

ARTICLE

# How the general counsel role is changing in 2023

Four sitting general counsels share their insights on how current and aspiring GCs can be most effective as their role continues to expand and shift.



Over the past few years of fundamental change, all corporate leaders have seen their roles reshaped, sometimes significantly, and many have had to step up to act on new or more urgent demands from employees, other stakeholders, and society itself. Indeed, society's expectations of business are changing, and companies' license to operate will be under threat if they don't meet expectations—from a larger range of stakeholders than ever before—on a wide range of social, economic, geopolitical, and environmental concerns.

General counsels (GCs) and chief legal officers have been in the middle of all this. The most successful had already, for a number of years, become more strategic and gained significant influence in both the decision-making processes of their companies and in setting their moral directions. Now, as pressure mounts for corporations to play a leading role in addressing societal problems and act according to a socially meaningful purpose, the need to define and commit to such a purpose will only become more central to organizations' performance and the GC's role. In addition, given the events of the past few years and the ongoing talent crunch, meeting employee expectations in everything from purpose to diversity, equity, and inclusion to working conditions is more important than ever and yet another area in which GCs are central, building on a collaboration with CHROs that intensified at the beginning of COVID-19.<sup>1</sup>

Tracey Heaton, Heidrick & Struggles' chief legal officer and corporate secretary, described the current shape of the role this way: "CEOs are increasingly seeing their GCs as strategic thought partners and trusted confidants. I've personally observed that first-hand. I know general counsels who have taken on a variety of areas: enterprise risk, information security, government relations—you name it. And I think that's a reflection of the compelling mix of skills that a really good senior lawyer can bring to the C-suite to solve complex issues and serve as that connective tissue across the organization."<sup>2</sup> And it is not only the general counsel's role that is changing, but the expectations for and shape of the legal function itself.

As the role of GC rapidly evolves, sitting GCs and chief legal officers should consider the wide range of organizational and social issues for which they now hold responsibility and how they can continue to develop their leadership skill set and style to meet these new demands, often focusing more than ever on capabilities such as collaboration and empathy. Those aspiring to the GC role should make sure they understand not only how to develop the legal expertise and other leadership capabilities for their specific career interests but also how to build networks and trust-based, collaborative relationships with their peers in other key functions.



**"CEOs are increasingly seeing their GCs as strategic thought partners and trusted confidants."**

**Tracey Heaton**

Chief legal officer and corporate secretary, Heidrick & Struggles

1 Lisa Baird, Lee Hanson, and Victoria Reese, "How chief human resources officer and general counsel collaboration creates a better employee experience," Heidrick & Struggles, [heidrick.com](#).

2 Tracey Heaton and Victoria Reese, "Heidrick & Struggles' chief legal officer and corporate secretary on strategic growth and ESG," Heidrick & Struggles, [heidrick.com](#).

## Forces driving change

Overall, we see three broad societal issues particularly driving change in the GC role and legal function today: diversity, equity, and inclusion; other considerations that have often been considered part of ESG, such as responses to divisive social issues, transparency, community impact, and climate change; and developing new ways of working in the wake of COVID-19.

## Diversity, equity, and inclusion



“Calls for racial and social justice are nothing new ... During these last couple of years, we’ve been focused on sustainable action, on retaining momentum. So, we created a formal social justice council—a team to ensure that we have the framework in place to continue pushing for progress.”

**Scott Stengel**  
GC, Ally Financial

Diversity, equity, and inclusion (DE&I) is more important to companies around the world now than it was at the beginning of 2020. This is self-evident, and a recent Heidrick & Struggles survey underscored the point: 93% of executives in eight countries said so, and more than half also said that DE&I had contributed to their business success to a large extent.<sup>3</sup>

But what constitutes success with DE&I has changed radically in the past three years, and GCs have become central to decisions on topics such as their companies’ responses to the murder of George Floyd in May 2020 and the ensuing calls for social justice, communicating about progress on DE&I goals, and establishing equitable working policies through and following the pandemic.

Jordan Fasbender, GC of iHeartMedia, told us, “As general counsel, I work across our organization and in particular with our senior management, chief diversity officer, and chief communications officer to help develop and implement strategies and programs that cultivate and foster diversity at every level of our company, [ensuring] that we reflect our broad and diverse audiences ... We also want to ensure that we promote diversity and equality across our programming.”<sup>4</sup>

And the concern isn’t just about companies’ own operations. In a survey of US GCs we conducted in the summer of 2020, more than half of respondents said they were also thinking about the diversity of their external law firms. Indeed, 75% of general counsels at companies spending the most on legal services (\$25 million or more a year) said they were reassessing both internal and external diversity and inclusion.<sup>5</sup>

Scott Stengel, GC of Ally Financial, noted that “calls for racial and social justice are nothing new ... During these last couple of years, we’ve been focused on sustainable action, on retaining momentum. So, we created a formal social justice council—a team to ensure that we have the framework in place to continue pushing for progress.” He added that, while lawyers are strong advisers on these topics, they need to communicate effectively: “Not many CEOs and directors, I expect, are keenly interested in some exposition on the inner workings of [the Employee Retirement Income Security Act],” he said. “Instead, they’re interested in how compensation and benefit plans can be improved to attract and retain talent. We can nerd out on the law among ourselves, but for our companies, we need to demystify it.”<sup>6</sup>

<sup>3</sup> Jonathan McBride, *Employees at the Center: What It Takes to Lead on DE&I Now*, Heidrick & Struggles, heidrick.com.

<sup>4</sup> Victoria Reese, “iHeartMedia’s Jordan Fasbender reflects on being a first-time GC in 2020,” Heidrick & Struggles, heidrick.com.

<sup>5</sup> Victoria Reese, “How the general counsel role is changing in 2020: A new job description?” Heidrick & Struggles, heidrick.com.

<sup>6</sup> Victoria Reese, “Succeeding as a strategic business partner: Insights from Ally Financial’s general counsel,” Heidrick & Struggles, heidrick.com.

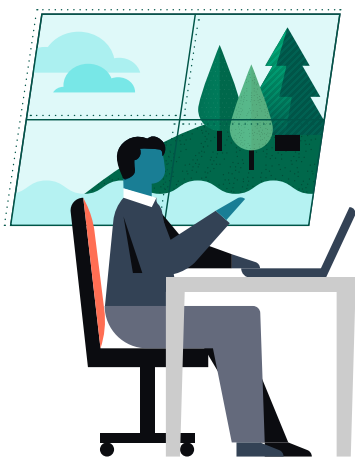
## ESG: Transparency, community impact, and climate change



Stengel also explained the overlap between the broad range of ESG considerations and legal considerations: “Consider it from the perspective of CEOs and boards of directors—what are they experiencing that’s prompting this? First, I think it’s the pace and complexity of change in our societies, which is being matched by the pace and complexity of changes in the law. And these changes so often have material impacts on our business, financial, and operational plans ... Pick any industry—financials, energy, industrials, technology—in the day-to-day, we’ll find the law complicating more than it’s simplifying. Second, we’re living through extreme whipsaws in the law. Regulations adopted in one administration seldom survive the next one. And then a new administration’s regulations are almost instantly subject to litigation. How can companies strategically plan and execute in this environment? And, perhaps third, the consequences of violating the law have become more draconian for organizations, and individuals, too. But business is all about taking risks—not only economic ones but also judgments about how to comply with laws that are rarely clear. It’s hardly surprising, I think, that CEOs and boards want more from their GCs. And from that vantage point, it’s all just a valuable reminder that we’re not being asked to solve legal problems; we’re being asked to help achieve strategic objectives.”<sup>7</sup>

Heidrick & Struggles’ Tracey Heaton noted that many such topics are a natural for the GC to lead on: “Given that those programs are cross-functional by nature and have many different elements and owners, [they are,] in my perspective, really a sweet spot for general counsels. And, as you know, ESG is a topic of increased focus at the board and with shareholders, which are two stakeholder groups that the GCs are laser-focused on already ... My deputy general counsel and I coordinate our overall ESG efforts across a number of departments. And we work to get buy-in for ideas on how we can evolve the program and keep trying to move the needle. And we also take the lead on liaising with the board and the governance committee on our ESG programs and ESG external reporting, and we try to keep them abreast on what’s rapidly evolving in the ESG space.”<sup>8</sup>

## COVID-19 and new ways of working



In the summer of 2020, strong majorities of general counsels we asked 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.<sup>9</sup> Since then, the number and complexity of issues related to responding to COVID and specific ways of working have multiplied, for legal teams as well as for entire organizations. GCs are right in the middle of figuring out what’s legal, what’s right, and what’s best—not only for the legal function but for the company as a whole.

Alexandre Menais, GC at Atos, said that “the pandemic acted as a catalyst for a process that was already taking place, one in which the activities beyond the day-to-day business of a company, in my view, demonstrate the value of a general counsel. In this situation, I saw that my role was required to take a more strategic approach and provide input into decisions which sometimes had no link at all with legal matters, but which were embedded in managing the COVID-19 strategy. In other words, we took part in a decision-making process at the highest level of the organization—that’s why I say that the challenges of the past few years have reinforced the role of general counsel.”<sup>10</sup>

7 Victoria Reese, “Succeeding as a strategic business partner: Insights from Ally Financial’s general counsel,” Heidrick & Struggles, [heidrick.com](https://heidrick.com).

8 Tracey Heaton and Victoria Reese, “Heidrick & Struggles’ chief legal officer and corporate secretary on strategic growth and ESG,” Heidrick & Struggles, [heidrick.com](https://heidrick.com).

9 Victoria Reese, “How the general counsel role is changing in 2020: A new job description?” Heidrick & Struggles, [heidrick.com](https://heidrick.com).

10 Matthieu Galian, “Leading through uncertainty: Insights from the general counsel of Atos,” Heidrick & Struggles, [heidrick.com](https://heidrick.com).

“This new landscape of leading hybrid and virtual teams, for the teams and for the managers, requires a dedicated strategy for communicating digitally first.”

**Alexandre Menais**

GC, Atos

## Considerations for today's GCs



He added, “This new landscape of leading hybrid and virtual teams, for the teams and for the managers, requires a dedicated strategy for communicating digitally first, as well as being capable of adapting to effectively manage your people and meetings remotely and, probably on a long-term basis, managing hybrid relationships between companies, employees, and stakeholders.”

iHeartMedia’s Jordan Fasbender described what she sees as crucial to GC success today: “To have a good team of both external and internal advisors is really key to any success. I want to make sure I understand the different stakeholders and issues and what we are trying to achieve. And it’s important to listen to different points of view. I also think instilling the idea of partnership between legal and business is critical. We want to be seen as partners to the business to help strategize and execute on their goals. So, we are there not only to provide support but are brought in early to develop strategy and goals.”<sup>11</sup>

As GCs have moved toward playing a central role in types of work that used to be reserved for P&L leaders or for other functional leaders, we have observed through our work that a few styles of leadership have become far more common among GCs in recent years. These are ways of leading that help them succeed in the context we’ve described. The results of a proprietary Heidrick & Struggles survey conducted between 2015 and 2021 of 1,189 legal senior executives highlight how much each leader leans toward each of the eight styles of leadership. Collaboration in particular has become far more important, along with being inspiring and able to connect emotionally (being an energizer), and able to create positive, stable environments that inspire loyalty (being a harmonizer).<sup>12</sup>

### Leadership styles of chief legal officers and general counsel, 2015–2021 (%)

■ Increase ■ Decrease

Primary style	2015	2016	2017	2018	2019	2020	2021
Collaborator	9	8	8	10	13	16	21
Composer	11	15	12	12	9	2	3
Energizer	8	10	13	10	9	16	17
Forecaster	11	13	17	16	19	5	12
Harmonizer	9	15	11	14	14	28	18
Pilot	8	10	4	6	9	3	4
Producer	36	20	21	17	14	17	14
Provider	8	8	14	15	11	12	11

<sup>11</sup> Victoria Reese, “iHeartMedia’s Jordan Fasbender reflects on being a first-time GC in 2020,” Heidrick & Struggles, heidrick.com.

<sup>12</sup> David Burd, “The changing leadership style of today’s general counsel,” Heidrick & Struggles, heidrick.com.

**“That collective purpose and compassionate way is going to be critical in the coming year or two. And so, to me, it’s that double whammy impact of empathy and compassion combined that really is going to, I think, make the biggest difference.”**

**Tracey Heaton**

Chief legal officer and corporate secretary, Heidrick & Struggles

Our chief legal officer, Tracey Heaton, said, “I think that being empathetic in how we’re interacting with each other, how we’re listening to each other, how we’re showing up for each other, supporting each other, and finding that common ground can bring us together so that we all understand where we’re coming from and where we’re heading to. That collective purpose and compassionate way is going to be critical in the coming year or two. And so, to me, it’s that double whammy impact of empathy and compassion combined that really is going to, I think, make the biggest difference.”<sup>13</sup>

We also encourage general counsels to continue to focus on their work with the board, the rest of the C-suite, and the legal team on making the best decisions about crucial reputational and HR issues, in line with organizational purpose and stakeholder expectations.

Indeed, one often underestimated relationship is the one between the GC and the chief human resources officer (CHRO) or chief people officer. Particularly since the COVID-19 pandemic hit, collaboration between GCs and CHROs has become crucial. As companies face the challenges of attracting, developing, and retaining the best talent, meeting employees’ concerns and expectations has become a priority. Having an intentional, organization-wide response to issues such as DE&I, social justice, sustainable operations, employee well-being, and giving back to the community is increasingly important. With greater collaboration between the GC and CHRO, the way companies build, sustain, and communicate their efforts in these areas is making a meaningful difference to performance and retention. In addition, the partnership between GCs and CHROs can also enable organizations to better respond to employee activism, build effective CEO and C-suite succession plans, and manage employee working conditions and safety, leading to faster and more effective solutions that bolster engagement and reduce physical and reputational risks.<sup>14</sup>

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## Leading the legal function

**“Being able to trust and empower your team is critical. I believe people will work better and are more invested if they have real responsibility.”**

**Jordan Fasbender**

GC, iHeartMedia

As GCs are changing their leadership style, what does this imply for their teams? GCs need to consider not only what kinds of expertise are most important for them to have in this new context and what can be done most effectively by the rest of the legal team but also what mix of leadership capabilities and styles will build the most effective and resilient legal leadership team and how to lead that team in the current environment.

iHeartMedia’s Fasbender explained that “being able to trust and empower your team is critical. I believe people will work better and are more invested if they have real responsibility. I also think that in this virtual world that we find ourselves in, making sure you take the time to have face time with your team is really important. You want to ensure that they are seen and heard.”<sup>15</sup>

<sup>13</sup> Tracey Heaton and Victoria Reese, “Heidrick & Struggles’ chief legal officer and corporate secretary on strategic growth and ESG,” Heidrick & Struggles, [heidrick.com](https://heidrick.com).

<sup>14</sup> Lisa Baird, Lee Hanson, and Victoria Reese, “How chief human resources officer and general counsel collaboration creates a better employee experience,” Heidrick & Struggles, [heidrick.com](https://heidrick.com).

<sup>15</sup> Victoria Reese, “iHeartMedia’s Jordan Fasbender reflects on being a first-time GC in 2020,” Heidrick & Struggles, [heidrick.com](https://heidrick.com).

**"In legal and government relations specifically, I think we've also been served well by our attention to self-awareness and gratitude."**

**Scott Stengel**

GC, Ally Financial

Ally's Scott Stengel added, "In legal and government relations specifically, I think we've also been served well by our attention to self-awareness and gratitude. Both of them are so important. Lawyers, more than anyone, bristle at even constructive criticism. But if all that I've done is praise you, what I've communicated is that your weaknesses are so debilitating that we need to shove them in a drawer and never speak of them. There's no human dignity, I think, in that kind of approach. I am my strengths and my weaknesses, my successes and my failings, my proud moments and my less than proud ones. This is my whole person. I think that when we form habits to talk authentically about the whole person, no reason should exist to question whether that's the person who we want with us, to be included with us. And even more that, this is the person we're grateful to have with us ... Across Ally, our focus has been on meeting everyone where they are, creating environments that encourage each individual to bring their whole person to work, whether it's in the office or on Zoom. Communicating transparently, creating room for candid feedback—these have been key. We've also been mindful of consciously talking about our desire to be together ... We have differences all across Ally, but we have no differences in wanting to be together and passionately take care of our customers."<sup>16</sup>

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Reflecting on the past year and looking towards 2023, it seems clear that leading on DE&I, helping to manage the plethora of ESG-related issues, and supporting the new ways of working that have resulted from the pandemic will continue to be key parts of a more robust GC and chief legal officer role. Indeed, the ability to operate as far more than a legal expert—a strategic partner who leads with empathy and compassion and collaborates effectively across an organization—will ensure the best GCs can navigate these topics as well as the new ones that are sure to arise in this time of constant change.

<sup>16</sup> Victoria Reese, "Succeeding as a strategic business partner: Insights from Ally Financial's general counsel," Heidrick & Struggles, [heidrick.com](https://heidrick.com).

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### Alexandre Menais

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Atos

### Jordan Fasbender

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### Scott Stengel

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## Further reading

### **"Working toward digital equity in technology and telecoms at Comcast"**

Comcast's executive vice president for public policy and executive vice president for digital equity, Broderick Johnson, discusses digital equity initiatives and leading through unforeseen circumstances and challenges.

### **"How general counsels can take succession planning to the next level"**

General counsels are increasingly expected to engage in ongoing and well-structured succession planning. Here's how they can ensure that who's next is who's best.

### **"Heidrick & Struggles' chief legal officer and corporate secretary on strategic growth and ESG"**

In this podcast, Heidrick & Struggles' Victoria Reese speaks to Tracey Heaton, Heidrick's chief legal officer and corporate secretary, about the evolving role of the legal function.

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ONE LEADERSHIP TEAM AT A TIME®

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