

Nurturing Firm Culture in the COVID-19 Era

By Ronald H. Shechtman

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After months of living through the COVID-19 pandemic, we've all become familiar with the changes required in our daily lives and the challenges that businesses of all shapes and sizes are facing. My own midmarket law firm, Pryor Cashman, is working its way through those obstacles as well as we could have hoped. In fact, most of the metrics we use to gauge the health of our firm indicate we are bouncing back well. Productivity per lawyer, revenue, net income—all have rebounded to pre-pandemic levels, and some are even exceeding our previous marks. What's driving our success amid all the disruption? I'd argue it's our ability as a mid-market firm to maintain our culture—our sense of community—even as the coronavirus has kept us apart.

Addressing the Crisis

Of course, in the initial days of the pandemic, our attention was occupied with concerns for the safety of our employees and the financial health of the firm. As public health officials sounded the alarms about the virus, we began working 100% remotely in March. At the same time, firm leadership realized that we didn't know what we couldn't know: How long would the pandemic last? Would sectors within the national economy shut down? How would the crisis impact our clients?

Facing so much uncertainty, we took immediate, proactive steps to fortify the firm's financial position without threatening our high-quality legal services for clients. We instituted pay cuts across the firm, with our partners shouldering the largest hits. Regretfully, like many firms, we also imposed a limited number of furloughs, during which we maintained the health insurance for those employees. We moved to increase our cash reserves and expand our credit lines while reducing operating expenses. We worked with our landlord to restructure our immediate lease obligations, which also afforded us financial flexibility.

Our position as a full-service, mid-market firm gave us certain business advantages during this critical early period. We don't depend on any single client, small group of clients, or any industry to sustain our business—no client represents more than 5% of our revenues. The diversity of our practice areas likewise decreased the risk that a sharp downturn in any one area posed to our firm, as our family law, private client, labor and employment, corporate immigration and insurance coverage practices have thrived since the onset of the pandemic. At the same time we have benefitted from representing many mid-market clients. We generally have direct, one-to-one relationships with our clients, making it easier to maintain our relationships even after they and we transitioned to work-from-home arrangements.

These structural advantages helped to alleviate our worst fears about what a pandemic could mean for our business. But from the moment we started working from home, I was never as concerned about our financial picture as I was about another question: what would this crisis do to our treasured workplace culture?

Creating Community Virtually

One of the biggest advantages of being a midsize firm is the ability to foster camaraderie in a welcoming, supportive work environment. Pryor Cashman has long viewed that as one of our core strengths. But keeping it up sounds like a pipe dream when your employees are isolated inside their homes for who knows how long.

We've overcome those obstacles by emphasizing communication and collaboration—although in much different ways than we did before. Some of these measures, certainly, have been adopted by a wide range of law firms (and other businesses) in the pandemic. Some departments in the firm have organized virtual events like trivia nights, for instance, to help team members stay in touch and have fun. Our department leadership checks in with all employees on a regular basis—a simple bit of outreach that our employees appreciate. Our affinity groups have been active with their activities and reaching out to colleagues. We have advanced programs, including yoga and mindfulness training, to help relieve the stress of remote work.

We've also taken some steps that may be unexpected. First and foremost, we've made an effort to keep all employees updated on the firm's financial picture, and what we were doing to secure it. This goes beyond the partner level to include meetings with associates and support staff. We've informed everyone at the firm about our talks with creditors, our efforts to secure government stimulus financing, negotiations with our landlords and more.

These are not conversations that we regularly had with associates and staff before the pandemic. However, perhaps even more than the fun we have at each others' expense during social Zoom calls, this sharing of meaningful information about the state of the firm has helped to maintain the solid bonds among all of us during the pandemic. I intuitively felt this would be important to our team, but even so I underestimated the extent to which our people would value the transparency we have offered.

We've also instituted an online happy hour every Thursday at 5 p.m., with partners joining the calls. Every week, a different practice group makes a presentation on what they do or a pressing issue in their area of expertise. For example, members of our preeminent music publishing practice educated the rest of the firm about how royalty rates are set for music streaming. Another session featured attorneys in our hospitality practice giving their thoughts on the forecast for the sector, which is experiencing major upheaval as a result of the pandemic.

That may sound heavy for a happy hour, but it's working well for two reasons. First, thankfully our lawyers have been able to bring their fine-tuned senses of humor to their presentations. But also, maybe surprisingly, the substance of these talks have helped to build community. Just as sharing dry financial information has helped to maintain a level of trust among all of us, hearing about each other's work has been an important element of maintaining connections in a way it never was when we sat close to each other on a daily basis.

Looking forward

Like many in the legal sector, we opened 2020 with a strong first quarter. After the shock of the pandemic, we began in August to make our employees whole by restoring payroll and providing backpay for those who took cuts in March. Our remote summer program for second-year law students was a success, and all of those who participated plan to join the firm full-time. Additionally, we continued prioritizing philanthropic initiatives like our partnership with the Cristo Rey work study program, which provides opportunities for high school students from underprivileged areas to intern at the firm.

I'm proud of the resilience exhibited by our employees in making a smooth transition to working from home. And I'm thankful that we have taken away some lessons on how to maintain our bonds in a work-from-home world.

That doesn't mean we don't miss being together in the office. With COVID-19 still spreading across the country, only a handful of our lawyers and staff members have returned after we reopened our offices in August. We don't have a timeline for going back to normal operations. For now, we'll keep "living with the wisdom of uncertainty" and leaning on Pryor Cashman's strong culture of community.

Ronald H. Shechtman *is the managing partner of Pryor Cashman. Under his leadership, the firm has been consistently named the #1 midsize law firm in New York by Vault.*

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