

The Expanding Remit of the Fortune 500 General Counsel



Today's top general counsel wear multiple hats and are increasingly outward-facing

Russell Reynolds Associates' fourth annual analysis of this year's cohort of Fortune 500 general counsel shows that today's GCs are taking on broader remits than ever before. Increasingly, they are wearing multiple hats within their organizations and taking on more responsibility for managing reputational and external risk. Our analysis found that:

- 1.** GC turnover has increased, with organizations tending to choose experienced external hires.
- 2.** The number of GCs with additional responsibilities in 'non-traditional' areas - beyond company secretary and compliance - has increased significantly since last year. Specifically, GCs are taking on externally facing roles more than ever.
- 3.** GCs acquire additional responsibilities at two critical points in their tenure.

Read on to explore the leadership and talent implications of these trends when hiring, developing, and retaining top legal
The expanding GC role means increased turnover and demand for experience

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As the geopolitical and economic landscape grew even more challenging over 2023, many commentators expressed concern that these are the most unstable times the world has faced for decades. In fact, our [Global Leadership Monitor](#) found that only 48% of leaders globally feel prepared to address economic uncertainty. All this makes the job of Fortune 500 leaders even more challenging, forcing them to navigate an unpredictable external risk landscape.

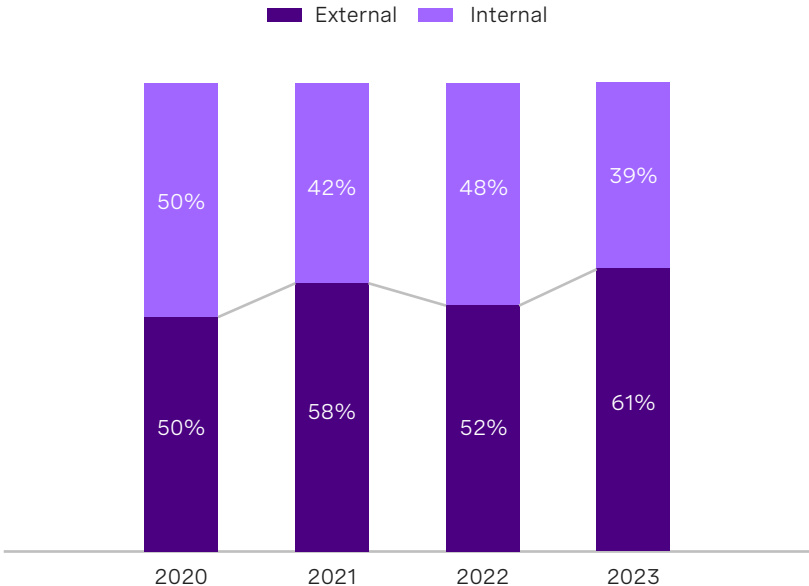
As a result, the general counsel role is expanding: the ability to combine legal expertise, strategic business thinking, and a cool head to assess an array of risks is leading to more and more GCs gaining additional responsibilities beyond 'traditional' areas, such as company secretary and compliance. GCs are increasingly seen as true enterprise leaders, trusted to guide companies through the choppy waters of war, politics, inflation, reputational risk, and AI. The GC role is more complex today than ever before, and is certainly not for the faint of heart.

This expanding remit is likely why external hires are on the rise. In 2020, the proportion of internal versus external appointments was evenly split; today, the majority of hires (61%) come from external organizations (Figure 1). Our interviewees say this is largely due to the average Fortune 500 GC having six times more responsibility than any of their direct reports, making the step up for internal candidates from deputy to GC a much bigger gap to bridge. As such, companies are looking to hire seasoned, sitting GCs—the proportion of newly hired Fortune 500 GCs who already held the title of GC increased from 36% to 44% from 2022 to 2023 (Figure 2).

In 2022, just 26 of the Fortune 500 GCs had additional responsibilities in 'non-traditional' areas; in 2023, this number has risen to 41, and looks set to rise further.

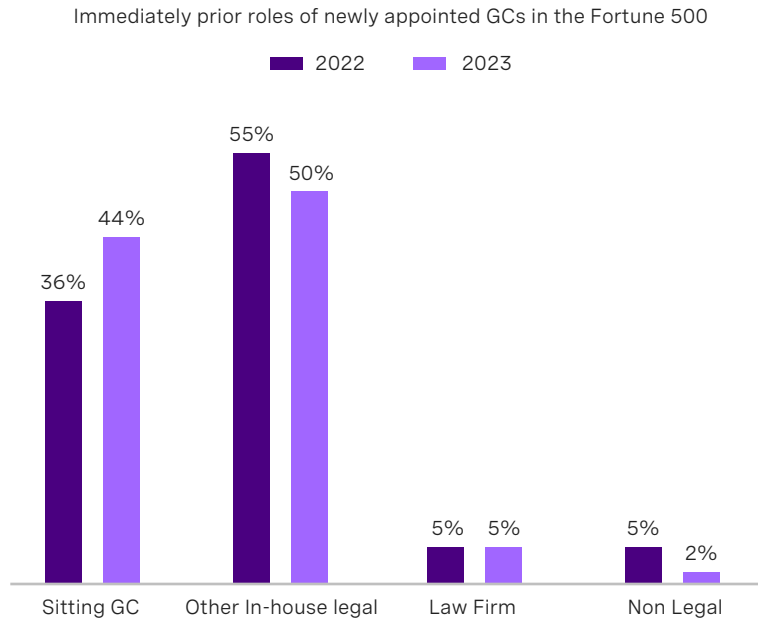
Figure 1: The proportion of external GC hires has risen since 2020

Comparing the proportion of internal and external new appointments of Fortune 500 GCs



Source: Russell Reynolds analysis of the newly appointed Fortune 500 GCs, 2020-2023, n = 52 in 2020, n = 59 in 2021, n = 42 in 2022, n = 66 in 2023.

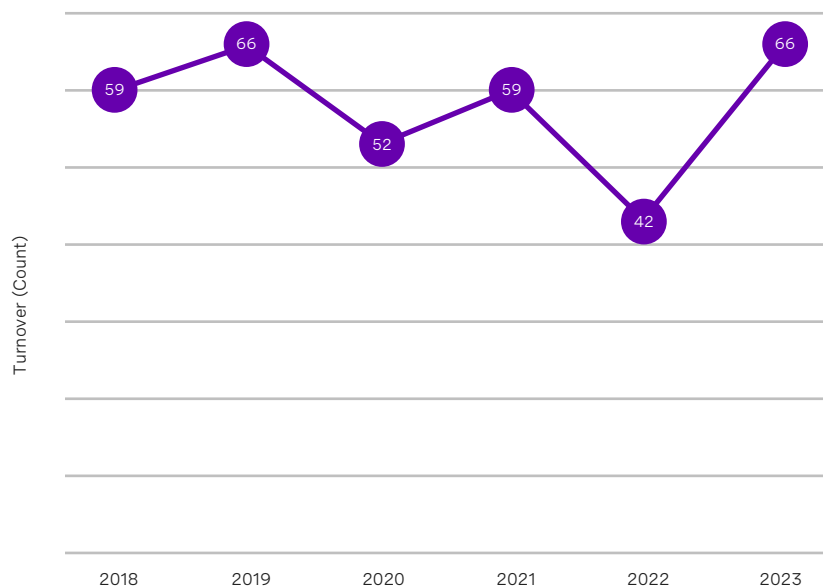
Figure 2: The proportion of sitting GCs hired is up 8 points



Source: Russell Reynolds analysis of newly hired Fortune 500 GCs in role in 2022 and 2023, n = 42 in 2022, n = 66 in 2023

This also impacts GC turnover, which has risen to pre-pandemic levels (Figure 3). In 2022, we saw [record CEO turnover](#) as companies regained their risk appetite. It's likely that many of these new CEOs wished to fill the GC seat with someone they viewed as a partner for navigating our current levels of uncertainty.

Figure 3: Fortune 500 GC turnover rates since 2018

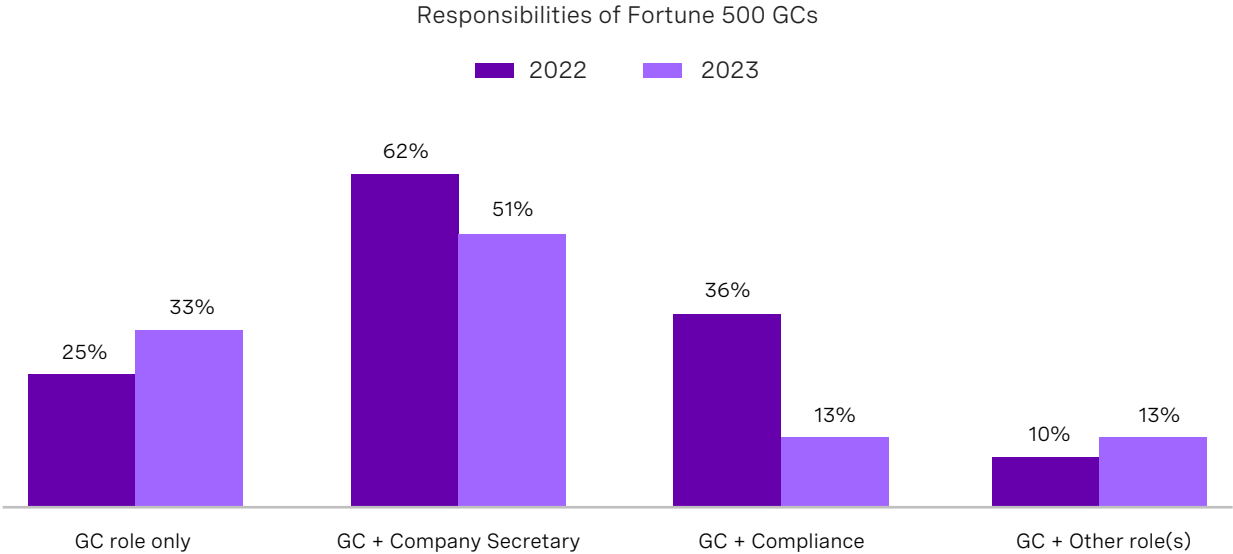


Source: Russell Reynolds analysis of newly appointed Fortune 500 GCs from 2018 - 2023, n = as detailed above.

The GC remit is rapidly expanding into external-facing roles

General counsel have long worn multiple hats, but the role's remit has significantly expanded in the last year. Historically, the GC role was often combined with a company secretary and/or compliance remit. This remains true for company secretary responsibilities: by far the most common combination of "GC+" roles are GC and company secretary, with 51% of today's Fortune 500 combining those responsibilities (Figure 4). Historically, compliance was often included, but we observed a large drop off in those responsibilities in 2023, as many companies created standalone chief compliance officer roles in the face of rising regulatory burdens.

Figure 4: Additional responsibilities held by Fortune 500 GCs



Source: Russell Reynolds analysis of the Fortune 500 GCs in role in 2022 and 2023, n = 487 in 2022, n = 479 in 2023. Please note the total percentages for each year exceed 100% because many GCs have three or four roles.

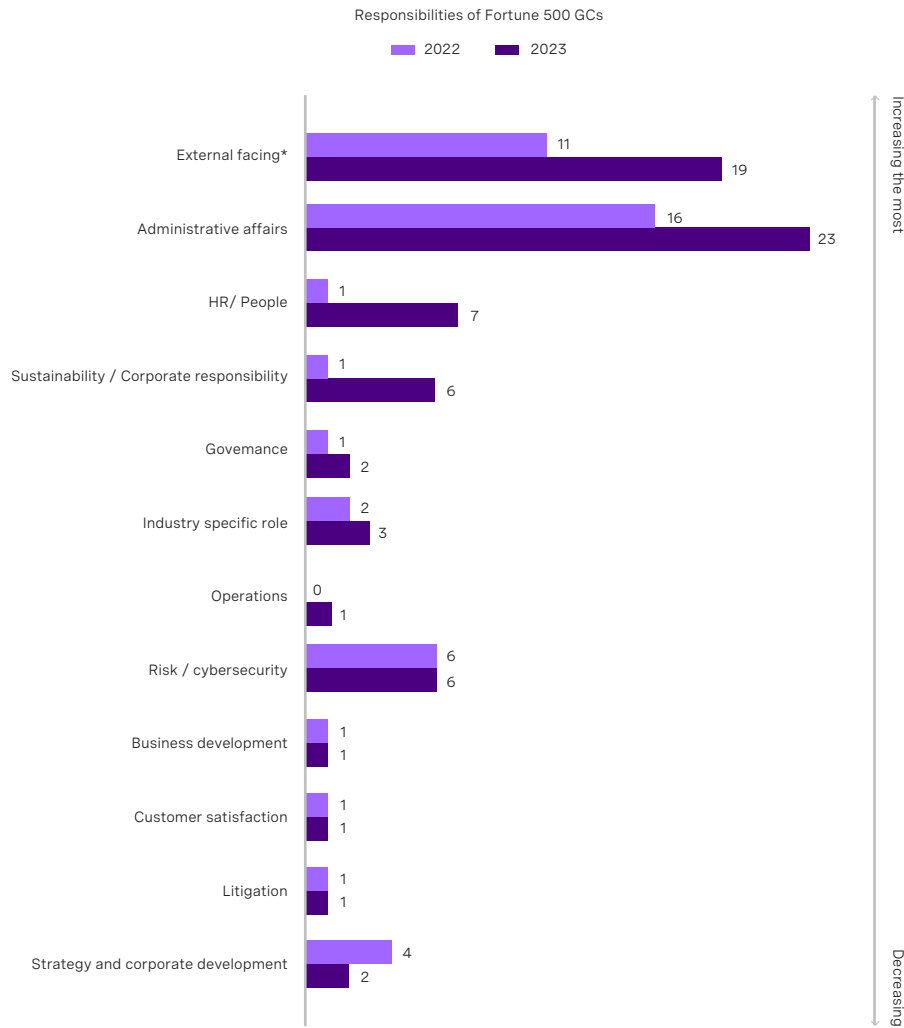
But GCs' responsibilities are expanding far beyond the traditional. In 2022, just 45 of the 500 held responsibilities outside GC, company secretary, and compliance; this year, that has increased to 67.

Within the GC+ population, externally facing functions on the rise, as 19 note this as part of their remit (Figure 5). These responsibilities include policy, communications, and public affairs (to name a few). This group is in charge of most non-financial and non-operational risk in their organizations, and must therefore be skilled and broad enterprise risk managers. Generally, these GCs have been in role for less time than the average Fortune 500 GC (3.8

versus 5.3 years, on average), indicating that this is a shift occurring among the next generation of GCs.

Interestingly, GCs with external responsibilities are more likely to be ethnically diverse: 38% of this group are from diverse backgrounds, compared with 21% in the wider Fortune 500. This may indicate that diverse GCs bring a different set of perspectives or experiences that are helpful when dealing with the ever-more complex risk landscape. Simultaneously, with most executive and boards still being far from parity, companies may be able to leverage a broadened GC role to attract the very best from a smaller pool of diverse candidates.

Figure 5: The greatest jump is in GCs gaining externally-facing responsibilities



Source: Russell Reynolds analysis of the Fortune 500 GCs in role in 2022 and 2023, 2022 n = 45, 2023 n = 67. *Definition of external facing: Policy / Communications / Public affairs / External affairs / Government affairs / Regulatory

But that’s not the only change: many GCs are also gaining significant internal responsibilities. This year, 23 claim administrative affairs within their responsibilities, and another 7 are also HR leaders (up from 16 and 1 in 2022). This jump points to GCs being responsible for building cultures that simultaneously balance the need for growth with compliance and integrity, and to the huge overlap between people and legal issues in many organizations. GCs with an internally-focused role are more tenured than average: 8 years in role versus 5.3 years for the rest of the Fortune 500 cohort.

Also worth noting: none of the GCs with increased internal responsibilities have external responsibilities too. This points

to two development paths—external-facing and internal-facing—with longer-tenured GCs growing as administrative leaders rather than broader business leaders.

Lastly, we observed a jump in GCs with sustainability and corporate and social responsibility (CSR) under their wings. This is often combined with company secretary or compliance responsibilities, perhaps indicating that these companies view ESG largely as a compliance and reporting issue, which should naturally sit with other administrative and regulatory reporting.

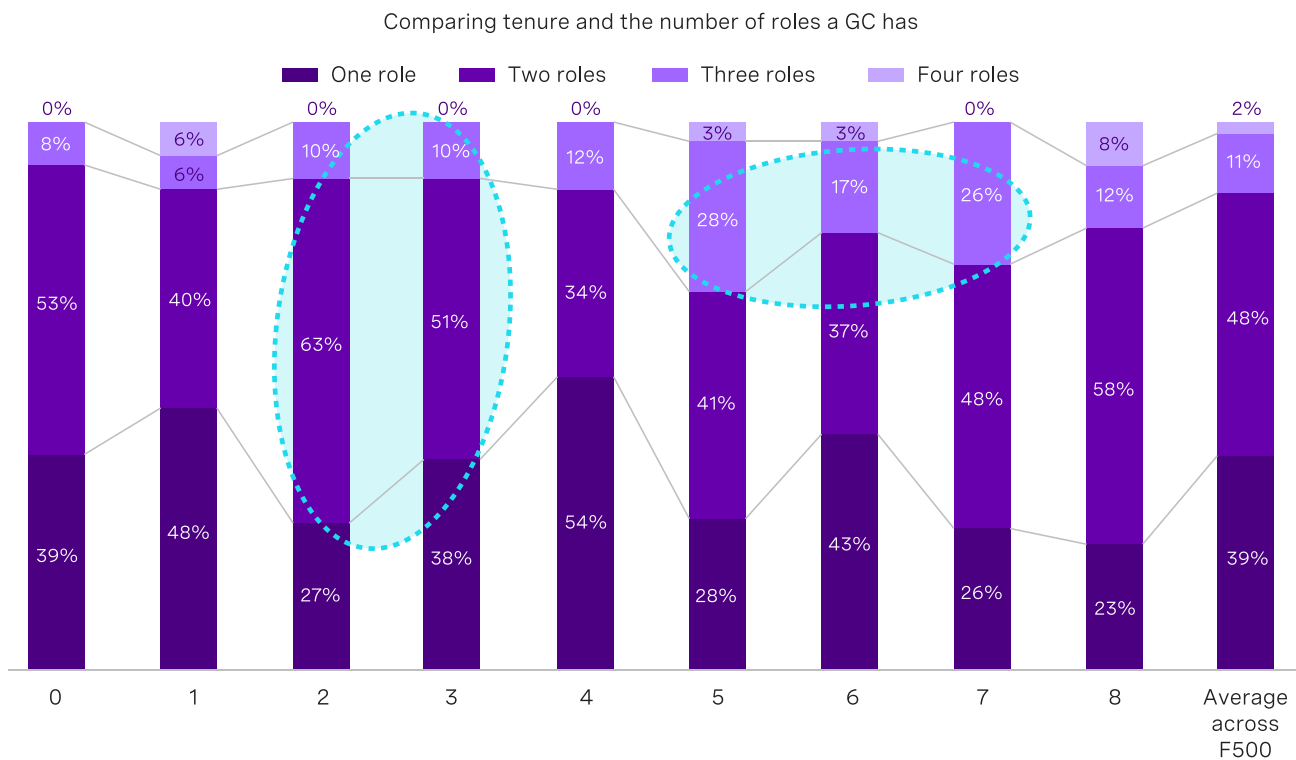
GCs collect roles as they progress in their tenure

General counsel in the Fortune 500 gain additional responsibilities at two key points in their careers (Figure 6). The first is after two to three years in role. The most common addition is company secretary, but we also see GCs at this point expanding into policy, global affairs, risk, and internal responsibilities.

The second increase in responsibilities occurs five to seven years into one's tenure. These leaders are much more likely to hold three roles than the average Fortune 500 GC. What's

interesting is that this is also the point at which there is typically turnover—those that left their GC role in 2023 had an average tenure of 5.7 years. It points to companies recognizing that these top flight GCs are seasoned executives who have more capacity to give, and potentially that expanded remits are being used as a retention tool for top performers.

Figure 6: There are two key points in a GC's career in which their role expands



Source: Russell Reynolds analysis of the Fortune 500 GCs in role in 2022 and 2023, n = 487 in 2022, n = 479 in 2023. Analysis compares the number of roles held by sitting GCs in each year.



What does this mean for the future Fortune 500 general counsel?

General counsel roles in the Fortune 500 are changing: up-and-coming GCs are increasingly gaining externally facing responsibilities, which means organizations need to reconsider who they hire, what they assess for, and how they develop their top legal talent. In doing so, an organization will gain not just a legal perspective, but an adaptable business leader capable of steering the ship through our increasingly complex geopolitical and turbulent economic times.

To effectively hire and develop future-fit general counsel, organizations should:

When hiring:

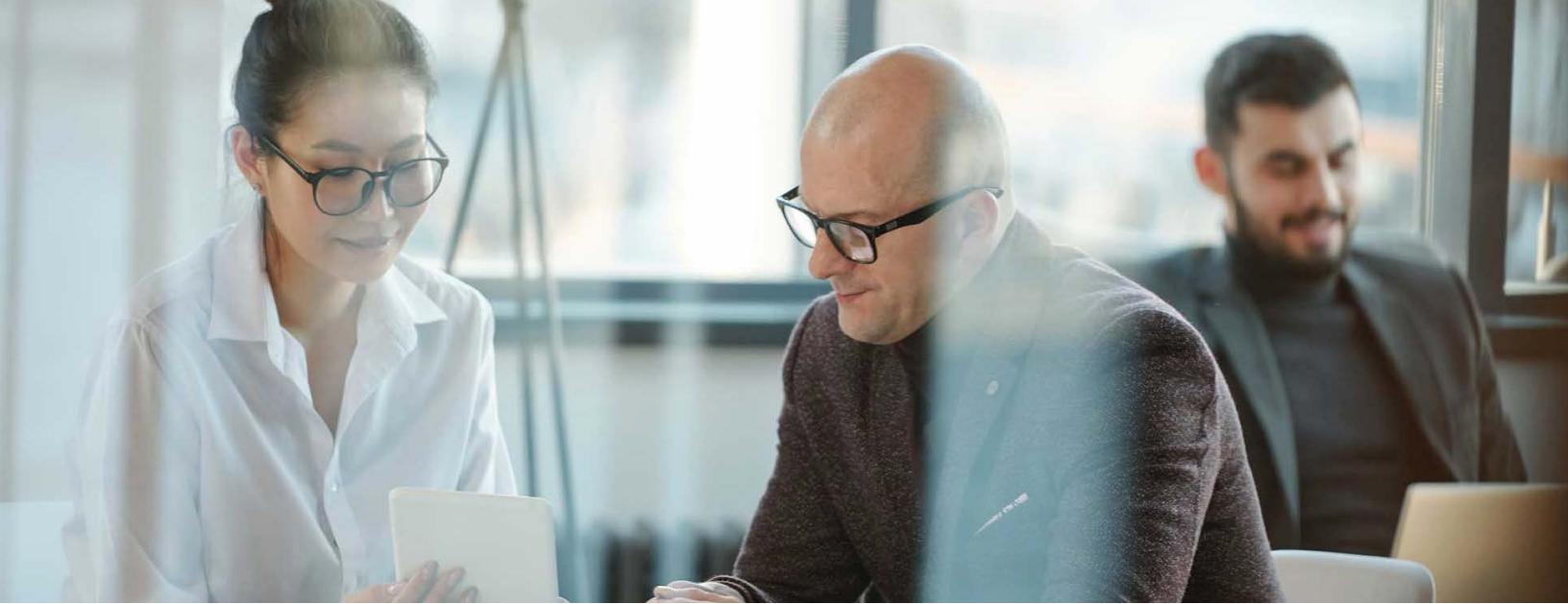
- **Think beyond the general counsel remit** to what your organization may need in the future. Ensure longer term

considerations have been taken into account, and gauge whether candidates have the capability, breadth, and ambition to hold such a pivotal role.

- **Ensure that roles are designed with expansion opportunities in mind** to attract top external talent who are already experienced in the role at scale. Our analysis indicates that this is especially important if diversity is a key consideration when recruiting a GC.
- Organizations may require GCs with a different set of skills from those of the past. Traits such as adaptability, horizon scanning, and the ability to build relationships with peers, regulators, and external advisors are all increasingly important. **Ensure selection processes explore these expanded skills** with all potential candidates.
- **Think about the team** supporting the General Counsel. Many interviewees spoke of the importance of building strong teams beneath them. With steady hands in place dealing with the detail of each facet of the expanded GC role, the GC themselves was able to focus on external risk and reputational issues for their company.

When onboarding new GCs:

- **Pair new GCs with a coach or mentor** who can inform their development, and/or help supplement areas where they may bring less experience. A tailored, multi-year



development plan will both ease the GC's transition into the top role and help them grow into any expansions.

- **Accelerate relationship building** by creating a robust plan to expose GCs to internal and external stakeholders. Key introductions will include peer executives, the CEO, board, investors, as well as regulators and outside advisors.

When developing internal talent:

- **Ensure high performing internal candidates have the opportunity to gain a wide breadth of experience.** When they're ready to step up, this will ease their transition into the top role and likely reduce attrition.

- **Don't be disheartened if high-potential talent feel the need to leave.** It might be necessary, even for highly valued internal candidates, to gain experience in a GC role externally in order to gain the breadth of experience the market now demands. Added to that, a GC typically has six to seven direct reports, only one of which will get the top job (if the appointment is internal). Experienced GCs we interviewed spoke of the satisfaction gained from seeing people they have developed go on to GC roles elsewhere, creating an increasingly strong bench of talent across the Fortune 500.

Methodology

- The analysis in this piece is based on the Fortune 500 GCs in role as of December 31, 2023, and includes 479 General Counsel. We have also drawn on previous Fortune 500 studies for comparative purposes.
- The latest cohort includes all sectors, including Consumer (21%), Financial Services (19%), Healthcare (8%), Industrial and Natural Resources (40%) and Technology (12%).
- We interviewed 30 experienced Fortune 500 General Counsel in Q4 2023 to gain their perspective about what has changed about the role during their careers.



How Russell Reynolds Associates can help

Russell Reynolds Associates has completed over 500 searches globally for legal roles in the last three years, and our clients range from public to mid-sized private to private equity-backed companies, across all industry sectors and the nonprofit sector. Our consultants have both specialized knowledge of a range of industries and functional expertise in recruiting Legal Officers - a unique combination that allows us to deliver substantial added value to our clients.

Russell Reynolds also delivers assessment, development, culture, and DE&I consulting services to help top teams perform at their best.

Find out more about the team and what we do [here](#).

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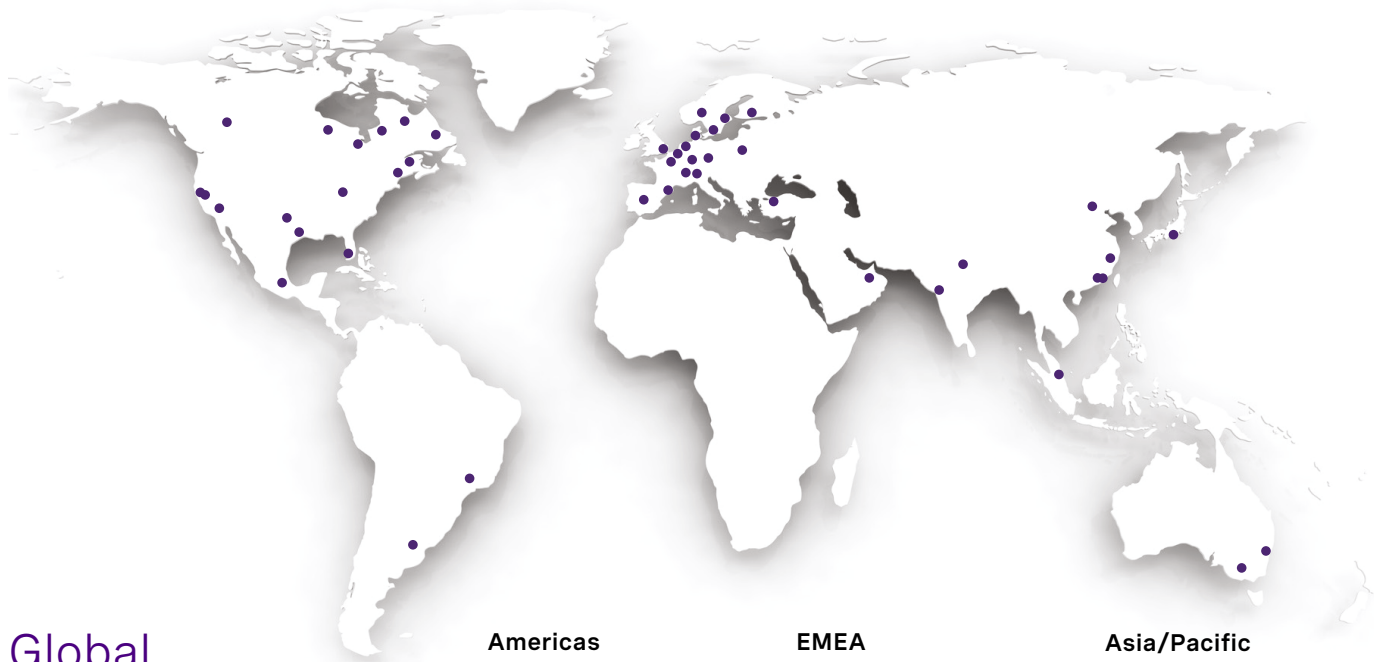
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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 600+ 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

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