Government Fluency: The Legal Leadership Capability GCs Increasingly Need



Russell Reynolds ASSOCIATES

Building legal teams that can navigate government, regulation and geopolitical complexity

A few months ago, with elections looming, Russell Reynolds Associates gathered approximately 25 general counsel in Washington, D.C. for a discussion on how legal leaders are building teams capable of operating in an increasingly complex government and regulatory environment. The discussion included a panel of three current Fortune 100 GCs who had spent substantial portions of their careers in government, bringing perspectives shaped by experience on both sides of the public-private divide.

For today's general counsels, the hardest decisions increasingly sit at the intersection of law, regulation, politics, geopolitics and reputation. As the GC role has expanded, many legal leaders have taken on greater responsibility for navigating the external environment – from regulators and policymakers to broader geopolitical and stakeholder issues.

Increasingly, that same fluency needs to extend beyond the GC. Legal teams need the judgment to understand how government institutions work, how policy develops, and how corporate decisions may be interpreted beyond the company.

The conversation explored a central question: how should legal leaders advise the business, engage with government and regulators, and build teams that can respond effectively when legal, regulatory, commercial and reputational issues converge?

Across sectors and jurisdictions, companies are navigating shifting policy, geopolitical uncertainty and greater regulatory and stakeholder scrutiny. For GCs, the challenge is to respond to the immediate environment without losing the consistency and long-term judgment needed to stand up to future scrutiny.

What government fluency looks like in practice

- Understanding how government institutions make decisions
- Knowing where influence and discretion sit
- Judging when engagement is appropriate
- Reading political and regulatory signals without overreacting
- Bringing external context into business decisions

Legal advice must account for the broader external environment

A key theme from the discussion was that legal advice cannot be developed in isolation from the broader external context. In areas such as trade, enforcement, government contracting and regulatory engagement, companies need to understand not only the legal framework, but also the institutional, commercial and stakeholder environment in which decisions are being made.

That requires legal discipline to be applied in the context of broader inputs. Matters that might once have been handled primarily through outside counsel or direct regulator engagement may now require closer coordination with government affairs, communications, compliance, business leaders and regional teams.

The most effective engagement often begins well before a company has an acute issue. Companies that build credibility with regulators, policymakers and other stakeholders over time - by sharing market insight, explaining business realities, and engaging constructively outside moments of crisis - are often better placed when difficult matters arise.

For GCs, this means treating external relationships not as episodic problem-solving, but as part of the company's long-term risk architecture. Legal leaders need to understand which relationships matter, how decisions are made, when engagement is appropriate, and where escalation may create additional risk.

GCs need decisions that can hold up over time

One of the hardest judgments for GCs today is how far to move in response to a changing external environment, especially with the proliferation of executive orders that pressure companies to react and sometimes pivot 180 degrees. Companies cannot ignore regulatory direction, policy shifts, enforcement priorities, geopolitical pressures, or stakeholder expectations. But they also cannot assume that today's conditions will remain constant.

GCs need to help the business define its "north star"; the principles, risk appetite and strategic priorities that should remain consistent even as external conditions change.

That tension is particularly acute in areas such as trade, anti-corruption enforcement, government contracting, supply chains, industrial policy and national security. A decision that appears prudent in one environment may be viewed differently as priorities shift.

Several participants noted the risk of overcorrecting: moving so far in response to today's pressures that the company is poorly positioned if (more likely when) the landscape changes again.

For legal leaders, this requires a longer time horizon. GCs need to help the business define its "north star": the principles, risk appetite and strategic priorities that should remain consistent even as external conditions change.

For GCs, that means making deliberate choices, being clear about the rationale behind them and considering how those decisions may look as the external environment changes. The aim is legal advice that is technically sound, grounded in the company's values and risk appetite, informed by the wider context and robust enough to stand up to scrutiny over time.

Legal, government affairs and communications need to work in close coordination

As legal, regulatory and reputational issues become more interconnected, legal teams need to work closely with government affairs, communications, compliance and business leadership. Issues involving regulators, government or public policy can quickly cut across several of these functions at once.

For that reason, GCs need strong internal alignment before scrutiny intensifies. Legal and government affairs teams should be coordinated on facts, messaging, escalation paths, document preservation, stakeholder engagement and decision rights. Communications and compliance may also need to be closely involved, particularly where an issue could attract public attention, employee concern, or broader stakeholder scrutiny.

This has organizational implications. As government affairs becomes more closely tied to enterprise risk, more companies may reconsider how legal, government affairs, communications, compliance and public affairs interact. There is no single model that will work for every company. What matters most is that these functions are not operating in parallel when the company is facing a single, interconnected risk landscape.

For GCs, the priority is to ensure that the business receives integrated advice: legally sound, externally informed, commercially practical and consistent with the company's long-term position.

What government experience brings to legal leadership

Time in government can give legal leaders an instinctive understanding of how institutions work from the inside: how decisions are made, where influence sits, which signals matter and how quickly change can realistically happen. That can be enormously useful in corporate life, helping GCs judge whether a government request is routine or significant, when to engage, and when escalation may create more risk than it solves.

It also gives leaders a clearer sense of the limits of government action. Those who have served inside public institutions tend to understand where authority sits, where discretion exists and where process constrains what can actually happen. That perspective can help companies avoid both overreacting to political or regulatory signals and underestimating them.

Government service can also leave leaders with two assets that are harder to replicate elsewhere. The first is a network across institutions and jurisdictions that can remain valuable long into a corporate career. The second is a very real experience of accountability: making consequential decisions under scrutiny, relying on expert advice and being answerable for the outcome. For GCs, who often act as an ethical and judgmental anchor for the organisation, that experience can be particularly powerful.

These capabilities can, of course, be built in other ways. Close partnership with government affairs, targeted hiring, regulatory exposure, external advisers and deliberate development of internal talent can all strengthen a legal team's understanding of government. The important thing is that the function has access to people who know how government works and can bring that perspective into business decisions.

The future legal team will be broader by design

The changing risk environment is reshaping the composition of the legal function. Technical legal excellence remains foundational, but legal teams increasingly need capabilities that span government, technology, operations, compliance and communications.

Participants described legal functions hiring for greater breadth, particularly around technology and operations, with AI now one of the clearest examples of that shift. Used well, technology can improve efficiency, strengthen knowledge management and free lawyers to spend more time on the judgment-heavy work that still requires experienced human leadership.

The future legal team

Increasingly, GCs are leading teams that span:

- Legal
- Government affairs
- Compliance
- Communications
- Technology
- Operations

That means GCs are increasingly leading teams made up of very different kinds of experts: lawyers, policy specialists, technologists, operators and compliance professionals. A key leadership skill will be knowing how to bring those perspectives together, empower the right people and turn complexity into advice the business can act on.

The legal teams best equipped for the future will be multidisciplinary and proactive: combining strong legal judgment with a broader understanding of government, technology, operations and stakeholders, and anticipating where risk is likely to emerge before it becomes acute.

What GCs should be asking

For GCs, the challenge is building legal teams that can operate through repeated cycles of regulatory, geopolitical, technological and stakeholder change.

GCs should be asking four questions:

1. Do we have enough government fluency, including legal team members with senior experience in the agencies most relevant to our business, to understand how decisions are made and where risk is emerging?

2. Does our team collectively have broad and deep external relationships that provide insight into and access to government, built well before issues or policy shifts arise?

3. Are legal, government affairs, communications and compliance working together when scrutiny arises, or are they operating in parallel?

4. Are we building a team that can navigate not only today's issues, but future shifts in regulation, policy, technology and stakeholder expectations?

The strongest legal teams will combine legal excellence with external judgment, cross-functional coordination and the ability to help the business make decisions that hold up over time.

Government fluency is increasingly part of that leadership mandate. For GCs, it means understanding the environment in which the company operates and building teams that can navigate it with clarity, discipline and resilience.



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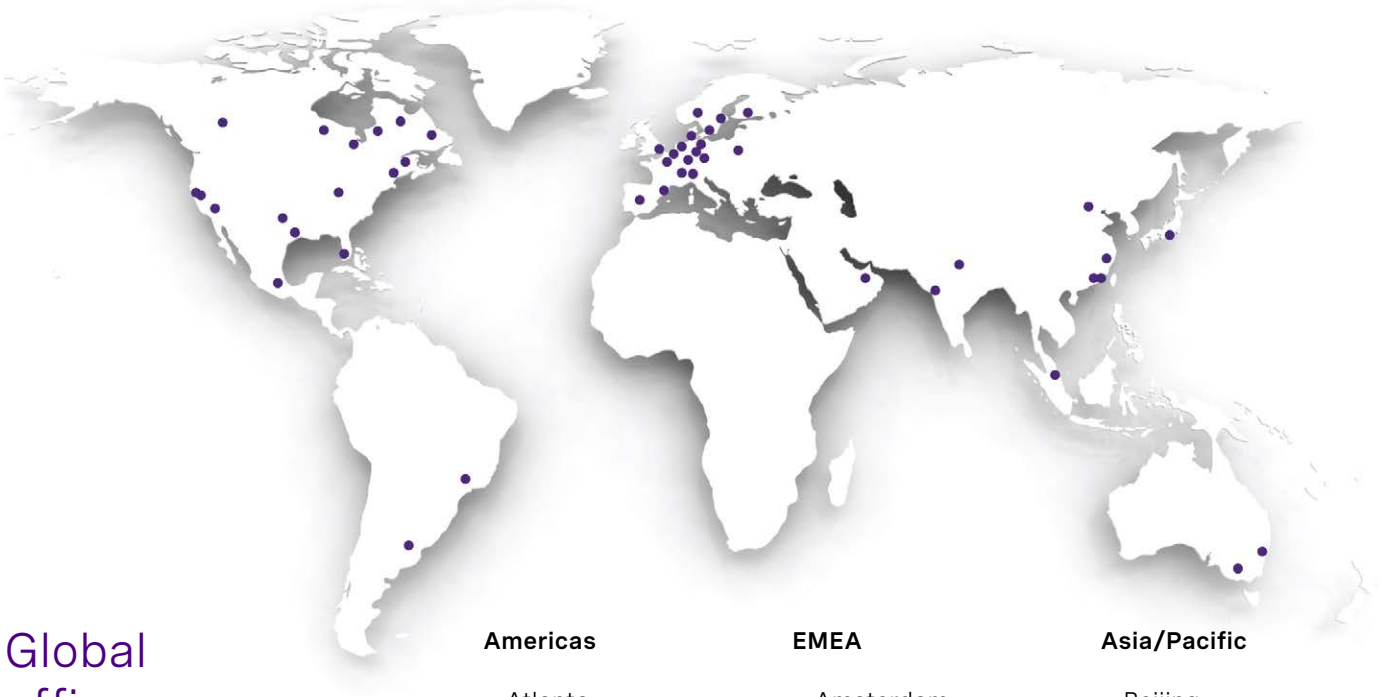
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