General Counsel still needs to have relevant technical legal expertise and to be the 'consigliere' to the C-suite and the Board, but in today's world

- he/she contributes to the strategic vision of the whole organisation, not only of his/her function;
- he/she understands how to leverage technology and to monetize IP assets;
- he/she has insights into societal trends and knows how to leverage them;
- he/she is both an interface between other functions and a agent of change.

Under these conditions, does the head of the legal department even need to be a lawyer? The answer is yes. The head of a legal department must have legal qualifications and legal experience; otherwise it will become difficult to have the relevant reflexes and to ask the right questions when sensitive issues emerge.

The General Counsel should create his/her own shared purpose for his/her legal department, which obviously should be consistent with the overall purpose of the organisation. But where a shared purpose for the whole company can be an inspiration, the legal team must also establish its own purpose and identity.

Leadership has always been about providing direction, being inspirational and giving feedback. This has not changed in the VUCA world, but the way it is being done is changing for all types of leaders, including General Counsels. They must lead the change, rather than passively watching the world change around them.

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