



Navigating Global Shifts: The Increasingly Important Role of Government Affairs Leaders



The turbulence of the last four years has reshaped the geopolitical landscape, and 2024's resulting multipolar geopolitical environment has made risk management a non-negotiable. This, in turn, has reinforced organizations' need for a truly strategic government affairs function. Our current environment is one in which truly adept government affairs leaders thrive, while those who have struggled to evolve fall further behind.

To provide insights for leaders aiming to navigate these risks and build out effective teams, Russell Reynolds Associates surveyed 55 government affairs leaders and conducted 15 interviews across industries and geographies, capturing these leaders' shifting perspectives on the geopolitical landscape, how their teams and organizations are adapting, and what this means for future government affairs talent.

Government affairs leaders' perspectives on geopolitical risks are changing: While requiring a measured approach, government affairs leaders recognize the strategic importance of being proactive on global issues and their implications on business operations when developing business strategy and resource deployment.

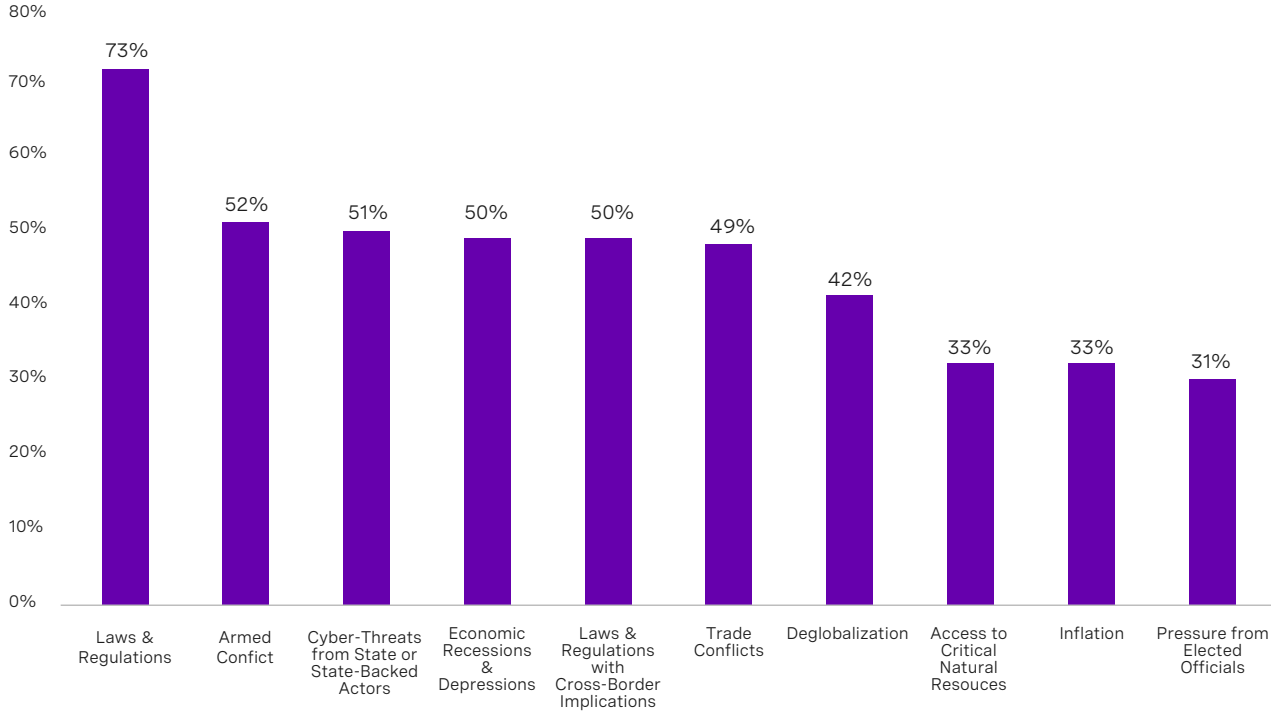
To address these changing risks, organizations are focusing on strengthening business & functional leader engagement, analytics, and cultivating external relationships: The dynamic geopolitical landscape is forcing organizations to re-evaluate how they operate and strategize. As companies strive to stay ahead of rapid geopolitical changes, the ability to pivot quickly and effectively is no longer optional but a strategic necessity - forcing teams to make hard decisions in terms of prioritization and resource deployment.

Future government affairs talent needs to be strategic, resilient, and adaptable: As the current government affairs leaders look to build out a future-fit team for our current political moment, they emphasize the urgency of talent that can adapt to legislative and regulatory dynamics quickly and utilize digital tools & platforms for maximizing proactivity and execution.

The changing external environment: What geopolitical risks are government affairs leaders most concerned about?

In late 2023, JPMorgan Chase CEO Jamie Dimon said, "This may be the most dangerous time the world has seen in decades." And in fact, our [Global Leadership Monitor](#) found that less than one in three leaders feel prepared to address geopolitical uncertainty, making this the challenge that leaders globally feel least prepared to address.

Figure 1: % of leaders answering, "Which of the following political risks do you believe will impact your organization in the next 3 years?"



Source: Russell Reynolds Associates Global Government Affairs Survey; N=55 GA Leaders

More specifically, government affairs leaders report that fast-evolving regulatory developments, armed conflict and increasingly tense political rivalries, cyber threats & data privacy issues, economic recessions & depressions, cross-border regulations, and trade conflicts will have the largest impacts on their organizations in the next 3 years (Figure 1).

These concerns reflect the intricate and often multipolar regulatory landscape. As innovations like AI make laws and regulations increasingly complex, globally-intertwined armed conflicts become more prevalent, and issues such as economic recessions, cyber threats, cross-border regulations, and trade conflicts grow more nuanced and multifaceted, government affairs leaders require sharper decision-making skills in the face of ambiguity, as well as a swift crisis response

capability. To formulate a sophisticated, well-informed, and fast response, they need a proactive strategic approach, the right team around them, and dedicated resources, focus, and engagement from across their organizations. This also involves weighing both near-term political and on-the-ground economic considerations alongside the longer-term “domino effect” that geopolitical events can cascade around the globe.

Building on this, the path to effectively mitigating these geopolitical risks is fraught with capability gaps and resource limitations. Our survey surfaced that many leaders feel ill-equipped to navigate the increasingly complex geopolitical landscape from both a skills and resources perspective. This highlights a critical disconnect between the strategic responses needed to effectively mitigate geopolitical threats and current operational capabilities.

To address this gap, government affairs leaders need to evaluate the strengths, impact, and efficiency of their organizations, and develop the necessary talent.



Managing political risks effectively often involves financial resources and connections. Without a robust budget or established networks, it can be challenging to access the necessary resources to address potential risks.”

To address these geopolitical risks, organizations are focusing on business function engagement, analytics, and cultivating external relationships

In response to the rapidly evolving geopolitical landscape and increasing societal demands, government affairs leaders report making key strategic and operational shifts to better serve their organizations. These include:

1. Strengthening business and functional group coordination throughout their organization.
2. Cementing and mobilizing external network relations, including with third party advocacy groups.
3. Utilizing data and analytics to inform real-time policy implications and solution implementation.
4. Organizing operations to enhance cross-functional collaboration, strategically integrating across various departments.
5. Upskilling teams to be more versatile and better positioned in government affairs-adjacent functions.

Government affairs leaders have increasingly noted the importance of proactive and agile responses to existing and emerging geopolitical threats alike. With that, it should come as no surprise that government affairs leaders are deeply focused on **communication across the organization**

- quickly bringing key geopolitical forecasting, risks, and opportunities to the C-suite and board’s attention.

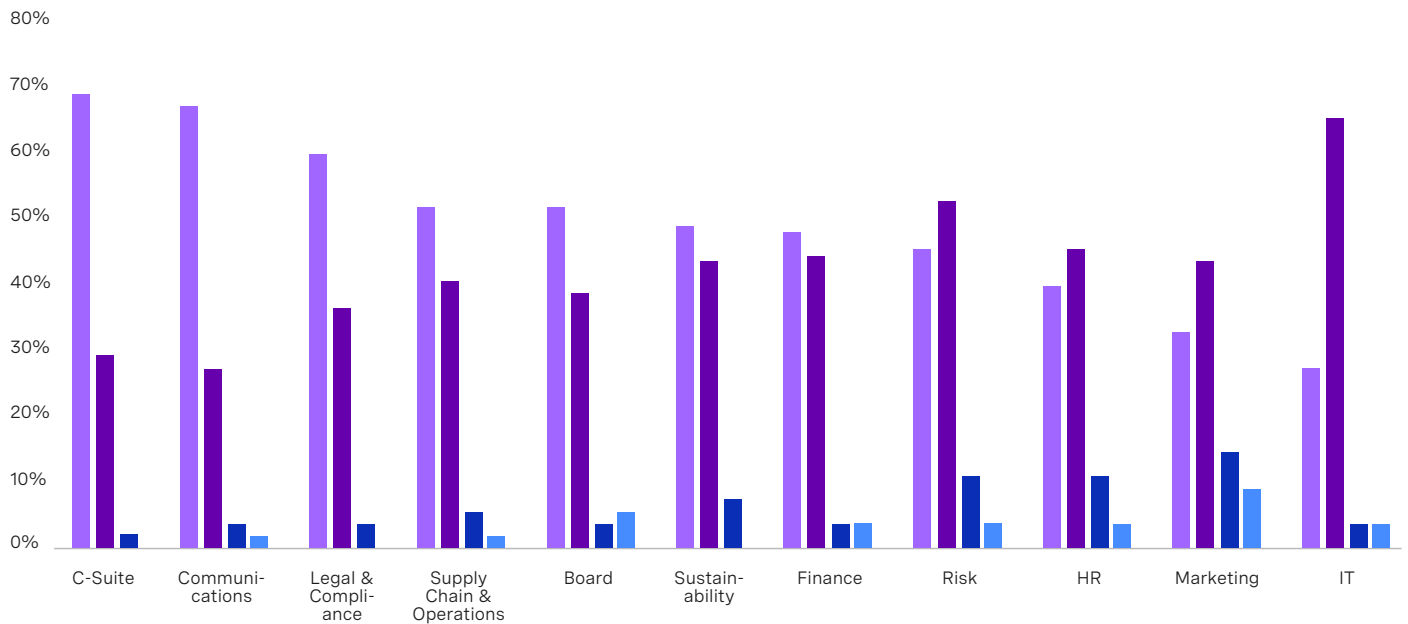
To achieve this, government affairs leaders need to stay close to those making strategic decisions, broadening communication channels to their board and C-suite to keep senior leaders abreast on rapidly evolving issues, including advising on a range of scenarios, shifting circumstances, and resulting business implications. While communication is vastly important, it is equally as important to understand who should be communicated with and in what matter, being careful not to ignore constituencies.



I’ve emphasized real-time risk assessment and proactive engagement, moving our strategy from reactive to anticipatory. This shift is critical in navigating the complexities of today’s global political climate and ensuring our organization remains agile and informed.”

Many of our respondents also noted that there has been a large improvement in the communications and information sharing between key stakeholders and the broader organization. These communication improvements suggest that leaders beyond government affairs are recognizing the function's importance - perhaps due to our current complex political moment - and the need for strategic political advice on these important topics. However, this trend isn't universal, as some leaders noted a decrease in the overall quality of communication between HR, Marketing, and IT; given the employee and customer implications of geopolitics, and the increased reliance on data and analytics, reinforcing these relationships may need to be reprioritized (Figure 2)

Figure 2: % of Leaders answering: "How has the quality of your interactions with your internal stakeholders changed over the last three years?"



Source: Russell Reynolds Associates Global Government Affairs Survey; N=55 GA Leaders

With over half the world heading to the polls this year, 2024 is rife with uncertainty surrounding administrative turnovers and their policy implications. This has government affairs leaders holding off on making substantial investments in their organizations and teams, as this uncertainty around policy and legal framework implications makes it challenging for executives to make shorter-term decisions and continue focusing on the broader business operations. While government affairs leaders may not always have the ear of their executives, they've found success when engaging with the board on long-term planning initiatives.



With the number of elections happening globally, executives are playing a lot of catch-up and trying to avoid lopsided strategy and planning efforts. I've had a much easier time engaging on these issues with the board. They turn into engaged, energizing discussions - and they are appreciative of the discussion."

As the stakes for government affairs leaders grow higher and more visible, these actions and communications reflect a deeper integration of risk management into strategic planning, an increased focus on direct advocacy and stakeholder management, and a heightened emphasis on responsiveness to emerging global issues at their core.

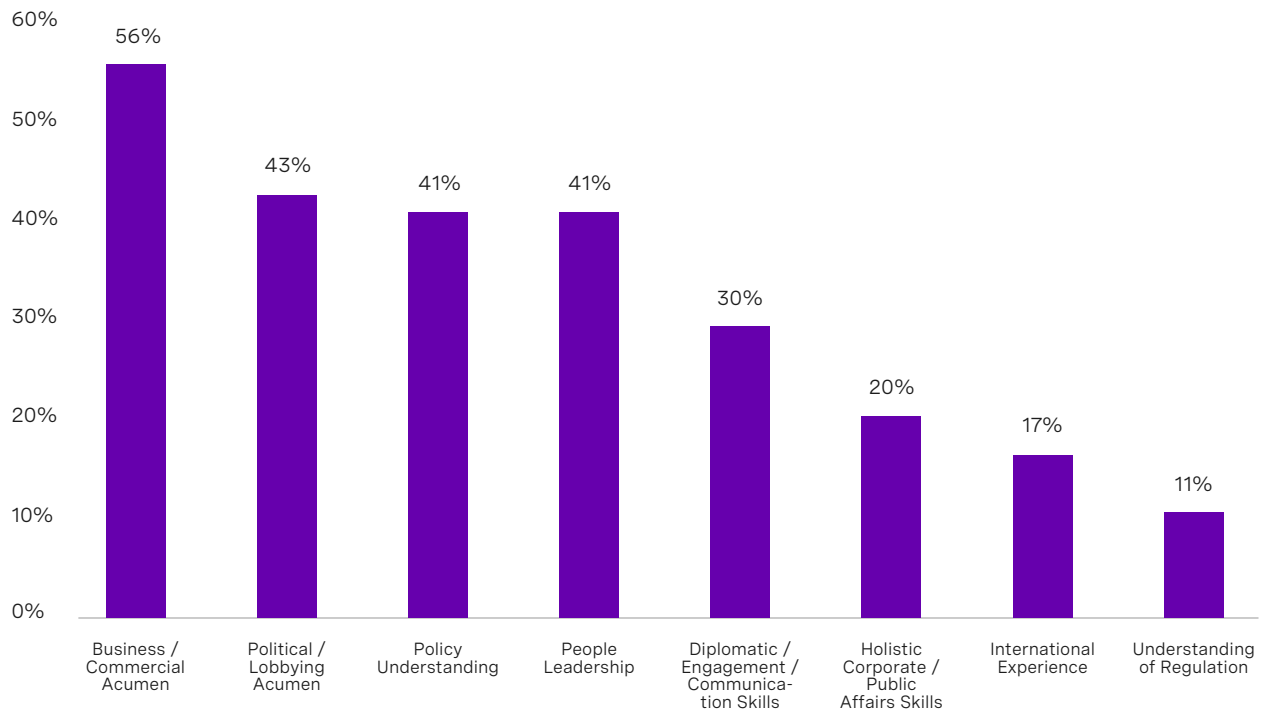
Building a strategic, resilient, and adaptable government affairs team

To grapple with our rapidly changing geopolitical environment and the subsequent organizational changes they require, government affairs leaders need strong teams around them. Now more than ever, these leaders are expected to be business and organizational strategists first, and advocacy experts second. While functional expertise remains critical, government affairs leaders are now prioritizing business and political acumen, as well as policy insights and people leadership as paramount to success in the role (Figure 3).



We brought our government relations team closer together to maximize collaboration on high-intensity issues—especially the most politically sensitive items—using working groups, task forces, etc. We also drastically increased the flow of information to senior company leadership to make them more quickly aware of contentious issues and their impact.”

Figure 3: Leaders ranking the qualities most critical to success for government affairs leaders



Source: Russell Reynolds Associates Global Government Affairs Survey; N=55 GA Leaders

As government affairs leaders look to hire and develop successful teams, the following should be top of mind

Strategic business & commercial acumen: As they operate across the C-suite and counsel the board, government affairs leaders must demonstrate their abilities as trusted business partners, not just policy navigators and political operators. While transitioning from government, consulting, or NGOs is possible, experience within similarly-complex corporate settings, operating in support of commercial objectives, is typically ideal; there is less room for a learning curve atop this function. In support of this, government affairs leaders must demonstrate proficiency in strategic planning, analytical thinking, and conceptual skills, enabling the identification and mitigation of risks, while anticipating potential business opportunities.



Commercial acumen, a real world understanding of how business works, and the ability to translate policy to business is an immense talent gap for us."

Expertise in navigating political terrain: Sharp political and lobbying acumen is crucial. This critical skill involves more than just understanding legislative processes; it requires the ability to effectively navigate the intricate web of political relationships and influence. Leaders and their teams with this acumen are adept at shaping policy outcomes and advancing organizational interests in complex regulatory environments. They excel in crafting persuasive arguments, building strategic alliances, and engaging with key policy makers to advocate for favourable legislative and regulatory conditions. Thus, government affairs leaders and their teams must not only keep their fingers on the political pulse, but also proactively leverage their insights to steer their organizations through political change and uncertainties.



In addition to having a strong understanding of the inner workings of government, individuals on a government affairs team must also have a keen political sense. They need to be able to anticipate potential shifts in policy and navigate the political landscape to advance their organization's interests effectively."

Integrated public policy insights: Proficiency in both micro and macro-level thinking is key, as is a demonstrated understanding of the interplay of business, policy, and social issues on a global scale. This requires an academic and practical grasp of relevant public policy and geopolitical trends, along with recognition of various influencers - ranging from NGOs to government bodies. Substantive insights are crucial, but far less helpful if considered in a vacuum. Individuals should possess the ability to break down silos and complex issues and approach them through a modular lens, solving each component in a way that lends its successes to the next.

People-centered leadership: Effective leadership transcends traditional team management, requiring a clear vision and ability to galvanize diverse groups around shared goals. Whether overseeing direct teams or guiding broader organizational efforts, these leaders should excel in harnessing and deploying resources strategically, even in resource-constrained environments. Leaders who bring experience in designing structures, building complementary teams, and leveraging collective expertise are increasingly important - as is the need to work across time zones and cultures. This global fluency enhances their capacity to foster a cohesive and inclusive working environment that drives innovation and effective execution of government affairs objectives.



It is important to find a person who aligns with our corporate culture, bringing strong judgement and a team mindset."

Diplomacy and strategic communication skills: In an era defined by rapid changes, the importance of diplomatic and strategic communication skills for government affairs leaders cannot be overstated. Leaders who are well-versed in these skills are instrumental in preemptively navigating the tumultuous waters of international policy, corporate governance, and risk mitigation. By articulating clear, compelling narratives and engaging effectively across diverse landscapes, they build and maintain crucial alliances. As a result, these leaders not only ensure that the organization has strong internal and external networks - underpinned by clear articulation of goals across the board - but also act as an extension of the organization's overall reputation.

In today's turbulent global environment, where stakes and performance expectations are higher than ever, government affairs leadership has never been so important.

Methodology

The analysis in this piece is based on a survey conducted from January 1 to April 15th and includes 55 global government affairs leaders. We have also drawn on previous survey responses from our previous Government Affairs survey, as well as our experience of running hundreds of global government affairs searches.

Additionally, we conducted 15 qualitative interviews to better understand our respondents' views and perspectives on key areas of focus.

Our research underscores that government affairs leaders must assess and ensure their teams possess the capabilities to influence strategic discussions and navigate extreme change. As current challenges evolve and new ones emerge, government affairs leaders must feel confident that their organization's operations and talent are conducive to a proactive and strategic environment - not just to manage disruptions, but to proactively shape opportunities and ensure that the organization thrives in the face of strenuous political challenges. This era demands more than ever from government affairs leaders, making the role pivotal in future-proofing organizations and creating long-lasting strategic change.



The ability to boil down complex issues and communicate impactfully to company leaders and our most senior external stakeholders is one of the most difficult skills to find for our team."

Authors

T.R Straub is a senior member of the Global Legal, Risk, & Compliance Officers capability and co-leads the Government Affairs Practice. He is based in Washington, DC.

Marionne Barge is a senior member of the Global Legal, Risk, & Compliance Officers capability and co-leads the Government Affairs Practice. She is based in Brussels.

Daria Rokk leads the Legal, Risk, & Compliance Officers capability in Asia and co-leads the Government Affairs Practice. She is based in Hong Kong.

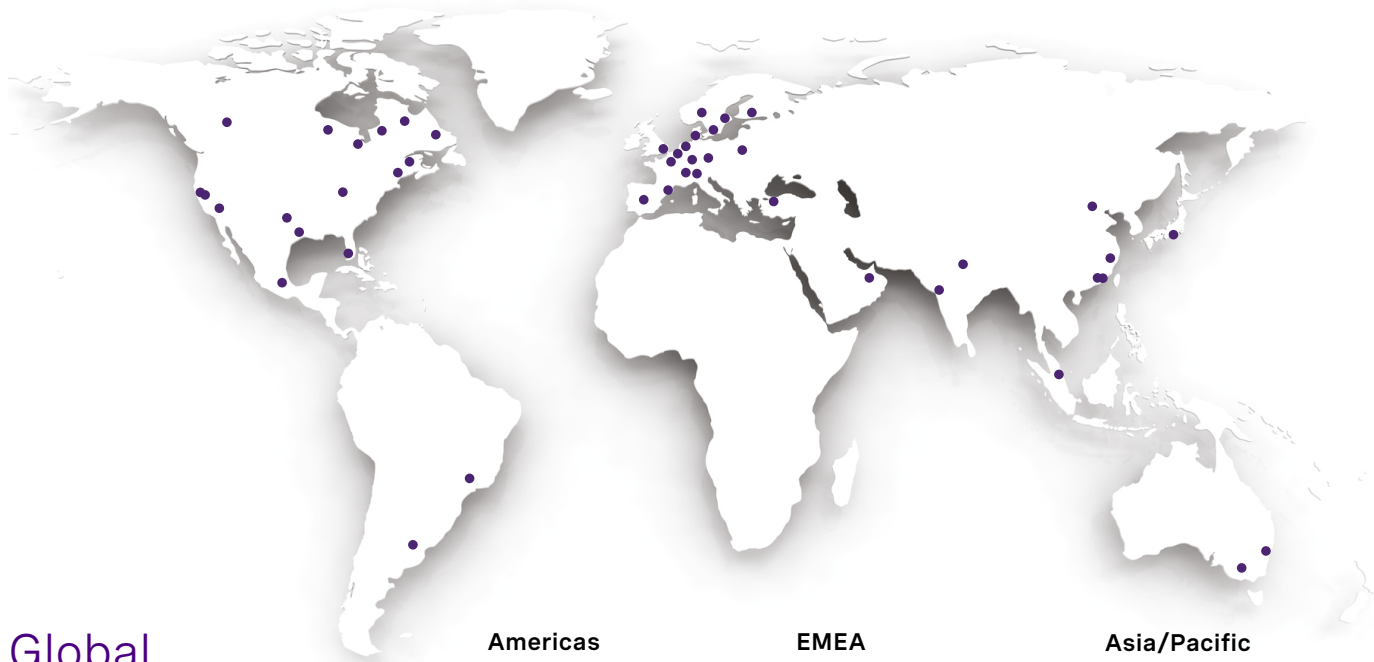
Alison Huntington leads Knowledge for Russell Reynolds' Global Legal, Risk & Compliance Officers and Human Resources Officers capabilities. She is based in London.

Jason Kipkala is the Commercial Operations Leader for Russell Reynolds' Global Legal, Risk & Compliance Officers and Human Resources Officers capabilities. He is based in Toronto.

About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led

www.russellreynolds.com



Global offices

Americas

- Atlanta
- Boston
- Buenos Aires
- Calgary
- Chicago
- Dallas
- Houston
- Los Angeles
- Mexico City
- Miami
- Minneapolis/St.Paul
- Montreal
- New York
- Palo Alto
- San Francisco
- São Paulo
- Stamford
- Toronto
- Washington, D.C.

EMEA

- Amsterdam
- Barcelona
- Berlin
- Brussels
- Copenhagen
- Dubai
- Frankfurt
- Hamburg
- Helsinki
- London
- Madrid
- Milan
- Munich
- Oslo
- Paris
- Stockholm
- Warsaw
- Zürich

Asia/Pacific

- Beijing
- Hong Kong
- Melbourne
- Mumbai
- New Delhi
- Shanghai
- Shenzhen
- Singapore
- Sydney
- Tokyo