

Optimising Value from the In-house Legal Function

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As organisations face increasing regulation, complexity and globalisation without corresponding increases in resources, the structure, management and resourcing of the organisation's legal department becomes ever more important. In-house legal teams are faced with the challenge of having to do more, with less. This raises challenges for the organisation, as the legal team struggles with an increasing workload, often becoming bogged down in a pattern of reactionary responses or fire-fighting rather than being able to tackle legal challenges proactively in a manner that creates space for higher value work. Value for any organisation is not in the amount of work accomplished, but on the efficient accomplishment of the organisation's overall objectives. In order to achieve these, businesses need to maximise the value that they pull from their legal departments, however many are missing opportunities to do so.

Numerous in-house legal teams are modelled on the traditional structure of the corporate department of a private practice law firm. That's not surprising as the majority of in-house lawyers will have come from just that environment. As such, they tend toward the same hierarchical structure, hiring practices, career management, behaviours and focuses. A failure to look beyond the behaviours and structure of the typical corporate legal department leaves businesses with an imbalance in skill sets, outlook and experience pool of its legal team in addition to lower morale and a lack of alignment with the business's objectives.

In the age of change, companies need to tap into more diverse pools of resource, acknowledge and respond to changes in the preferences and performance drivers of its workforce and rethink how best to utilise individual members of the team as well as the team as a whole. Organisations able to harness the right balance in their legal teams will benefit from the increased efficiency, retention and higher level legal support in the quest to meet its business objectives.

Resource constraints must be tackled creatively with solutions that align with the needs of:

- the company;
- the legal team; and
- the individuals within the legal team.

Achieving the objectives of the company is challenging in itself, never mind finding time and resources to meet the needs of the legal department and the individuals who comprise it. But what may not be obvious to some companies is the variety of ways in which it can improve the effectiveness of all three, with some key adjustments to the way it manages itself and the legal team.

Involve Legal in the Decision-making Process

One way to optimise value from the legal function is to align the focus of the legal team with that of the organisation as a whole. The organisation's goals are primarily based around growth and maximising net profit. Lawyers are not always viewed as catalysts for

either of these goals and are more often associated with risk management, compliance and regulatory matters; seen as a necessary overhead or a non-profit function, with a risk-averse and sometimes obstructive attitude to doing business. This perception of the lawyer as the creator of hurdles for other business functions to overcome, or boxes to tick, means that the legal function is all too often the last team to be involved in change. Often the lawyers are fairly far down the food chain, found away from the decision-making functions and their role limited to reacting to regulation, case-by-case problem-solving and contract review.

Like in a law firm, in-house lawyers certainly in larger organisations tend to be separated geographically and structurally from their clients i.e., the business units they serve, and also from the decision-making functions i.e. the management team and the board. They tend to be allocated tasks after the business decisions have been made and they tend to react to problems rather than anticipate them, becoming bogged down in reactionary fire-fighting, addressing matters brought to them at the last minute, rather than taking part in strategic preventive measures. With a role so very strongly tied to reaction and risk management, it's no wonder that lawyers are criticised for being too focused on legal risk and not fully grounded in the commercial / business reality. The "this will never happen" attitude of the sales team grates against the "we must cover off every risk" of the operational legal team causing a friction that stays in the minds of management when it comes to thinking about involving lawyers on a more strategic level. By continuing to keep the legal team as a secluded team of risk-spotters placed away from the business-furthering management teams, the company maintains the perception of its lawyers, both internally and externally, as the business's nannies.

However, by integrating the legal function with the decision-making processes of the company, not only would the company be tapping into the advice and counselling its lawyers can offer at an earlier stage giving them greater opportunity to add value, but the company's management would be aligning the goals of its legal team with the goals of the company. This would give its lawyers the necessary knowledge about the company's strategy and the management's approach to enable them to determine how best to address the Board's concerns and thereby to operate more effectively and efficiently in their day-to-day role.

An opportunity is being missed to tap into a wealth of knowledge packaged up in these analytical legal minds. The earlier a lawyer is involved in the business's agenda, the earlier they can redirect a plan of action to a path of least risk and resistance or, give an accurate assessment of the risks involved, in monetary and reputational terms, so that the company can make an informed decision to proceed and prepare for the risk event should it occur.

An example might be where a business aims to roll out anti-trust training in Germany and to keep records of that training for the purposes of maintaining a robust antitrust compliance program and potentially supporting a defence in case of a competition authority investigation. Such a project will hit obstacles in respect of data protection and German works council rules on employee monitoring. The company has to keep records to show it has armed its workforce with the correct training to minimise non-compliant behaviours, but maintaining records of scores achieved by its workforce is against data protection principals as enforced by works councils in Germany. It's a no-win situation, however, involving in-house counsel at an early stage would enable the organisation to make an informed choice. A lawyer with advance warning can advise on the likelihood of a German employee raising a data protection claim and the cost of defending that claim, as compared to the risks and costs of a competition authority investigation and the gargantuan fines that can be imposed by competition authorities worldwide, in the event

of a finding of breach of competition law. Having lawyers involved early means that risks and costs can be assessed up front, decisions made and most likely in this instance, the action taken to make financial provision for the less likely, less costly data protection claim.

Another example might be in the context of acquisitions or structuring of the business in territories with uncertain regulatory environments such as Brazil, Russia, India and China (BRIC). For organisations focused on growth in the BRIC countries, their lawyers are best placed to advise on the likely direction of regulatory change, the “appetite” of the authorities and to devise tools to help the business identify and mitigate the resulting threats to its current and future operations.

Issues of economic, social and environmental sustainability have risen to prominence in the boardroom and are becoming a recurring influence on corporate strategy, governance and decision-making. Lawyers who understand the complete scope of an organisation’s activities, its objectives and commercial dynamics, are in a better position to provide the best counsel. Sustainability issues aimed at strengthening corporate resilience and long-term value creation, present a range of opportunities that the legal function, given the opportunity, can best develop to contribute to the long-term success of their organisations as risk managers, moral compasses, strategic enablers and business leaders.

For example, the current pressure on large organisations to have more women on boards is not met by simply hiring from the limited pool of women who have the necessary skills and experience to lead a business. It is fairly predictable that companies will eventually be expected to “grow their own”. To be able to do that, some organisations will need to make significant changes to not just their hiring practices but also their culture, working practices and employee-reward practices. Who better to be tasked with this challenging change management, than the analytical, process-driven legal department? Analysing the landscape, assessing the risks, examining the cost/ benefit analysis and then forming a strategy for change, is the daily bread of the in-house lawyer. If the lawyers know the management team’s style and priorities, and understand the business’s financials, then that exercise will be a far better managed and well-advised process.

Another serious challenge that businesses are facing in current times is the cyber security threat. Technology is advancing at an exponential rate and companies need to be focused on protecting their confidential information and intellectual property from hackers and inside threats. To be fully prepared and armed, companies need to be aware and have a deep understanding of the digital threats they face and be fully prepared. They expose themselves to significant risk if they rely solely on technological solutions but fail to draw on the expertise of in-house lawyers to ensure the organisation is prepared for the legal risks that information security threats create. That may involve testing whether the organisation has a sufficiently robust cyber security program to meet the board and management’s statutory and fiduciary obligations, preparing for the disclosure requirements in place in the US and being called for in the U.K, around cyber security attacks on public companies, taking part in public-private initiatives to share information on response strategies and best practice, ensuring the relevant people have had the necessary training to respond to the attack, ensuring adequate insurance coverage is in place. In-house counsel can prove instrumental in harmonizing the security and privacy programs within their organisations, engaging corporate governance functions to oversee risk management in a practical way, protect the leadership teams against claims whilst ensuring the security “tail” does not wag the business “dog”.

Organisations then would greatly benefit from taking their legal function from the traditional role of reviewer and fire-fighter into participation with the organisation’s

planning and decision making function. Prevention is better than cure and should be the legal function's priority; with a focus on reducing the company's legal costs and liabilities.

Bringing legal toward management is good for both the organisation, which benefits from the counsel that its lawyers can provide, and the lawyers who become more business-savvy as a result of their experience.

Of course, the input offered by the legal function into the decision-making process has to be of the highest quality in order to be of value. The quality of that advice will depend to a large extent on i) the quality of the lawyers involved ii) how they work together as a team, and iii) the culture of the organisation. What follows is a number of measures that business can take to simultaneously positively impact all three factors.

Change up the Leadership Style

High-performance teamwork is one of the most important and influential attributes for organisational success in turbulent times. In order for the legal team to work most effectively, it needs to have great leadership. In the context of managing an in-house legal team, one of the key leadership skills is the ability to get the team performing in the right way. The activities of the team and its structure need to be harnessed to drive value for the organisation, i.e. the team as whole must be greater than the sum of its parts.

The legal department's leader, usually the organisation's General Counsel, needs to understand how to get the very best performance from each of the lawyer's on the team. In private practice, best performance of the team is largely about keeping each lawyer in as many billable hours as possible. That means directing the work of type X, to the lawyer who usually deals with work type X usually with only a superficial understanding of the client's business. The goal is maximum throughput of work and the result is ever increasing specialisation and a culture of long working hours.

In an in-house legal department, the goals should be about increasing the organisation's growth by facilitating profit-making by mitigating legal risk in a commercially-minded way. That purpose is best served by arming the legal team with a greater depth of knowledge about the business and enabling them to be creative and proactive in response to the business's needs. They need to be constantly looking at new and better and faster ways of serving the business.

Innovation and creativity are best served from drawing on a wider range of backgrounds, experiences, and outlooks. In hiring the General Counsel, the company should be seeking an individual who seeks out the different skill sets, personalities and backgrounds of his or her team and has an aptitude for drawing them together to get the best out of each. That requires a listener with a democratic style of leadership. This style of leadership involves the General Counsel sharing the decision-making abilities with the team as much as possible, promoting the interests of the individuals who make up the team and by practicing social equality. In short, it's a "tend and befriend" style rather than the "command and control" style inherent in the leadership of a private practice environment, where performance is largely judged by number of billable hours achieved or the ability to maintain a relationship with clients and bring in billable hours that way.

A more democratic style of leadership creates higher productivity, better quality contributions from team members and better team morale. It can lead to better sharing of ideas and more creative problem-solving because members of the team feel more empowered to share their thoughts and ideas. This style of leadership works great in a team of lawyers who are knowledgeable and keen to share their knowledge. So organisations should consider whether they have the right style of leadership for their in-

house legal team in order to get the maximum innovative value from their teams. A private practice type, authoritative style of leadership with one-way communications and command hierarchy is fine for pushing billable hours but not for fostering creativity.

Recognise and Eliminate “Same as Before” and “Same as Me” Attitudes

Keeping with traditional views on what the General Counsel should look like, i.e. “same as before” thinking, excludes the possibility of a fresh look at what kind of leadership will achieve best performance from the legal team and therefore creates a potential barrier to extracting optimum performance from it. So does keeping with traditional views on what the typical in-house lawyer should look like.

Same-as-before thinking and hiring practices can lead to the creation and maintenance of homogeneous groups. To see the effects of “same-as-before” thinking, and “same-as-me” thinking, (the unconscious bias toward hiring someone that resembles the hirer), you don’t need to look much farther than the make-up of those in politics, the media, banking and law — professions that remain dominated by privately educated white middle-class men despite decades of diversity initiatives. Teams which consist of very similar people will often run more smoothly, but they usually lack the synergistic power of a diverse team of people with talents, skills, and characteristics that complement one another. A mix of personalities helps compensate for individual strengths and weaknesses for greater overall strength of the team. The stories of Enron and Co-operative Bank serves to highlight what can go wrong when a culture consists in the majority of a particular personality type; an over-confident, risk-taking personality in this example.

Those in the in-house team with relationship-building skills make important contributions in areas such as communication and risk identification, however that isn’t enough to build a successful team. Lawyers with analytical personalities are vital to reviewing processes, managing projects and using collected data to make important changes in the way the team handles workload. Those with creative personalities are vital to bring about transformational activities and come up with ideas as to how the team can work more effectively. Since each personality type comes with its own set of talents, having a team with diverse personalities and outlooks can be more productive than a team made up of those who are similar and can lead to a more motivated team.

When forming a team, the ideal result is to balance the skills of one team member with the complementary abilities of the others in the team. In this way, each team member plays to their unique strengths, such as strategy, leadership or operations, while rallying around the team’s shared purpose. Complementary skills are dissimilar skills that, when combined, become more useful than individual skills in accomplishing a goal, due to coordinated efforts of individual team members. Each individual’s aptitude to contribute needs to be interwoven with those of the others on the team.

In order to achieve the legal team’s goals, the objectives of the team need to be prioritised over the personal agendas of the individual. Very ambitious members may prioritise self-promotion, visibility and relationship-building over the team’s objectives by putting themselves forwards for more high visibility assignments without due regard to their capacity, resulting in quality issues or missed deadlines. More cautious lawyers may be keen to preserve a reputation of reliability and accuracy and tend toward perfectionism. Alongside these traits are lawyers who balance other priorities outside of the workplace, for example caring commitments, and therefore who prioritise efficiency over visibility or perfection. If the General Counsels can understand each member’s personal agendas, personality types and talents and manage these in a constructive way that works for both the individual and the team, the organisation benefits from a more productive, creative and motivated team.

To get to that stage, the organisation must be one which attracts a diverse range of skill sets and outlooks and retains its recruits. So how does an organisation retain and motivate good lawyers and a good mix of lawyers? Several measures are proposed below.

Promote a culture of respect, openness and integrity.

A “team” has been defined as a small number of people with complementary skills who are committed to a common purpose and who are empowered to set goals, solve problems, make decisions and are mutually accountable for achieving the team’s goals. Without these common traits they are not a ‘team’ but merely a group of people who happen to work together in the same environment. Members of the team need to feel a collective sense of power, have access to necessary skills and resources, be supported by policies and practices which support the team’s objectives and have a mutual respect and willingness to help each other. This again is why a democratic type of leadership is better than an authoritarian one, as argued above.

Team cohesion is about maintaining the common goals of the team and preventing fragmentation. An open, friendly and supportive culture which encourages listening and responding constructively to views expressed by others, provides support, and recognises the interests and achievements of others will help the lawyers work together as a team. This kind of approach promotes individual performance as well as the performance of an entire organization. Even if the company’s culture has some way to shift to get to this optimum state, the General Counsel can foster this type of openness within the team, creating a bubble within which the lawyers in the department can thrive.

The General Counsel will also get the best performance out of the team by encouraging recognition and appreciation of each lawyer’s contributions. Being disconnected from the team, or showing preferential treatment to particular lawyers, destroys team cohesion. Each of the lawyers, whatever their personality type or personal agenda, needs to be given equal opportunities to advance themselves. That ability is not always within the gift of the General Counsel on their own but needs to be part of the organisation’s goals for their workforce.

In a healthy corporate culture, employees gain satisfaction from helping the company succeed. When individuals sense that they are contributing to a successful group effort, their level of commitment and productivity, and thus the quality of the company’s products or services, are likely to improve. In an unhealthy culture, employees focus on their own needs and agendas, see themselves as distinct from the company and tend to view themselves as individuals. They perform the basic requirements of their jobs, and their main, if not only motivation, is their salary.

Morale is not the only thing to dwindle in an unhealthy corporate culture. The legal function must perform a balancing act between being trusted and active members of the management team, and maintaining its independence - an important factor in providing quality legal advice. In order for the legal function to have an independent genuine voice in the decision-making process there ideally needs to be a culture which fosters and respects open honest communication, even if the communication contains bad news. In an environment where legal counsel feel their job security or career advancement may be threatened if they give unpopular advice or make unpopular requests, then communication between the business and its legal function risks being stunted, distorted and sub-optimal.

How does a company change its culture? Cultural inclinations are well-entrenched and not easily changed. Issuing a list of core values pleases investors and customers but does not change corporate culture. Enron’s core values were “Respect, Integrity, Communication and Excellence” when it collapsed. Changing the culture for real is a

long term project requiring a company to spend time understanding its employees, their perception of the culture, engaging respected employees at all levels to give their input into the strategy as well as their views on both the design and execution of the proposed changes. It needs intervention from the top, actions not words. A company's culture should be the enactment of the core values. A collection of words on a poster or website does not make a culture. While values typically come from the top, the culture will develop through the actions of the people within the company. Companies would do well to think about what messages their actions, i.e. their policies and rewards methods, give to employees in the organisation. For example what message is a company giving to its employees about what importance it places on corporate social responsibility if it awards annual bonus purely on financial performance? What message does it give about inclusivity, if it awards certain employee benefits to some workers but not to others?

Update Employee Benefits

Engaged employees are better producers, they're more committed to the organisation, and they are in it for the relative long haul. Engaged employees aren't just motivated by money, status or power – they are motivated by shared values, trust, mission and purpose. Engagement is emotional commitment to the team, and its goals. What some organisations have failed to recognise is that the rules of engagement have changed. The landscape of talent management has been transformed with the new mix of people in the workplace and the corresponding shift in what motivates the workforce. The shift in workplace preferences has everything to do with a new mix of people.

The workplace is flooding with a new crop of highly talented, upwardly mobile Generation Y's. Generation Y or "Gen Y", "the Millennial Generation" or simply "Millennial" covers people born between the 1980's and the year 2000. This generation of lawyers has been shaped by the technological revolution that occurred throughout their youth. They grew up with technology at their fingertips and are used to being connected and equipped with the latest technology such as iPhones, laptops and tablets. They expect to be given at least as good a range of technological tools to achieve their work objectives as they have at home to achieve their social objectives. Many Generation Y grew up seeing their Baby Boomer parents working day and night doing stressful corporate jobs and this has shaped their own views on the workforce and the need for work-life balance.

The combination of Generation Y eagerly advancing up the professional ranks and Baby Boomers (born during the post WWII 'Baby Boom', roughly 1946 through 1964) often refusing to retire, has in recent times radically shifted the composition of the workforce. Nestled in between these two is the much smaller Generation X (1965 through 1978) but it's the Boomers and Gen Ys together who are redefining what constitutes a great place to work. Studies conducted by Hidden Brain Drain Task Force, a group of 50 multinational companies committed to global talent innovation, indicated that Gen Ys and Boomers, are looking for a "remixed" set of rewards. For them, flexible work arrangements and the opportunity to give back to society trumped the sheer size of the pay package. Both generations rate other forms of reward as at least as important as money: a great team, challenging assignments, a range of new experiences, and explicit performance evaluation and recognition.

Therefore in order to attract, retain and motivate high quality lawyers in its legal department, a company should be constantly reviewing the rewards package it offers to them and looking beyond monetary incentives to what its workforce are actually looking for from its employer. As touched on above, it should also bear in mind the messages that it gives to its employees in the way it opts to incentivise them.

Hire Minorities

The new mix in the workplace is not just down to an influx of generational diversity but also diversity of sex, race, sexual and religious orientation and physical capability. But are we seeing this reflected in the legal department? We should be. In the UK, more than half of new solicitors are women and about a fifth are black and ethnic minority. However, diversity quickly evaporates along the career progression pathway from education to establishment resulting in 84% of partners in the top 20 law firms still being men and only 7% being from black or ethnic minority backgrounds. The same is true at the bar, with roughly equal numbers of male and female practitioners being called to the bar, but the QC rank remaining dominated by 90% men. In terms of career progression for minorities in in-house legal teams, the numbers also speak for themselves. Only 11% of General Counsel in the FTSE 100 are women. It's not reported how many comprise black and ethnic minorities however black and ethnic minority representation on UK FTSE 100 boards is currently at around 5%. Perhaps the most indicative numbers are from the U.S, where the annual survey undertaken by Minority Corporate Counsel Association, shows that only 54 of the Fortune 500 employ minority general counsel.

The underrepresentation of minorities in the ranks of partner, General Counsel and supervisor mean a continuing and self-perpetuating pattern of "second generation bias". That means patterns of behaviour among the dominant group within the workplace that have the effect of gradually excluding members of non-dominant groups. These innate human behaviours such as tendencies of people to prefer to associate with others like themselves e.g. "the old boys network", and beliefs about the superiority of some people over others in relation to some task e.g. a white male with grown up kids to lead a team, make it difficult for minorities to climb the corporate ladder. The relationships and opportunities needed to gain the trust and experience of the organisation are more likely to be awarded to individuals who look and sound like the people making the decisions about those opportunities. In many organisations, particularly the more male orientated sectors, the majority consist to a large extent of white men in grey suits. They are more likely to hire, promote, build relationships with and mentor other white men in grey suits; men who look like them, sound like them and have the same leadership style as them. Thus, the career progression and development of minorities on the pathway to General Counsel roles, take a back seat to that of the white middle class men pursuing the same path.

Further, a blanket of white middle class men in senior positions in the legal team or the wider organisation, means a lack of available mentors and role models for anyone who doesn't fit the norm. It also delivers a subtle message from the organisation about how it sees the career progression of women and minorities up the ranks. The answer is not diversity training, which highlights and risks caricaturing the differences between "the norm" and the "the minority". The answer again is action from the top, being a role model by hiring a diversity of role models, i.e. positive hiring practices to actively recruit a diverse workforce.

Recognise and Eliminate Prejudicial Work-allocation Practices

An example of second generation bias in practice is this one. Women with caring responsibilities or the likelihood of caring responsibilities in the near future, are often passed over for promotion or assignment of high value projects as assumptions are made by male management regarding what their current and future priorities and availability are. With women being handed the lower value assignments and not being offered the same opportunities as their male counterparts, they begin to fall behind in their career progression. It's a chicken and egg situation. If they aren't being given higher level

strategic assignments and management information about the businesses financials, how can they develop their strategic and commercial acumen to become a big player in the organisation? Creating awareness of this damaging behaviour is one small step toward stamping it out. Getting leaders to recognise it in themselves, is challenging. The clue is in the name of this oft-denied phenomenon. It's called "unconscious bias" because people are *unaware* they are making prejudiced choices. It's one of the stronger reasons for introducing objective drivers for diversity, such as hiring quotas and key performance indicators, into organisations which are falling short of their diversity targets and perhaps not understanding why.

To get the best from the team, the General Counsel needs to ensure that each team member feels fully integrated into the team and have a sense of "being in the boat together" and that they are sufficiently motivated and confident in their abilities to contribute to their full potential. This involves ensuring that each member receives sufficient development which can be through training, mentoring, being given stretching assignments and being able to see potential for career progression. Making sure that each member of the team is given a fair proportion of whatever development opportunity there is, is one of the way's that the General Counsel can drive better performance from the team as a whole and an organisation facilitates unprejudiced work allocation practices, whether consciously or unconsciously, is likely to benefit from that investment.

Introduce Family Friendly Practices

Recent studies show that the female talent pipeline isn't dwindling because of women opting out of their careers to care for family. Only a small number of high-achieving, highly educated professional women leave their jobs after starting a family because of a decision to devote themselves exclusively to their children. A recent study by the Harvard Business Review reveals the unappealing truth that the vast majority leave unwillingly as a last resort, because they find themselves in unfulfilling roles with little prospects for progression. That's down to the culture and attitude of the organisation they work in.

Adding to the message that women should not be in senior positions, or expect to be the higher earning partner in a traditional relationship, is that unsympathetic and penalising approach taken by organisations in respect of women taking paid maternity leave. Women who are unable to rely on a male partner's salary, or who earn significantly more than their partners, are forced back to work early by financial constraints and expected to work at the same levels as their male counterparts despite the additional demands placed on their bodies, minds and time by a baby. Old-school references to paid maternity leave as "paying women to sit at home doing nothing" are contemptuous of the demands of motherhood, the value of the female employees to the organisation and are dismissive of women in general. Policies and attitudes that fail to support women on their career-path send negative messages about their value to the organisation, lead to disengagement and finally departure.

Forward-thinking companies will have already cottoned on to the concepts outlined above and implemented policies that not only support a women to care for a new baby but also recognise that today's business women may be relying on their male partners for childcare and will introduce enhanced paternity policies to facilitate that. Organisations which can afford enhanced maternity and paternity packages but choose not to provide them are signalling a clear message to their employees about what value they place on work life balance and the welfare of worker's families, alienating the Gen Y talent pool in the process.

The quest for work life balance is not the just the domain of working white women though. Studies conducted in the U.S show that this is a far higher priority for ethnic

minority workers, with 82-84% Asians and Hispanics most likely to seek this out. That fits in with the cultural expectation of these groups to care for family members. To give an example from one study, while 29% of whites said they were caring for family, the incidence was 36% among African Americans, 46% among Asians, and 51% among Hispanics. This goes to show not only that supporting family-friendly policies also supports diversity within an organisation, but that in considering what policies to implement, consideration should be given to those who fall outside what the organisation might think of the typical work-life balancer, i.e. the white women with young children.

There is therefore a huge amount of opportunity for organisations to tap into minority talent and support diversity of backgrounds and skill sets within its legal department and the wider organisation by taking a fresh look and committing to change in culture, policies, attitudes and incentivisation within the organisation.

Conclusion

It's no longer enough for organisations to merely comply with the law. They have to go beyond it and the legal function can be instrumental in predicting and counselling on what those additional pressures are likely to be and how to prepare for them. There is a raft of actions that organisations can take to leverage best value from their in-house legal teams. Bringing the legal team into a more business-centric role in order to provide greater strategic and commercial value, benefits the company and the individual lawyers in the legal team, enabling the lawyers to fully understand the business's pressures and thereby be better able to advise it.

Companies need to recognise that in-house legal teams run very differently from private practice legal departments in terms of their objectives, ability to fully understand the needs of their client and how they are optimally managed and incentivised. Larger organisations can leverage best value from existing legal resource by optimising the legal team's focus, dynamics and composition, utilising more diverse talent streams and reaching out for new approaches in leadership style. This requires letting go of "same as before" and "same as me" thinking and positively seeking out diversity to bring a wider more dynamic skill set with broader experience and a broader world-view, which puts the business in a stronger position when it comes to tackling those areas which reach beyond pure law, such as sustainability, and sends a message to employees about the organisations attitude to change.

Cash is no longer the prime motivator for retaining the best talent and organisations should look at other options for engaging its workforce including its legal team. Employers and leaders who can offer an environment which aligns with the values of its increasingly mixed workforce will enjoy a major talent advantage. Providing a culture of respect and equality is no longer just a nice-to-have for successful organisations. The influx of new generations, who want to work for more empathetic employers, and an increasingly diverse workforce, mean that long hours cultures, inflexibility and lack of family-friendly policies will leave an organisation with a narrower pool of talent to draw their legal counsel from. Legal departments that will generate most value will be those in organisations that recognise and respond to their employees' shifting values and preferences and which respond to social changes with change in their policies and culture.

Organisations with open minds and forward-thinking plans for their legal departments will pay attention and seek to correct cultural barriers to the retention of quality and diverse talent. In the same way that an organisation should be using its legal team to monitor the business landscape for risks and opportunities, so should it continue to

monitor the shifting values and preferences of the talent pool, which is the key to retaining a high calibre legal team and maximising value from them.

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