

The Urgency Factor . . .

Leadership Communication in Chaotic Times

Many of us remember that daunting moment during our law school orientation when some intimidating authority figure intoned, “Look to your left. Look to your right. At the end of your first year, one of you won’t be here.”

We never thought that the very same moment of terror would recur after we had survived law school, passed the bar exam, and established ourselves solidly as practicing lawyers.

But it has recurred as the tsunami of world economic crisis breaks over the legal profession. Law firm lawyers watch, both horrified and fascinated, as colleagues young and old are washed away, while their own grasp on safety and stability becomes ever more precarious. On a daily basis, the trade press reports wave after wave of law firm layoffs, contractions, rescinded employment offers, training cutbacks, and other draconian cost-saving measures.

Uncertain times indeed! Even those whose socks are still dry are justifiably nervous because the deluge clearly is not yet over.

Focusing on the Survivors

Taken in the aggregate, all the layoffs and cutbacks may trigger serious questions from clients, from the public, and particularly from the survivors. Is the whole legal profession in deep trouble? Are these cuts proof that firms have long been overstuffed and overstaffed? Are law firm leaders being overtaken by events as they try to mount hurried counterattacks to shore up revenue erosion? Can those whose job has been to help clients navigate major problems manage their own?

Whether by accident or a hide-in-the-crowd PR strategy, many recent downsizing decisions have been announced concurrently, on Black

Thursday, February 12, 2009, for example, when a group of major firms announced layoffs of more than 700 lawyers and staff, followed by 400 more the next day. Several more “big, bad days” have occurred since, and the current casualty count is well into the thousands. Some commentators think that the worst is over; other doomsayers predict another wave of bad news later this summer.

In any event, all the dramatic cutbacks are scaring the hell out of the survivors. The perception is common that major firms are culling the younger and less profitable lawyers as part of what one displaced associate labeled the “tough darts doctrine”

“In recent years, law firms have been eating their young,” she says. “Now they are simply killing their young.” However, as the floodwaters continue to rise, it is not merely the newest and greenest lawyers who are at risk. In an increasing number of firms, partners looking left and right see only empty chairs.

One must assume that the majority of these headcount decisions were made thoughtfully, judiciously, and reluctantly and were based both on near-term economic pressures and long-term strategic, operational, and morale considerations. There is no reason to suppose that decisions of such magnitude have been made cavalierly or simply to emulate the cost-containment strategies of other firms. I have spoken to executive committee members of several large firms who say the winnowing process in the staff and lawyer layoffs was careful, contentious (as powerful champions sought to protect favored individuals), and among the most painful tasks that they have ever had to perform as firm leaders.

Unfortunately for law firms, however, outsiders—and here “outsiders” may include many *within* a firm who are not privy to its deliberations—see

only the dramatic and immediate impact of these unprecedented decisions. Generally, no one other than top decision-makers gets a sense of all the factors, factions, and forces that led to some undoubtedly tough calls. The result is that those not part of the decision-making process may call the quality of leadership decision-making into question.

Urgency or Panic?

In fact, what many criticize as poor decision-making may in fact be something entirely different: *poor communication*.

A fundamental strength of great leaders is that they communicate a powerful sense of urgency that mobilizes all troops in pursuit of a brighter and better future. When a compellingly positive picture of the future isn't possible, however, command decisions *unaccompanied by good communication* may be interpreted by some as action for action's sake or even panic. As a result, the remaining troops up and down the chain of command become alarmed, self-interested, and distrustful of leadership, rather than committed to supporting and preserving their law firm in a time of travail.

Because no one can predict how long the current economic meltdown will last and how long firms will face fundamental survival challenges, the central role of effective leadership—painting an inspirational picture and pointing the path toward a better future—is currently fundamentally compromised.

The result, unfortunately, is that current leadership may appear reactive rather than proactive, indifferent to the human suffering that its decisions cause, or insensitive to long-term trust, morale, and cultural issues. Like the egg once cracked, eroded trust and confidence are very hard for leaders to rebuild into a stable, highly motivated economic platform, either in the eyes of clients or the firm's own lawyers and staff.

Leaders and Leadership

The majority of leadership books and articles suggest that leadership is a fundamentally individual endeavor: the prophet leading the flock to the Promised Land, the general leading the

charge into battle, or that singular and extraordinary change agent whose personal stature transfixes and transforms. To develop better leadership, many pundits say, we should focus on the strengths, styles, values, and communication skills of *individual* leaders.

In fact, leadership generally is a collective and collaborative activity, and law firm policy-making and decision-making are seldom the province of a single person. On law firm executive committees or in partner meetings, the model usually is one of shared leadership, shared decision-making, and, one hopes, shared accountability.

Of course, this collaboration at the top also means that people adversely affected by mass layoffs (including the survivors who must somehow carry on with reduced resources) assume that there were many participants responsible for, or at least acquiescent to, the fateful decision. “They” did it to “us,” they say, thus invoking a cloudy adversary that sociologists sometimes call “the generalized other.”

Unless understood and addressed, this us-versus-them perspective can take hold throughout a law firm and lead to cultural meltdown. Among disgruntled survivors, many of whom cannot financially afford to resign, productivity almost inevitably suffers, and it happens right at the time when the firm most needs its remaining producers to pull together, rise to the challenge, and keep clients satisfied.

Victims Don't Communicate

Once crucial players start thinking in terms of victor-victim stereotypes, communication generally deteriorates dramatically. Both upward and downward information-sharing gives way to peremptory pronouncements from on high, generally couched in the anonymous passive voice: “The decision has been made to make necessary reductions in professional and administrative staff throughout the firm's 30 global offices. As a result, certain office operations will be impacted and certain practice groups consolidated for greater efficiency and client service.”

This form of communication does not do what communication is supposed to do: tell people

what is really happening, what it really means, and what to expect next.

In my experience, such pronouncements seldom are accompanied by straight explanations of how and why the tough decisions were made or specifics about how the firm will live with such dramatic headcount changes in its future structure and operation. As a result, a lot of crucial questions from survivors (and clients!) don't get answered:

- *Are there more bombshells coming? Will I get the axe next? Am I safe?*
- *How long will all this last? When the economy improves, will the firm return to its prior size and structure?*
- *Are we seeing a short-term aberration, or are we seeing the first steps in a massive shift in how law is practiced and this firm operates?*

When people cannot get adequate information about their safety, security, and future prospects, research suggests that most of them will assume the worst and act accordingly. Some may be content to wait patiently and see how things shake out, but a majority will lapse into surly pessimism or unbridled self-interest. At that point, they simply cannot be led and will not sustain trust, maintain consensus, or collaborate effectively.

What's a Leader to Do?

There's often a good reason leaders don't answer the "where do I/we stand?" questions of their constituents. It's that they themselves don't know the answers. Too many factors remain out of control; too many variables cannot be measured. As an executive committee member of a medium-sized litigation firm said to me recently, "We can't tell them what we don't know. We all have no choice except to sit and suffer."

But that is not strictly true. A core principle of crisis communication is that, in times of great uncertainty, leaders must *over-communicate*. Individually and collectively, leadership must remain visible, accessible, and respectful of the fears and concerns of all constituents. Apparent leadership indifference can rapidly kill a firm's culture and further damage its economic viability.

When leaders and managers communicate with firm partners or shareholders, highly personalized individual conversations are extremely important. In *Leading Leaders*, Jeswold Salacuse, former Dean of the Fletcher School of Law and Diplomacy at Tufts University, writes, "Leadership is not a matter of position, but of *relationships* ... which vary with time and circumstance—psychological, economic or political. Rich, powerful, smart and talented people require one-on-one, tailor-made, up close and personal relationships."

At firms with hundreds of partners, personally communicating with crucial constituents can, of course, become enormously time-consuming and therefore get assigned a lower priority. But reaching out to the firm's stakeholders early on is a matter of necessity, not of courtesy. Partners who feel marginalized or cut out of the loop are likely to take control of their own destiny in their own ways, by jumping ship, or with self-aggrandizing behavior, not-so-loyal opposition, and even by suborning palace revolts. All partners, even those outside the decision-making loop, need to be briefed on the likely impact of major decisions on their careers and practices.

On the other hand, *institutional* communication—the formal announcements and pronouncements intended for public consumption and disseminated to all parties and levels both inside and outside the firm—is different. It absolutely must appear coherent and consistent, no matter who is doing the communicating. Internal communication strategies must be planned. **Not** manipulated, but *planned*. Everyone, including the executive committee, office heads, practice group leaders, professional development staff, and marketing and administrative staff, must use a common vocabulary to send coherent, authentic messages.

Communication downward and outward must likewise be *aligned*. Communication upward must be encouraged and respected. Active steps must be taken to measure the pulse of all concerned parties and to demonstrate that their voices have been heard.

In making sweeping decisions about firm size, structure, and operation, a drop-the-bomb-and-then-pickup-the-pieces communications strategy may be disastrous. Even those who aren't in a position to influence (or even validate) law firm

policy decisions should be polled about how they perceive the impact of those decisions on their practices and their prospects. Leaders at all levels and locations should meet and discuss who will communicate what to whom, and then map how information from the ground troops will be gathered and channeled upward. Damage control strategies and language must be developed so that leaders at different levels do not communicate conflicting information or expectations.

This kind of communication planning is unfamiliar to most law firm leaders because they have never had to undertake damage control of this magnitude before. In particular, firms that have expanded rapidly, both geographically and in numbers of people, frequently lack established communication pathways between various levels of leadership in different offices.

Outside PR and crisis communications firms may be extraordinarily skilled at shaping communications content for *external* consumption, but in our experience they may be less effective in supporting internal communications planning, especially when it requires substantive knowledge about legal service delivery. We have seen lawyers in distress respond poorly to bland reassurances—"Everything is going to be fine, just hold tight"—and far more positively to specific, consistent information about near-term operational priorities and the impact of major decisions on them and their practices. Such communications is best done by experts who know the firm, know the profession, and, to some extent, know the law.

Even before the current economic downturn, it was evident that the line between leadership

and management often gets blurred in a hyper-competitive environment. Firms have had to balance their focus on the distant horizon with tight control of day-to-day economic metrics and service delivery. During the current crisis, that balance must shift more toward managing near-term expectations and apprehensions.

Put differently, leadership must now make an extraordinary effort to communicate that the dramatic headcount decisions were only the first step in a controlled and manageable strategy both for near-term survival and long-term success. While being candid about current concerns, they also must position the firm for the upturn, describing as positively and affirmatively as possible without sounding Pollyannaish how things will work when the firm stands down from its current emergency battle station.

Throughout troubled times, the best leaders, the best *communicators*, make it clear, to both internal and external constituencies, that they are willing and able to take responsibility, take time to listen, take advice, and take the heat. As the Welsh proverb puts it, "When news be bad or tidings sad, always tell the most you can, the soonest you can." ■

—Doug Richardson

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