



Are chief legal officers (CLOs) and their direct reports on the same page?

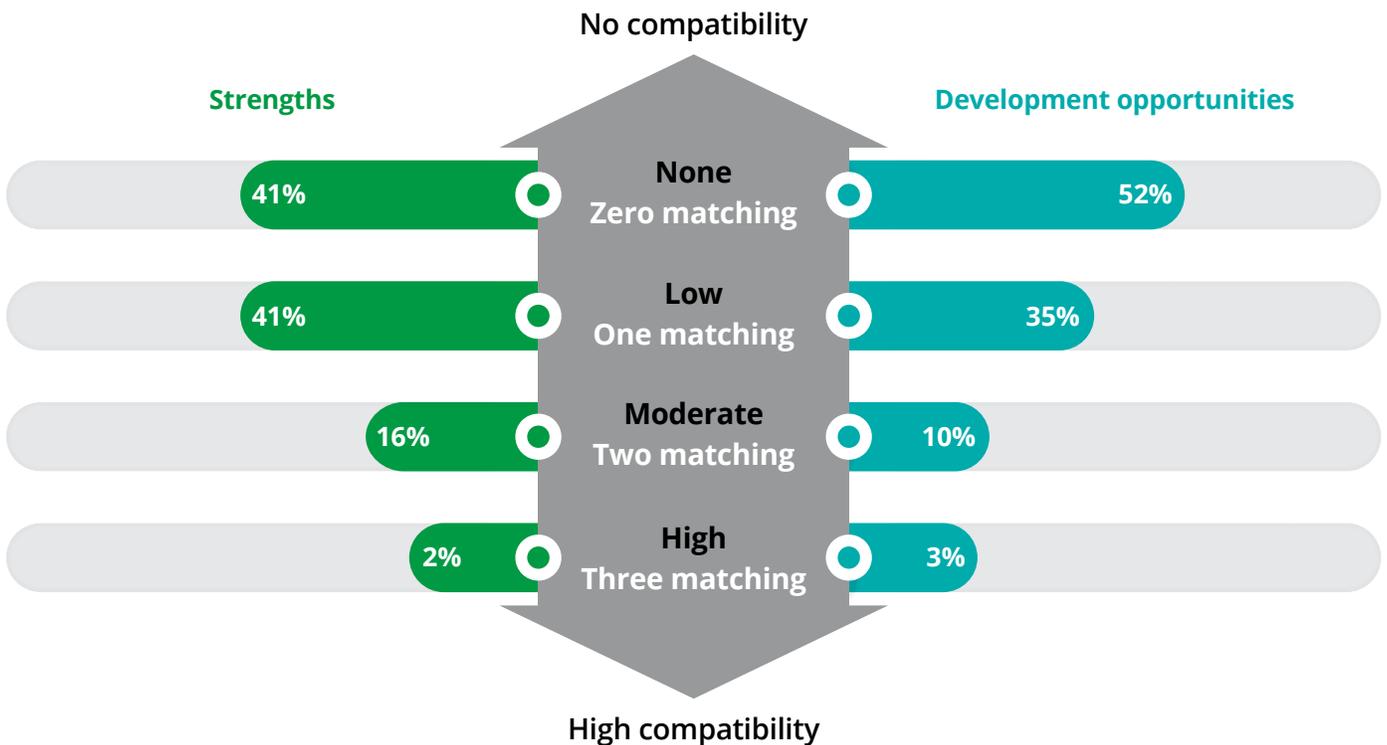
If our research is any indication, the answer is no.

We surveyed more than 150 legal executives—all direct reports to the CLO, whom the CLO identified as high performers—on what their legal function's top three priorities were for the coming year. Then we asked their CLO to answer the same question, choosing from the same predefined list of options we provided the direct reports.

Among the CLO–direct report pairs, only 4% are fully aligned on the top three priorities of the legal function.¹

Other questions yielded similar results. Asked what their biggest strengths and biggest development opportunities were, 41% and 52% (respectively) of the direct reports identify *none* of the same as their bosses. Another 41% agree on *just one* of the strengths, and 35% agree on *just one* of the development opportunities. Only 2% of the CLO–direct report pairs are in alignment on the direct report's top strengths, while only 3% show alignment on the highest development opportunities.²

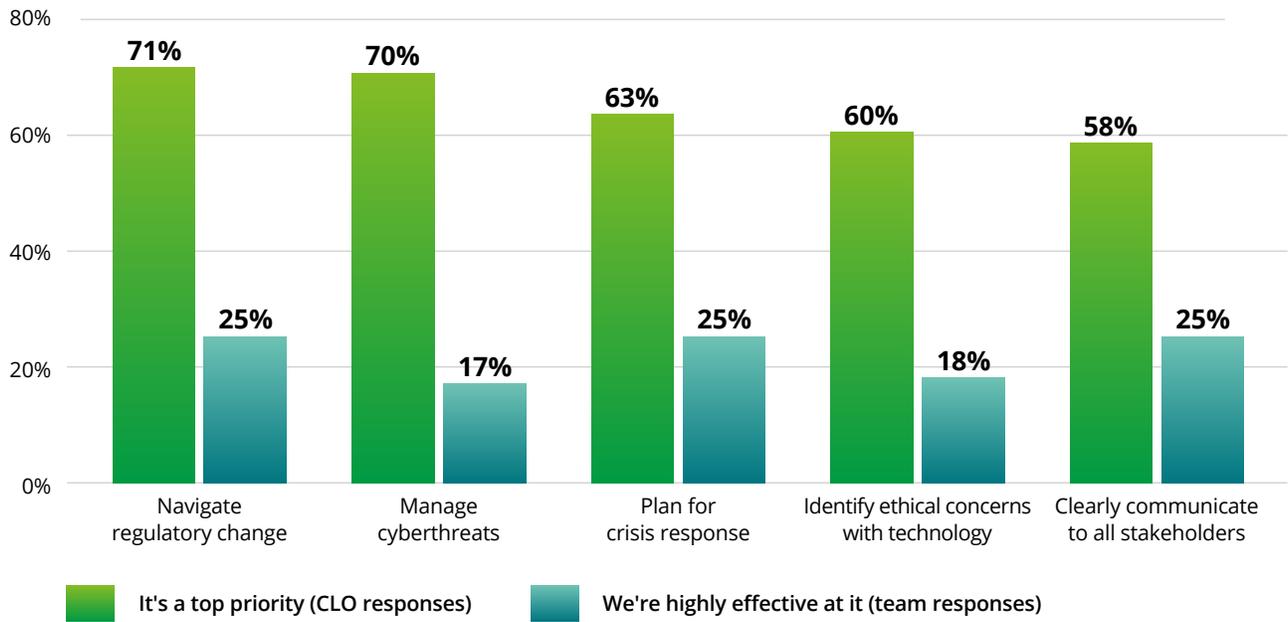
Figure 1. Compatibility analysis of CLO direct report strengths and development opportunities³



Source: Deloitte research⁴

As though to underscore these findings, a separate, double-blind survey Deloitte commissioned reveals a disparity between the top priorities of legal executives and the ability of their teams to execute them (figure 2).⁵

Figure 2. CLO and team alignment on priorities



Source: Deloitte research⁶



According to that survey, there's also a disconnect between how CLOs view the legal team's effectiveness and how the legal team views it.⁷ Compared with their direct reports, surveyed CLOs are:

32% less likely to say legal is highly effective at navigating regulatory change.

39% less likely to say legal is highly effective at managing cyberthreats.

300% less likely to say legal is highly effective at implementing a remediation program.⁸

On the flip side, CLOs are 200% more likely to say legal is highly effective at identifying technical ethical concerns.⁹

When communications break down, alignment on the purpose and priorities of the legal function and the development of critical talent often breaks down as well. Both can negatively affect employee engagement. As the CLO's role becomes more complex and more tied to the success of the enterprise, it's imperative that leaders close communication gaps that could get in the way of achieving legal department objectives. Here are three steps that may help legal leaders do just that.

Building and maintaining trusted communications

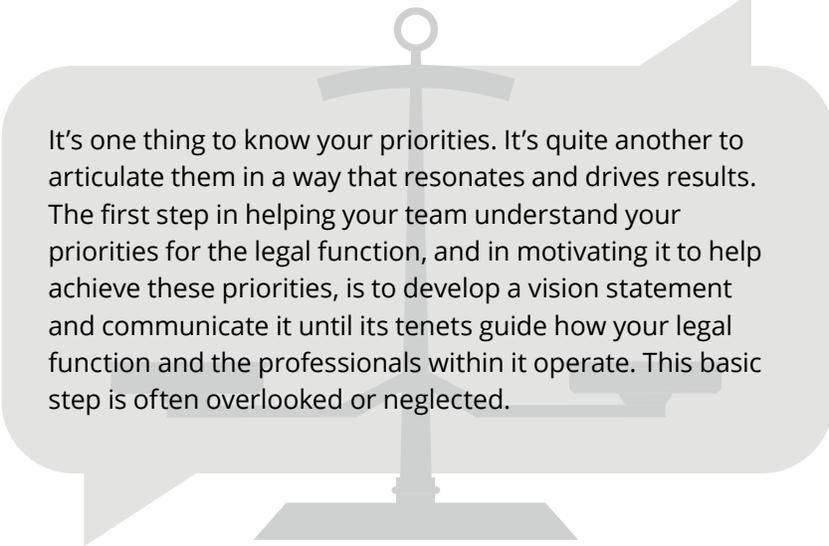
Building and maintaining strong relationships is an important element of effective communication strategies. Be sure to spend time intentionally investing in relationship building separate and apart from any communication plan. These relationships can create the pathways for your communication strategy to connect with your audiences while gathering critical feedback along the way. "When you create the personal connection first, people are more likely to listen to your message," says Nancy Berardinelli-Krantz, senior vice president and CLO at W.W. Grainger, Inc. "Strong relationships unlock the trust needed to deliver a credible message."

While a strong communication strategy can be bolstered by strong relationships, a good communications strategy can also serve to build trust within those relationships by focusing on three elements: competency, humanity, and integrity.¹⁰

- **Competency** refers to the capacity and resources required to successfully achieve current and future actions—the ability to do what you say you'll do.¹¹
- **Humanity** describes the values and resolve that demonstrate commitment to others' interests, well-being, and individuality.¹²
- **Integrity** outlines the standards and norms that are consistently expected for relevant interactions.¹³

All three elements build trust because they help leaders understand their stakeholder's point of view. "Creating a personal connection helps your messages resonate," Nancy says. "Consider sharing examples from your own experiences that reveal who you are and show that you can be vulnerable and authentic."

Create a vision statement and communications plan



It's one thing to know your priorities. It's quite another to articulate them in a way that resonates and drives results. The first step in helping your team understand your priorities for the legal function, and in motivating it to help achieve these priorities, is to develop a vision statement and communicate it until its tenets guide how your legal function and the professionals within it operate. This basic step is often overlooked or neglected.

Start by identifying your top three to five priorities. (Broad themes are fine.) For example:

- More efficient legal service delivery
- Destination of choice for talent
- Business-minded legal team

Then, create a vision statement for each priority. An effective vision statement frames priorities in a way that lets team members know why they're important and how addressing them can make their life easier.¹⁴ For the priority examples listed above, the vision statements might be something like these:

1. Identify opportunities to streamline processes; introduce and integrate technologies that enable faster service delivery and more data-driven decision-making.
2. Develop a learning and development framework that empowers legal department professionals to develop tactical legal and functional leadership skills; identify opportunities for professional growth, including a clear succession planning process.
3. Partner with the various businesses and internal functions to develop business-oriented training on relevant legal topics; identify and provide training on business-critical topics so that the legal function can be a knowledgeable business partner to its clients.

Did you know?

"Although strategy is a top priority among legal executives transitioning into a new CLO role, based on my experience, only about 20% say a communication plan is a top priority as well."

—Lori Lorenzo, Managing Director, US Chief Legal Officer Program Research and Insights Director, Deloitte Transactions and Business Analytics LLP

Bear in mind, some organizational cultures may respond better to a more collaborative approach. It may help build trust and followership for your vision if you engage in a listening tour before announcing a vision statement and creating a communications strategy, especially in instances where (1) top-down leadership is not part of the organizational culture; (2) you are new to an organization; or (3) the organization needs significant change.

“As an army veteran, I was trained on a particular style of leadership,” Nancy says. “I’ve had to adapt my leadership approach in different corporate cultures. Some organizations will expect you to craft a vision statement and promote it throughout the organization. Others will reject any vision that isn’t built from the ground up through all levels of seniority. It’s just as important *how* you build your vision as what it says.”

In these environments, it may be helpful for leaders to follow the steps outlined above on their own so they have a clear sense of the direction they’d like to go. However, they may need to wait until they’ve heard from their stakeholders and incorporated information learned through those communications into a final vision and communication plan that they announce to the organization.

Once your vision statements are ready, create a communications strategy specific to each priority, then build each one into an overall communications plan.¹⁵

Take care to tailor communications to the specific audience and that audience’s relationship to the information being shared. For instance, are you communicating to your senior leadership team? Then consider a longer, more detailed communication with plenty of time for questions. Are you communicating at a company-wide town hall? Consider a more concise message that emphasizes a few key changes, the benefit to the company, and alignment with overall enterprise goals.

“Leaders must shape and deliver messages to meet various audiences where they are. I start with being intentional about shaping my message to my audience and delivering it in a way that resonates. Next, I seek feedback and ask my stakeholders if I am understanding the feedback correctly. It’s important to get comfortable with whatever feedback you receive, even if you don’t like it,” Nancy says. Enlist the help of the corporate communications or marketing team if it’s available to you.

Adding action items to a vision statement

If you like, you can take this one step further and identify specific actionable tasks within each area. Each task should define how the vision will be accomplished, when the desired state will be achieved, and who will be responsible for driving the initiative forward. The breakdown for the first vision statement in our example might look like this.



Identify opportunities to streamline processes; introduce and integrate technologies that enable faster service delivery and more data-driven decision-making.

- **Assess the technology tools currently used and rate effectiveness of the tool**

- Start date: _____
- Finish date: _____
- Responsible leader: _____

- **Inventory the critical legal department processes***

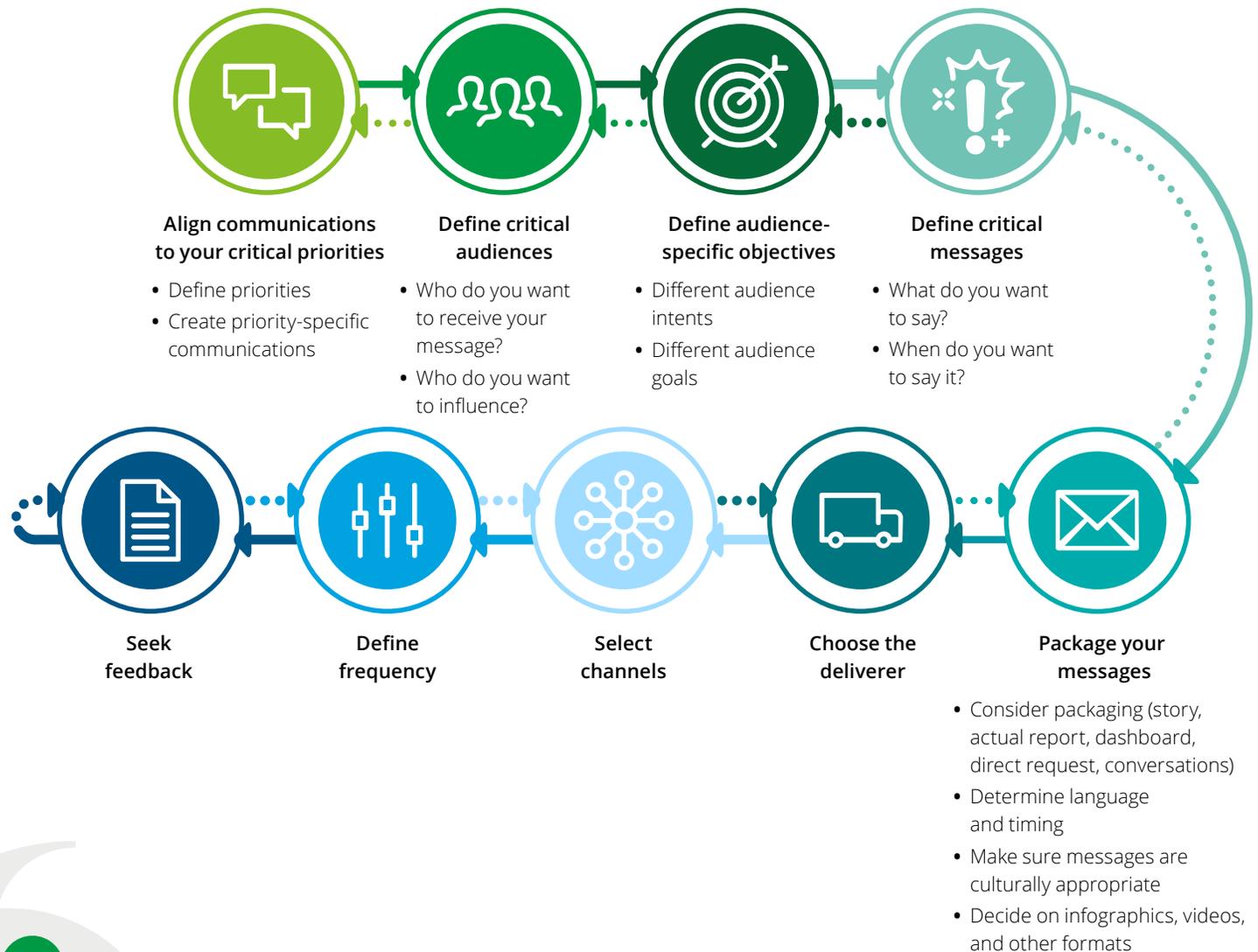
- Legal service request intake
 - Start date: _____
 - Finish date: _____
 - Responsible leader: _____
- Nondisclosure agreement execution
 - Start date: _____
 - Finish date: _____
 - Responsible leader: _____

* Break a task like this into smaller, more manageable pieces.

Figure 3 shows a model for developing and implementing your communication plan. An authentic, credible communications program serves double duty. First, it can work to persuade and inform the legal team of your priorities for the legal function and your strategy for executing on those priorities. It's also a means to communicate legal function goals to key stakeholders throughout the organization and demonstrate alignment with the organization's objectives.

A strong communications program may require iteration as the messaging is tested and refined through various communication channels. Be sure to revisit the plan and the statements regularly, and specifically in response to feedback or a change in circumstances that may require a change in focus or priorities.

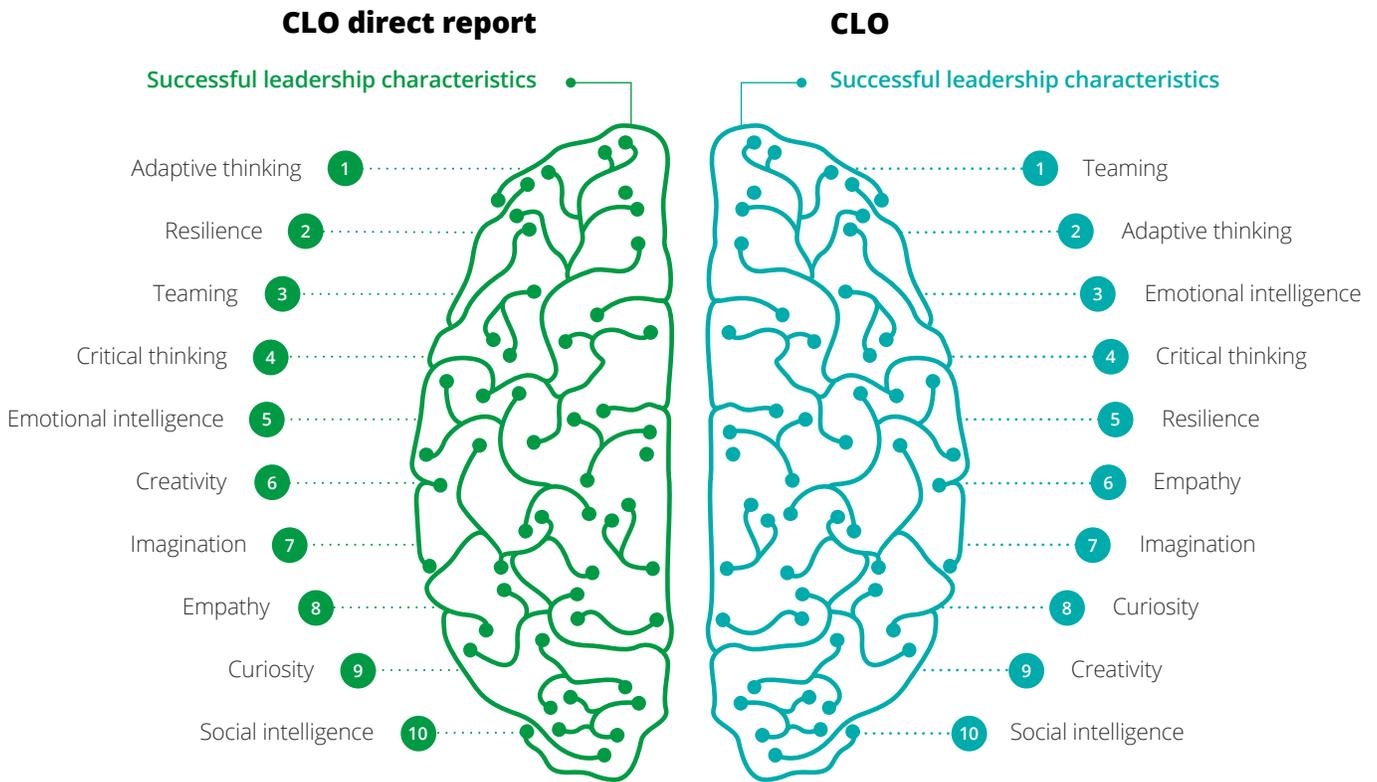
Figure 3. A model for preparing and delivering CLO communications



Rethink the performance review process

There may be a disconnect between CLOs and their direct reports on the latter's strengths and development opportunities. But the two are much more aligned on what a hypothetical successful leader looks like. As figure 4 shows, CLOs and their direct reports identify the same top five characteristics (albeit not in the same order) of a successful leader.

Figure 4. CLO-direct report pair alignment on characteristics of a successful leader



Source: Deloitte research¹⁶



This indicates that the communication breakdown may have less to do with what the goals are generally than what they mean to legal professionals individually. It could be that the direct report overestimates or underestimates their own performance. Or the CLO may not have a complete view of the direct report's capabilities and potential. Either way, a closer look at the performance review process may be in order.

The traditional performance review is a once-a-year look at an employee's past performance. Consider enhancing this approach with frequent formal and informal check-ins throughout the year. This provides a forum for your team members to initiate conversations about their objectives (instead of waiting for you to do it), request feedback regularly (to avoid unpleasant surprises at annual review time), and adjust their goal-setting, learning, and performance as necessary to keep their careers on track. Performance management becomes a process of constant, two-way communication, with every conversation a chance to strengthen the alignment between the CLO and their direct reports.

"Feedback isn't a one-and-done exercise," Nancy says. "It should take place continually throughout the year, with built-in controls to ensure that expectations on feedback are communicated appropriately. Ongoing feedback creates a constant environment of learning so long as it takes place in an environment of mutual respect."

Leaders may also want to consider developing a skills framework that clearly outlines their expectations for individuals, levels, or roles within the legal function. This can help professionals understand how to evaluate their knowledge and learning against expectations and become more targeted in how they navigate their learning and development journey.

There's reason to believe that legal professionals may welcome a more dynamic gauge of their future potential. Deloitte's 2023 Legal Talent Survey of attorneys working in corporate legal departments across a range of industries and company sizes found that legal department employees with senior-level job titles believe the number-one challenge facing the legal team is providing effective training and development opportunities. The same group says that opportunities for learning and professional development are the most important factor influencing their job satisfaction.¹⁷ And, although it's the most important concern for the most senior in-house professionals, learning and development was a top-three concern for five out of six groups in the survey—making it one of the most consistently highly rated concerns.

Craft an engaging employee experience

So far, we've talked about communication at the macro level and at the individual level. Now, let's discuss what it takes for employees to actually care about what you're communicating to them.

Employee engagement refers to the emotional commitment an employee has to their organization and its vision. An engaged employee may be more likely to expend discretionary effort toward your priorities for them and the legal team more broadly, improving their own performance along the way.

According to data from executive coaching firm Zenger Folkman, CLO direct reports rate their personal engagement at the 56th percentile.¹⁸ Meanwhile, our 2023 Legal Talent Survey found that senior-level employees are the ones most likely to anticipate working at a different organization in five years.¹⁹ This data indicates that the most valuable legal talent isn't always getting what they need from their current work environment.

To improve employee engagement, think critically about how the legal team is organized and where you may be able to adjust it to create a better experience for the team. Figure 5 offers some ideas about the type of legal organization to work toward.

Figure 5. A framework for reimagining the employee experience



You'll know your efforts are having an impact if you see an uptick in the behaviors shown in Table 1.

Table 1. Top 10 behaviors that drive legal employee commitment

Behavior	Pearson correlation coefficient
Energizes people to achieve exceptional results	0.43
Provides others with a definite sense of direction and purpose	0.43
Capitalizes on diverse perspectives and talents of others in accomplishing objectives	0.42
Inspires others to high levels of effort and performance	0.42
Helps people understand how their work contributes to broader business objectives	0.41
Works hard to "walk the talk," and avoids saying one thing and doing another	0.40
Can always be counted on to follow through on commitments	0.39
Helps others understand the organization's vision and objectives so that they can translate them into challenging and meaningful goals	0.39
Balances risk and rewards that maximize returns while also protecting the organization	0.39
Stays in touch with issues and concerns of individuals in the work group	0.39

Source: Zenger Folkman²⁰

The Pearson correlation coefficient

The Pearson correlation coefficient is a descriptive statistic, meaning that it summarizes the characteristics of a dataset. Specifically, it describes the strength and direction of the linear relationship between two quantitative variables. The statistic has a range of -1.00 to +1.00. In this case, all correlations will be positive.

Zenger Folkman looks at the ratings on every item assessing leader behaviors along with the overall rating on the employee commitment index (five items assessing satisfaction, commitment, and discretionary effort in the organization). The higher the correlation, the more likely that a specific behavior is associated with a highly engaged employee.²¹



A human-centered approach to communicating with the legal team

Workplace communication may not have been what you trained for back when you were in law school, but it's an unavoidable—and often underappreciated—reality for C-suite executives today.

CLOs have a growing number of responsibilities along with a general expectation to bring a legal lens to the business strategy. Success along these lines depends to a significant degree on unity, influence, and persuasion. A disciplined, authentic approach to communication can deliver on all three by heading off potential confusion while helping the legal team understand and care about leadership's goals.

Contacts

Lori Lorenzo

Managing Director
US Chief Legal Officer Program
Research and Insights Director
Deloitte Transactions and Business Analytics LLP
lorilorenzo@deloitte.com

Erin Hess

Manager
Chief Legal Officer Program
Research and Insights Manager
Deloitte Risk & Financial Advisory
Deloitte Transactions and Business Analytics LLP
erhess@deloitte.com

Endnotes

1. Interviews of CLOs and their direct reports, Deloitte CLO Program, October 2017–March 2019 and March 2022–October 2023.
2. Ibid.
3. Figure 1 data only accounts for 85% of the total surveyed CLOs and direct reports, as 15% of interviewees did not answer the questions about strengths and opportunities.
4. Ibid.
5. Don Fancher and Lori Lorenzo, "Getting it done: Executing on the CLO agenda in 2024," Deloitte, 2024.
6. Ibid.
7. Ibid.
8. Ibid.
9. Ibid.
10. Kate Shepard et al., "Building trusted communication: How to break through amid chaos, noise, misinformation, and disbelief," Deloitte Insights, October 11, 2022.
11. Ibid.
12. Ibid.
13. Ibid.
14. Ajit Kambil, "Elevate your transition priorities," Deloitte Insights, June 12, 2014.
15. Ajit Kambil, "Elevate your leadership communication strategies," Executive Transition Series, Deloitte, 2015.
16. Interviews of CLOs and their direct reports, Deloitte CLO Program, October 2023.
17. Lori Lorenzo, Bob Taylor, and Erin Hess, "Taking the in-house counsel experience from good to great: Highlights from the 2023 Legal Talent Survey," Deloitte, 2023.
18. Interviews of CLO direct reports, Zenger Folkman and Deloitte CLO Program, August 29, 2023.
19. Lorenzo et al., "Taking the in-house counsel experience from good to great: Highlights from the 2023 Legal Talent Survey."
20. Zenger Folkman, 2024.
21. Ibid.



This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser.

Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

As used in this document, "Deloitte" means Deloitte Financial Advisory Services LLP, which provides forensic, dispute, and other consulting services, and its affiliate, Deloitte Transactions and Business Analytics LLP, which provides a wide range of advisory and analytics services. Deloitte Transactions and Business Analytics LLP is not a certified public accounting firm. Please see www.deloitte.com/us/about for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting. Deloitte does not provide legal services and will not provide any legal advice or address any questions of law.