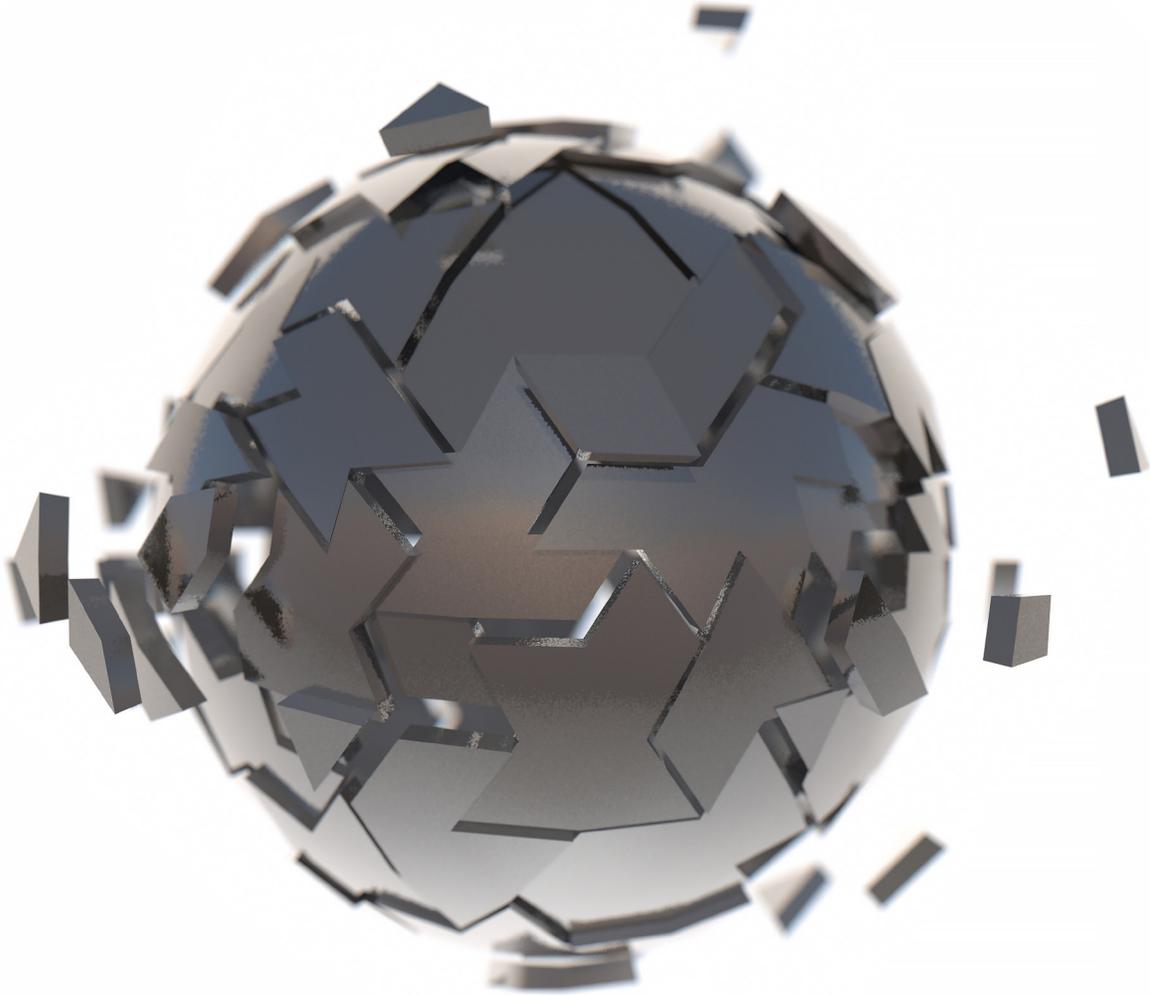


**Deloitte.**



## **CLOs and leadership**

Closing the gap between today's strengths and tomorrow's expectations

The **CLO** Program

A close-up, profile view of a man with a beard and glasses, wearing a dark suit jacket. He is resting his chin on his hand, looking thoughtful. The background is a blurred office setting with other people seated at a table.

Expectations of corporate legal departments continue to change. Technical legal expertise alone is no longer sufficient for chief legal officers (CLOs) to address resource constraints, demands for strategic advice to stakeholders across the enterprise, and the steady march of digital transformation. To be more effective leaders in this environment, CLOs and their leadership teams need to engage their legal teams in ways that elevate their contribution and value to the enterprise. But what leadership skills will help them do that, and how do legal leaders measure up?

# The gap between existing and future legal leadership capabilities

Deloitte analysis<sup>1</sup> of legal executive data focusing on 16 leadership competencies shows that in-house lawyers score above average on overall leadership effectiveness, but lower than average on employee engagement. This gap is wider for legal leaders than for leaders in other disciplines.



For the five industries that score highest in overall leadership competency, legal has the largest gap between overall leadership score and employee engagement index score. Overall, of the 25 industries for which data is available, nine have a negative differential, and only legal has a double-digit negative differential—more than twice the next highest negative differential of 7.<sup>2</sup> (Scores are based on scale of 1–100.)

## According to the data, the top five leadership competencies for in-house lawyers are:

- Technical/professional expertise
- Solves problems and analyzes issues
- Displays high integrity and honesty
- Takes initiative
- Develops strategic perspective

## Lawyers did not score as well in six competencies that are central to effective employee engagement:

- Establishes stretch goals
- Collaboration and teamwork
- Builds relationships
- Connects group to the outside world
- Inspires and motivates others to high performance
- Develops others

These findings suggest that generally lawyers are lagging, or are at best mediocre, in their ability to connect with their direct and indirect reports, as well as other stakeholders across the enterprise—a key leadership quality as the future of legal unfolds.

Moreover, corporate lawyers were rated less favorably by their direct reports than by their managers and peers in *all 16 leadership competencies*. This indicates a disconnect between the way legal leadership performance is *experienced* by the people lawyers manage and how it is *perceived* by those who observe legal leaders.

# Considerations to help close the gap

To help reduce the gap between where corporate lawyers excel today and where they will be expected to in the future, we'll take a look at three areas: skill development, meaning and purpose, and learning and development.

## Skill development

The data shows that in-house lawyers rate highly in overall leadership competency and in technical expertise, but we wanted to know what might help them better engage their teams. Our Chief Legal Officer Program conducted interviews with more than 100 CLOs to ask what skills their aspiring leaders should be focused on.<sup>3</sup> The top three responses across all interviews were focused on connection with others—more specifically, executive presence, the ability to influence others, and being a strategic business partner. These areas, however, are infrequently addressed in continuing legal education. How can lawyers develop the skill sets that can help them increase their ability to connect?

Check with your human resource department and see if they offer executive leadership training in the areas where lawyers are underdeveloped. According to the research, these include goal setting and stretching, collaboration and teamwork, relationship building, inspiring and motivating performance from others, and helping others develop their own skills.

If your company doesn't offer such training, seek it out elsewhere. External coaches are likely available to help you work on building communication skills, setting a positive example, talking the talk and walking the walk, and many other areas. By taking it upon yourself to find those personal development opportunities, you can explore new dimensions of leadership beyond your core technical legal skills. For some advice on communicating with C-suite colleagues, check out this article on [Business Chemistry for the legal professional](#).

## Meaning and purpose

Across industries and functions, Deloitte research indicates that for a majority of employees, a leading factor influencing their happiness and job satisfaction today is a connection to meaningful work. Yet only half (53%) of respondents indicate that their organization is "effective" or "very effective" at creating such work.<sup>4</sup>

In the context of the corporate legal department, the struggle involves not only employee engagement overall, but also how to create meaning and purpose for these teams. One way to overcome

that struggle is to leverage technology to help eliminate—or at least minimize—those boring, rote activities that stymie performance. By significantly reducing the human effort required for certain tasks, teams can focus more of their time and energy on the type of value-adding, strategic work that they find both interesting and fulfilling (i.e., meaningful). For more information on how legal organizations can leverage technology more proactively, read our series of [Tech Bytes articles](#). If technology can be effectively leveraged, not only will lawyers be able to better engage their teams, but they will likely also be better able to proactively advise the business.



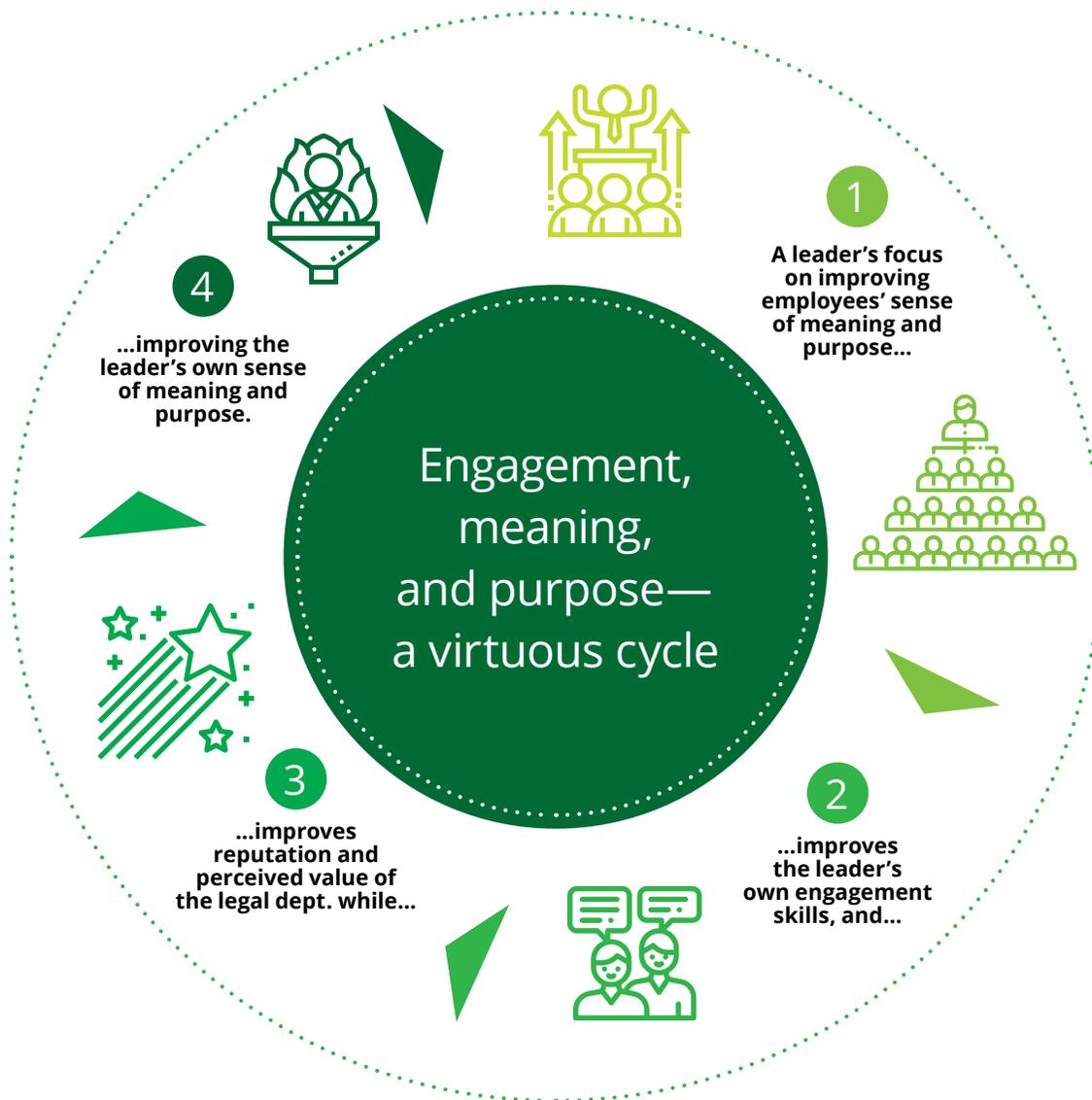
## CONSIDER THIS:

According to Deloitte's Human Capital Trends 2019,<sup>5</sup> 38 percent of survey respondents expect technology to eliminate some jobs, yet only 13 percent expect that a significant number of jobs will be eliminated. This suggests that people are realizing that digital transformation thus far is helping companies change the way jobs are performed and employees' relationships to the work itself rather than replacing entire swaths of the workforce. Emerging automation and artificial intelligence (AI) technologies are helping to streamline processes, automate discrete processes, and enhance human capabilities, often helping expand the skills of employees and the value of the work they perform.

Another way leaders can help their teams find meaning in their work is to rethink how they approach work in their department. Consider internal “gig economies” as one example. Within a legal department, can opportunities be created for lawyers who are traditionally specialized in one area to gain experience in other areas of practice?

More broadly, where else across the enterprise can lawyers be assigned to temporary jobs, or as contributors on nonlegal projects? This approach is important for several reasons: First, by expanding lawyers’ awareness of other work being done not only in the legal function, but also across the enterprise, they can gain a better

understanding of enterprise goals and objectives and help connect to meaning and purpose on a broader scale. Second, by exposing lawyers to other leaders, role models, and even mentors across the enterprise, they can expand their network of contacts and increase their ability to connect with other people, even serving as emissaries of the legal department to the rest of the enterprise. And, third, by leveraging gig economies, lawyers can have the chance to experience learning and development opportunities outside of legal (see “Learning and development” on page 4).



## Learning and development

Respondents rate “opportunity to learn” as one of their top reasons for taking a job.<sup>6</sup> It’s no surprise, since more than half of all employees will require significant upskilling and reskilling just three years from now.<sup>7</sup> Yet fewer than half of employees say that their employer is “effective” or “very effective” at creating the right opportunity for growth.<sup>8</sup> It is highly likely that traditional training and development models simply won’t be able to keep pace with the changes happening across individual organizations, their ecosystems, markets, and the world.

Legal leaders have a responsibility to encourage their people (and themselves) to continually improve their knowledge, skills, and experience. It’s a good way to gain greater agility as individuals and as a legal department, to meet the growing demands of the business, and to provide the strategic support that business requires of legal. To meet these changing demands, we recommend reimagining traditional learning models and exploring experiential learning.

Traditional law school curriculum and continuing legal education (CLE) training focus on substantive legal skills. But as enterprises (and legal departments) undergo digital transformation, the very nature of how work gets done is changing—some things that had typically been the purview of lawyers can now be automated, allowing lawyers the opportunity to redefine and elevate how they contribute value. To take advantage of these opportunities, training should be made available to lawyers not only on how the technology works, but also, more importantly, on how to leverage the data that technology generates to enable more proactive contribution from the legal department and to provide lawyers with new opportunities to engage in meaningful ways.



## CONSIDER THIS:

During interviews with more than 100 emerging leaders<sup>9</sup>—lawyers designated as future leaders by their own CLOs—participants cited the “ability to innovate and embrace technology trends” as an area of learning opportunity. However, the CLOs who are the participants’ leaders didn’t agree. Why? We wonder if this is because future leaders are rightly seeing technology and innovation learning as a wave of the future? Or it could be because they have high expectations and desire for learning? Still another possibility is that CLOs just don’t identify technology and innovation learning as important yet or don’t have the same orientation toward learning. Whatever the driver(s) might be, learning and development is unquestionably an area of engagement that CLOs should tap into sooner rather than later.

At the same time, for the first time in the history of work, an opportunity is emerging for bottom-up learning rather than just the traditional top-down learning. In the past, the lawyers with the most tenure and experience typically had the most extensive knowledge. Lawyers often had an apprenticeship model, where knowledge was passed from senior lawyers down to junior lawyers and the opportunity to do more challenging work came with seniority. Now, in the digital era, with business models rapidly changing, learning now extends from the bottom up—from younger lawyers, dubbed “digital natives” by some, who are perhaps less experienced in traditional areas of law, but far more experienced in other emerging areas of importance, such as technology. So in terms of learning and development—and maybe even mission and purpose—frameworks should be developed for pulling learning experiences from the bottom up when and where it’s appropriate.

Next, consider experiential learning. One type of experiential learning is the internal gig economy discussed earlier. Not only do internal gigs offer an opportunity for connection to meaning and purpose and exposure to new role models and mentors, but they also require learning. First, there is the learning that comes with the experience of taking on a new project, or being exposed to a different set of circumstances. But, when done well, gigs also provide learning specifically designed for the task at hand. For instance, if a lawyer specializing in intellectual property wants to take a gig in employment law or, outside the legal department, in supply chain (as just one example), there should be some element of training that helps that lawyer get up to speed—sometimes called “microlearning.” It focuses on providing the type of knowledge an employee needs at the time they most need it.

Note that short, on-demand learning models aren’t limited to gig economies and can be deployed in a variety of circumstances and, in some cases, could be developed by the legal department to educate other functions on topics like risk and changing regulatory requirements, among others.

While gig economies are short-term experiential learning opportunities, experiential learning can also include larger transitions, including job and function transitions and even transitions outside the company. The legal department can’t always provide all of the development that a lawyer needs and wants, so consideration should be given to alternative pathways that might include moves outside of legal. Embracing this type of mobility, however, is difficult for many leaders; in fact, 46% of surveyed managers resist internal mobility.<sup>10</sup> But as the longevity of careers increases (the youngest generation in the workplace is expected to work roughly 60 years of their lives<sup>11</sup>), good leaders must shift their mindsets to embrace experiences, to find value in a more diverse set of skills, and to stay connected to colleagues that choose different paths.



### CONSIDER THIS:

Traditional talent models were built around the concepts of “attract, develop, retain.” An emerging framework that’s more in tune with the times is “access, curate, engage.”<sup>12</sup> How can talent and expertise be quickly and flexibly accessed? How can leaders empower employees in curating their own learning and development experiences? What frameworks can be employed to engage and stay connected both within and outside of the legal department? Through finding answers to these questions, legal leaders can continue to grow.

# Closing thoughts

The notion of rapid change being all around us may seem a little jaded, yet when it comes to corporate legal leadership, it's never been more true. Many of the traditional demands of the business on the legal department are still there. But other new, and in some cases more urgent, demands are constantly emerging and capturing organizations' attention and resources.

The legal leadership skills of yesterday are not enough to respond to these demands, much less anticipate them in the way needed going forward. The gap is already wide, and it's getting wider every day.

Instead, business should strive to evolve by expanding and improving the way legal departments are led. By taking a fresh look at employee engagement skills, finding new ways to instill meaning and purpose into the work employees perform, and creating new opportunities for their lifelong learning and development, the path becomes clearer to help prepare lawyers and their teams for the future of legal.





# Let's talk

To learn more, reach out to the contact given below.

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## Endnotes

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