



Tom Lawson, CEO of FM Global



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# "You Can't Talk Your Way Out Of A Situation That You Behaved Yourself Into."

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*In our interview, **Tom Lawson**, CEO of FM Global, a property*

*insurance company, shared his lessons on leading during this crisis, as well as timeless insights about the importance of listening and other advice that he shares with new managers.*

**Q. How have you adjusted your leadership style in this crisis?**

A. Communication is the biggest change in terms of cadence, content and clarity. You always want to show strong, visible leadership. It's a little tougher because people can't see you walking the halls or visiting different locations, so you have to make sure your communication achieves that. It's got to be more frequent because people are relying on that information flow throughout the organization.

And it's got to be timely. Speed beats perfection in a crisis because if you wait until you get all the information, it may be too late. You have to make do with the best information you have. I always would rather share the information that we have, with the understanding that the information may evolve. And people understand that things change.

*"Speed beats perfection in a crisis."*

You want to build trust in the organization. You want people to believe that you're telling them accurate information, whether it's good or bad. You can't spin things to present them in the best light possible, because people see through that. People are smart, and if they get a hint that you're not being direct with them, you're in trouble.

**Q. You've been CEO of FM Global for six years now. When you're mentoring younger executives in your company, what advice do you give them?**

A. I talk to all our management training classes, and I tell them that they need to be a leader by acting like one, because everybody's watching. You can't talk your way out of a situation that you behaved yourself into. If you act one way and say something else, people are going to pay more attention to how you act and not what you say.

As I was moving up through the different management positions, I learned the hard way about how people can interpret a message. I was working with our research group, where we have a lot of science PhDs. My background is in operations, not science, so I tried to make sure I was visible and communicated a lot with them.

*"You can't talk your way out of a situation that you behaved yourself into."*

One morning, it was rainy and horrible as I drove to work, and the morning did not get off to a good start. I got to the parking lot, which was full, so I had to park far from the building and walk through the pouring rain without an umbrella. I was drenched, and I was running late for a conference call.

So I walked right past the receptionist, didn't talk to anybody, went in

my office and shut my door. I did my conference call, and then forgot to open my door when it was over. About three hours later, our head of research knocks on the door. He said, “Can I talk to you? We’ve got a problem. Everyone’s talking that the company’s in financial trouble and that our research is going to get outsourced.” I said, “What?” Then he said, “You walked right into the building on the day we released our financials and you didn’t talk to anybody. You shut your door and you locked yourself in here.”

In fact, our financials were fine, and I told him the story of what happened, and he started laughing. I spent the rest of the day walking around telling people that everything was fine. But it was a great example of how your actions can be misinterpreted.

*"If you don't communicate,  
people will make up narratives  
themselves."*

Everybody’s paying attention all the time, and so it’s not just what you say; it’s how you act. I learned that lesson the hard way. If you don’t communicate, people will make up narratives themselves, and they may be negative. I’ve noticed that very smart people tend to do a lot of thinking about scenarios. Somehow a number of our scientists thought there was the possibility that we could be going bankrupt.

**Q. What other themes do you talk about with younger leaders at your company?**

A. I always talk about the importance of honesty. You need to build trust within your team, whether it's five people or 5,500. And you build that trust by being honest, even when it's hard. It's really easy to be honest when you're saying good things. It can be harder to be honest when providing constructive feedback because human nature is such that it can be uncomfortable to tell a person that you feel that they have an opportunity to improve in some way.

As a result, tough conversations sometimes get delayed. What I always tell those managers is that I've learned from experience that your people know the tough conversation needs to happen, so don't delay it. You want to be honest.

Another theme I bring up is listening. You need to listen to your people and you need to encourage them to share bad news with you because how you receive bad news will play a big role in determining how they're going to communicate with you. For example, if I bring you bad news and you yell at me, guess what? I'm not coming back. You have to encourage it, because the higher up you go in your organization, the less likely people are to tell you bad news.

Finally, I'll also talk about the idea of reflected glory. One of the challenges for new managers is that they still tend to operate like individual contributors, and they want credit for what the team accomplishes. I tell them they have to reflect that glory on their people because if your people do well, then you'll be recognized.

*"A leader's job is to develop*

*their people."*

A leader's job is to develop their people, and you've got to let them do the work so they can learn. You can't let them fail miserably, but you've got to give them the opportunity to struggle with the work a little bit.

I use the example of a piano teacher. Sometimes you need to just hand your students the music and let them play. Sometimes you need to wind up the metronome to help them with timing. Sometimes you need to turn the pages for them. And sometimes you need to play a duet. But the worst thing you can do is stand behind them and play over their shoulder because they're never going to learn how to play.

**Q. What were early influences for you that shaped your leadership style today?**

A. It was all about sports growing up. We played from daybreak to dark — baseball, football and basketball. I grew up in a classic Midwest home of two parents, two kids, one dog, and we lived in the same house for the entire time. It was a very stable, normal environment.

In terms of lessons learned, a key one early on was to treat people the way you'd like to be treated. I grew up during the '60s when there were a lot of issues around race. My father instilled in us all the time that the color of someone's skin doesn't mean anything. There are good people and bad people and it's got nothing to do with anything else. I learned from the time I was six years old that all people are the same. My

parents were both good about reminding us that everybody deserves a chance, regardless of their circumstances.