### **Leveraging Trust in Times of Crisis: Practical Tips for Chief Legal Officers**

#### By Association of Corporate Counsel

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#### **Introduction: Trust, Development and Leadership**

As Chief Legal Officer, how can you help your organization build trust, especially during a time of crisis?

As part of its <u>Trust in Business Initiative</u> launched in 2019, the Organization for Economic Cooperation and Development (OECD) highlighted that "[g]enerating trust is a key factor for establishing conditions of economic development, including the efficient allocation of capital, innovation, productivity and business relationships". Veta T. Richardson, President and CEO of the Association of Corporate Counsel (ACC), observes that "[t]rust is woven into a company's relationships with investors, shareholders, employees and clients alike" (from "<u>ACC: Trust – Critical to Society and Business</u>", by Veta T. Richardson, in <u>Ethisphere Magazine</u>).

During the COVID-19 crisis, businesses had to respond quickly on multiple fronts, such as to ensure employees' safety, adapt operations, preserve employment and finances, prioritize the allocation of highly demanded supplies, or develop vaccines, tests and medical equipment.

An organization's ability to demonstrate responsible leadership is likely to have an impact on the level of trust from internal and external stakeholders, especially during such community-wide crisis. Learn how other Chief Legal Officers (CLOs) have addressed such challenges. The key takeaways below were prepared in light of the CLO roundtable organized by ACC on July 16, 2020 with the participation of Greg Medcraft, Director of the

OECD's Directorate for Financial and Enterprise Affairs.

#### 1. Consider an increased focus on social good and a stakeholder-centric model

- Businesses play an important role in delivering support during a crisis such as the COVID-19 pandemic. They are relied upon to produce and supply essential products and equipment.
- Governments around the world have adopted fiscal measures and stimulus packages to support businesses during the pandemic. In turn, the public's expectations that businesses contribute to social good are likely to increase. Businesses' failure to meet these expectations may carry enhanced risks for them, including reputational ones.
- While companies have a legal obligation to shareholders, this context supports an
  increased focus on a stakeholder-centric model involving employees, customers,
  suppliers, and other stakeholders, with trust as a key component. The <u>2020 ACC Chief</u>
  <u>Legal Officers Survey</u> found that a majority of the surveyed CLOs thought one of their

organization's priorities for the next five years would be to deliver value to customers, and not necessarily maximizing profits.

#### 2. Be flexible and focus on the safety and well-being of your stakeholders

During the COVID-19 pandemic, a key priority of CLOs has been the safety of employees. This led CLOs and their legal departments to a detailed analysis of workplace configurations and processes, such as:

- Which roles can or cannot be performed from home.
- In what situations people returning to the office need to wear masks or face shields, depending on their workspace (cubicle, office, conference room, warehouse, etc.), or whether to require all personnel to wear a mask.
- What controls to implement to limit the risk of infection in the workplace. Some companies use an app where employees check a list of COVID symptoms, and must show a "green light" result on their phone if they want to gain access to the premises. Some businesses offer employees to apply to return to the office subject to satisfactory completion of a medical questionnaire, and forbid high-risk persons to come in.
- What protocols to put in place for travel, keeping in mind the connection between safety at work and safety at home. Even if companies don't require employees to report personal travel, some strongly encourage such information sharing.

Consider the importance of flexibility in defining and adjusting the company's rules, to take into account local specificities such as work roles, workspace configuration, local quarantine requirements, and changes in local circumstances. Consider the well-being of employees when defining rules, including on working from home:

- Whether working remotely will become the norm once the COVID-19 pandemic is over remains to be seen. For many however, working from home in this context has come with a host of challenges. Your colleagues may experience tiredness, discomfort, or experience anxiety or mental issues, related to or worsened by various factors such as being confined, wanting to go back to the office, not having a solution for child care, fearing the consequences of an economic crisis, or the lack of visibility into when and how circumstances will evolve.
- While you may not have the solution to all such issues, it is important to understand such
  concerns, be flexible and, to the extent possible, adapt the rules to the circumstances at
  hand.

#### 3. Support the business's credibility with the community

• Identify what measures your organizations can take to support the community, especially in a community-wide crisis like the COVID-19 pandemic. This

may include setting up payment plans, or suspending interest payments even before the government requires such measures.

- **Demonstrating a heightened sense of safety** toward your employees, customers and suppliers also supports your and your business's credibility with employees and the community.
- Keeping your business going to deliver essential or much-needed services to the community despite having only a portion of your workforce available, also goes to your organization's credibility with the community.

## 4. Be proactive in engaging with your team while working remotely

- As many employees transitioned to telework, their use of remote communication channels has increased, perhaps even to the point of feeling saturated.
- At the same time, to an extent, they likely miss the in-person interaction and spontaneous communications that occur in a physical workspace.
- Consider scheduling small group meetings, with three or four people at a time, and chatting with them without a pre-set topic. Check how they are doing and ask them what's on their mind.

# Conclusion: The CLO's Strategic Role and the Importance of Developing Leadership Skills

As strategic advisors, <u>CLOs are, or should be, in a key position to influence their business's strategy</u> and, in doing so, to help the organization build trust with its stakeholders and the community. They have a transversal view of the business's activities. Their role involves spotting and addressing risks that are likely to impact the stakeholders' trust in the organization such as anti-bribery, anti-discrimination, stewardship of personal information, or supply chain compliance with rules of ethical conduct, to name a few.

In this context, developing robust leadership skills appears particularly important for CLOs and in-house counsel in general. According to the 2020 ACC Chief Legal Officers Survey, "[l]eadership is the top nonlegal skill that CLOs seek to develop for the lawyers in the legal department. Sixty-two percent of participants selected it, making it the only nonlegal skill desired by a majority of respondents."

Below are a few avenues to help you develop your leadership skills:

- Check out the ACC Leadership Skills Collection, a curated selection of resources.
- To connect and share with with other law department leaders on these key topics, exchange with your peers through the ACC Law Department Management

# Network. The Network is open to all ACC members.

• Explore ACC's online educational programs on leadership.

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