OBHR 615
Organizational Behavior and Leadership
SMU MBA PT Aug 2024 (PT)

Leadership Case
Board vs Bonds: The Biggest Dilemma of Harvey's Legal Career

Group 1
Kenneth Chan Jian Da
Olivia Tang Shu Hui
Nathan Tang En Ci
Yohanes Wiguna
Wang Yilin
V Divya
Chan Jian Kai

4 May 2025

Executive Summary

It was close to midnight when Mr Harvey Singh SC, the CEO of Drew & Napier ("**D&N**"), contemplated the proposal on his laptop that would decide D&N's strategic future on its 135th anniversary. The proposal outlined an ambitious plan for D&N to implement artificial intelligence ("**AI**") to revolutionize its practices. This digital transformation promised to not only increase the law firm's productivity which would drive revenue growth, but also to cut the firm's operating costs through the retrenchment of 60 employees over the next year.

Harvey needed to decide whether to approve the proposal ahead of the D&N's annual townhall that he is chairing the next day. On one hand, he thought about pleasing the Board to retain his position as the CEO. At the Board meeting last month, Harvey was lambasted by the Board for the firm's declining profits, and he is facing tremendous pressure to reverse the fortunes of the firm. Harvey's throat tightened as he recalled the harsh words from the Chairman of the Board, Ms Tania Tan, where she criticised him for "*being slow to implement AI*", which "*resulted in D&N falling behind its rivals, Rajah & Tann and Allen & Gledhill*", and D&N's "*golden years are coming to an abrupt end*". On the other hand, Harvey was deeply troubled by the prospect of retrenching 60 employees, many of which have worked with him faithfully over the past 35 years and he regards them as close family.

As Harvey pondered on the proposal, he knew that the stakes are high. His decision would not only affect the livelihood of 60 employees but also define his legacy as the CEO of Singapore's most venerable law firm. How should Harvey decide on the proposal? Board or Bonds?

Drew & Napier

D&N is Singapore's most celebrated and venerable law firm. Founded in 1889, D&N has provided exceptional legal advice and representation for 135 years. As a bastion of tradition in the legal industry, D&N is rooted in its time-honored rigorous standards, established processes and fidelity to precedents. D&N prides itself on having a close familial culture, which has enhanced its reputation as an employer of choice. D&N's organizational chart is at **Exhibit 1**.

Harvey Singh SC

Harvey Singh SC, 58, is the longest-serving CEO of D&N, helming the firm for 25 years. A Harvard Law School alumnus, Harvey built a formidable reputation in dispute resolution. In 2009, Harvey was appointed a Senior Counsel, cementing his revered status as one of the finest legal minds in Singapore.

As the CEO, Harvey demonstrated exceptional leadership in steering D&N's continued success. His leadership ensured that D&N remained agile and well positioned to meet the demands of an evolving legal landscape. However, while rival law firms have embraced AI aggressively in recent times, Harvey has been cautious in driving AI adoption within D&N because he believes that the practice of law is a time-honored profession, and that technology cannot fully replace the brilliant minds of the top legal talents D&N recruit.

Harvey remains deeply committed to building a positive and familial office culture. Under his leadership, he fostered an environment where collaboration, mentorship and respect thrived. Harvey's emphasis on cultivating close relationships harked back to his past when close colleagues supported him closely, enabling him to win countless landmark cases in his storied career to earn the title of Senior Counsel. Having thrived under the support of close colleagues, Harvey grew D&N into a close-knit community where all employees are supported and valued.

The Brewing Crisis
Following COVID-19 and the emergence of AI, D&N faced huge financial pressures. D&N's profits plunged over the past 3 consecutive years, with its profits falling dramatically by 36% over the past year. D&N also lost major clients to rival law firms, Allen & Gledhill ("**A&G**") and Rajah and Tann ("**R&T**"), which have integrated AI in their practices.

As Harvey battled with retaining major clients, he suspected that D&N has fallen behind its rivals because of his cautiousness in adopting AI. As a result, clients have lamented about poor client satisfaction due to slower turnaround times. While A&G and R&T warmly embraced AI to deliver faster and cheaper legal solutions, D&N has clung on to traditional and established legal processes, which has been D&N's winning formula for 135 years. A comparison of D&N's, A&G's and R&T's client growth rates, average turnaround times and AI adoption rates in 2024 are set out in **Exhibit 2**.

The Board Meeting
Harvey knew that D&N's declining profits for 3 consecutive years has become an existential crisis for the firm. Inevitably, this issue took center stage during the Board meeting last month.

During the Board meeting, the Chairman of the Board, Ms Tania Tan, lambasted Harvey for yet another year of disappointing performance. Tania slammed Harvey as an "*an old dinosaur who is out-of-touch with the evolving environment*" and his "*strategic misfires and stubborn resistance to change risks ending the legacy of Singapore's most venerable law firm*". Tania added that Harvey's resistance to adopt AI "*resulted in D&N falling behind its rivals, Rajah & Tann and Allen & Gledhill*" and that D&N's "*golden years are coming to an abrupt end*". The Board repeatedly reminded Harvey of their interests, which are to ensure D&N's financial stability and to hold him accountable for its poor performance and high client attrition.

As conversations turned heated and the atmosphere was palpitating with tension, Tania's harsh words punctured the air "*If you do not start to adopt AI within the next 3 months and profits do not improve within 1 year, we will replace you and I will end your legal career in embarrassment*." Following these unforgiving words, Tania and the rest of the Board stormed out of the conference room.

The Proposal
Flooded by shock, Harvey was left speechless as he grappled with the reality of the threat. Observing that A&G and R&T have benefited from the adoption of AI, Harvey asked his team to explore how D&N could adopt AI and whether it would improve profit margins as expected.

Two weeks later, Harvey's team returned with a proposal to bring D&N's profits back on track. The proposal was to implement LegalAID, a cutting-edge AI tool that would allow lawyers to quickly find case precedents, craft compelling witness statements and arguments and cut down the time required to process client's queries by 50%. The proposal projected that LegalAID would result in D&N's profits rising by 40% over the next 2 years, which is pivotal to assuage the Board's fears of D&N's declining profits and preserve Harvey's position as the CEO.

However, LegalAID comes at a high cost. Its implementation would result in a sizeable portion of D&N's workforce being retrenched over the next year. The proposal sets out a list showing that 60 employees across various departments would be retrenched because their jobs would be rendered obsolete with the adoption of AI. As Harvey reviewed the list, his heart sank when he saw that all 5 employees from Library Services, including Ms Cindy Ng who has served as

a librarian for 42 years, are expected to be retrenched. Harvey's heart ached as he knew that the livelihood of 60 employees, many of whom have worked with him over the past 35 years, are at risk. **Exhibit 3** sets out the proposed breakdown of the 60 employees projected to be retrenched.

As the longest serving CEO, Harvey cared deeply about all the employees. He was worried that retrenching a good number of D&N's workforce would demoralise other employees and result in future challenges for D&N's future talent recruitment. Harvey was also concerned about the public reputation of D&N as an unreasonable employer, which may taint its track record as an employer of choice in the legal industry.

On a personal level, Harvey knew that this decision would define his legacy as the CEO of Singapore's most venerable law firm.

Harvey's counsel
Seeing the promises and perils of the proposal, Harvey sought the counsel of two of his most trusted advisors in D&N on the condition of confidentiality.

Elaine Wong
First, Harvey engaged Ms Elaine Wong, a seasoned Partner of D&N's litigation practice. As Harvey explained the proposal, Elaine gasped in disbelief and her face darkened. When he finished, Elaine shook her head and said firmly:

> "*Harvey, this is wrong. D&N's rich legacy is built on the intellect and brilliance of our lawyers, not on machines. If we go down this path, we are not moving forward. We lose what makes us special. Clients love us for our brains, not technology*."

Elaine argued that the risk was existential because using AI to craft compelling statements and arguments would erode D&N's very soul and identity. Elaine's views resonated deeply with Harvey, a traditionalist who believes that the practice of law is deeply intellectual and should not be disrupted by AI.

Cindy Ng
Harvey then went to the library to seek counsel from his long-term colleague, Ms Cindy Ng. Cindy has served as a librarian for 42 years and she is a Senior Assistant Manager. Harvey saw Cindy not only as a trusted colleague, but also a close friend whose advice always brought clarity to his mind. Throughout Harvey's 35-year career at D&N, Cindy worked closely with him to research numerous novel points of law, and her contributions were instrumental in his appointment as Senior Counsel. Cindy was also a key motivating force behind Harvey's decision to cultivate a familial office culture, frequently reminding him that people are the biggest assets of D&N.

As Harvey disclosed details of the proposal, Cindy stretched out her hand and said:

> "*My dear friend, I do not know why you want to do this. I am sure you have your reasons. Isn't the firm doing fine? Have you thought of what this proposal will do to the soul of D&N? We are more than just a law firm. We are a family. Look at everyone in this library, including us, we have dedicated our lives here. You know I have never been sentimental for sentimentality's sake. But you always said the strength of D&N was its people. If you lose sight of that now, what kind of firm will we be left with?*"

Harvey felt his shoulders tremble as the weight of Elaine's and Cindy's words bore down on him. He felt more troubled than before and he struggled with the biggest dilemma of his legal career. He also wondered whether he should have pushed back against the board's decision to keep the firm's weak financial performance over the past 3 years a secret from the firm's staff. Harvey struggled with inner turmoil as the proposal, which can reverse the fortunes of D&N and help him preserve his position as CEO, comes at a high cost that is deeply human.

In the meantime, he asked his team to finalise and send him the proposed retrenchment list by the eve of D&N's annual townhall. Harvey must decide on the proposal by the townhall because it is the forum for him to make major announcements and engage employees on their concerns and given that the board had threatened to fire him should he not adopt AI within 3 months.

The Decision on the night before D&N's Annual Townhall

As Harvey sat slumped in his chair, the glow from his laptop screen cast a pale light across his darkened office. A final notification email, titled "*Retrenchment List – Strictly P&C*" jolted Harvey back to reality. As Harvey opened the Excel document attached to the email, he saw a list of 60 names, including "*Ms Cindy Ng*". 60 names, each carrying years of loyalty, service and sacrifice, are now reduced to mere entries in an Excel file.

Harvey closed his eyes, picturing Cindy's patient guidance on his first nerve-wracking day as a young associate as well as the times she helped to unearth critical research which helped him to win cases. Harvey struggled to contain his emotions as he recalled fist pumping paralegals who have drafted excellent memos for him and how he mentored them painstakingly. Now, these paralegals are at risk of losing their jobs to AI models which can perform legal research.

The people on the proposed retrenchment list are not merely employees, but also unsung heroes who built D&N's towering reputation. Harvey's chest tightened as tomorrow's annual townhall loomed. He thought again of Tania's threat to replace him as CEO, the Board's disappointment with D&N's plunging profits and his heavy conversations with Elaine and Cindy. Harvey's position as CEO, his storied legal career and D&N's survival depend on whether Harvey embraced AI and approved the retrenchments. Harvey knew that this decision is more than just numbers. Instead, it is about what kind of leader he is, and what kind of firm D&N will become.

As midnight ticked past, Harvey stared at his laptop, the finality of the moment bearing down on him. It is the day of D&N's annual townhall and it is time for him to decide.

Whose side will Harvey take? Board or Bonds? Will Harvey please the Board and implement LegalAID to drive profits, knowing that the cost is the livelihood of 60 employees? Will Harvey stand with his employees and fight for the soul of the firm and risk being cast out himself? In the quiet darkness, Harvey was left with only his conscience and a decision that would shape not just D&N's future, but his own legacy as the CEO of Singapore's most venerable law firm.

Exhibit 1 (D&N's Organizational Structure)

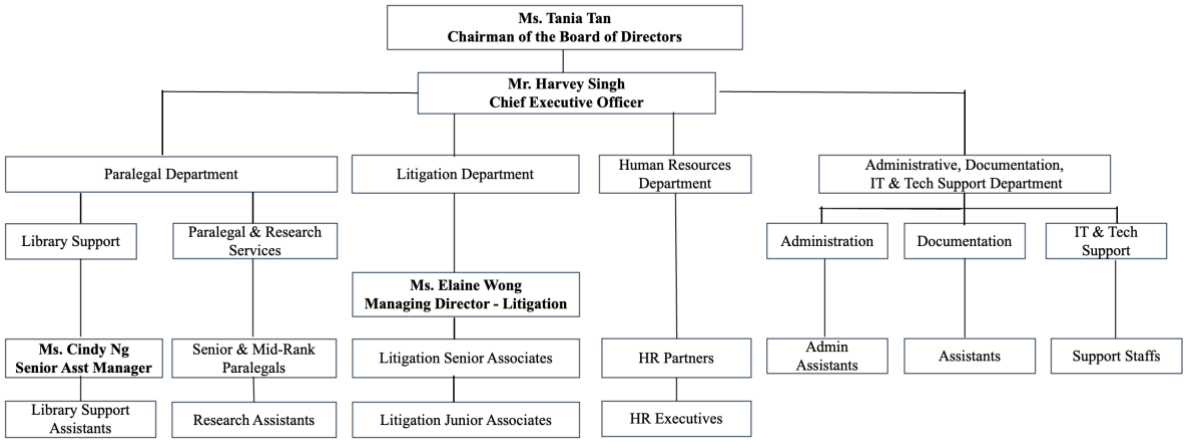

Exhibit 2 (Comparison of law firms' performances in 2024)

Firm	Client Growth (%)	Average Turnaround Time (days)	AI adoption rate (%)
D&N	- 8%	23 days	0%
R&T	+ 15%	14 days	80%
A&G	+ 10%	12 days	70%

Exhibit 3 (Proposed breakdown of the 60 employees projected to be retrenched)

Department	Function	Number of Roles	Average Years of Service	Observations
Paralegal Department	Library services	5	30-40 years	Senior librarians with deep institutional knowledge
	Paralegal services	12	8-10 years	Highly trained in contract drafting
	Research support	10	8-15 years	Skilled legal researchers losing roles to AI tools
Administrative, Documentation, IT & Tech Support Department	Administrative staff	18	3-20 years	Mixed seniority; AI replacing document management roles
	IT & technology support	5	2-6 years	Some roles duplicated by AI adoption platforms
	Documentation team	10	5-12 years	Manual document review now automated by AI
	Total	**60**		