

**Leading Change in the Era of Bad News:  
Dealing with Anger, Distrust,  
and Revenge in the Workplace**

by

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## Executive Overview

Reports of bad economic and financial news dominate the media. Even as leaders work their way out of these difficult times, the stage is set for growing anger, distrust, and revenge in the workplace—all of which can undermine change management efforts.

### **Three Key Questions for Leaders**

- *How can leaders more effectively deliver bad news to mitigate the risk of anger and distrust, thus enabling change?*

The delivery of bad news is best viewed as three different, but interrelated, phases. These phases are *preparation*, *delivery*, and *follow-up*. Across these three phases emerged prescriptive advice from leaders in what I call “The Ten Commandments” for delivering bad news effectively.

- *What’s the best advice for leaders to prevent their employees from acting out their anger through acts of revenge?*

So, what can and should leaders do? First, they need to really understand the potential for anger and what causes it. Second, they must treat people fairly.

- *How can leaders (re)build the trust necessary to lead change in an era of bad news?*

So, how should a leader begin (re)building trust? There are four basic principles that serve as the pillars of trust.

### **A Call to Action**

Delivering bad news effectively, dealing with anger constructively, and rebuilding trust—these are the skills needed to lead change successfully in today’s world.

Today's bad economy and its victims are everyday media headlines. Bad news events seem the rule of the day, no longer the exception. These current times pose daunting challenges for leaders, as they need to be leading change efforts to improve the current conditions against a backdrop of growing anger, distrust, and revenge by employees.

In this paper, I address three key questions for leaders in this era of bad news:

- How can leaders more effectively deliver bad news to mitigate the risk of anger and distrust, thus enabling change?
- What's the best advice for leaders to prevent their employees from acting out their anger through acts of revenge?
- How can leaders (re)build the trust necessary to lead change in an era of bad news?

### ***Delivering Bad News Effectively***

When I ask leaders to name their most difficult tasks, invariably the delivery of bad news is at the top of the list. My research suggests that the delivery of bad news is best conceptualized in terms of three different, but interrelated, phases. These phases are *preparation*, *delivery*, and *follow-up*. Across these three phases emerged prescriptive advice from leaders in what I call "The Ten Commandments" for delivering bad news effectively.

#### ***Preparation Phase***

The 10th Commandment: Thou Shalt Never Surprise.

Bad news should never come as a surprise. Failure to warn senior leadership of impending bad news, such as poor sales or a loss of a major client, is a cardinal sin. Failure to warn subordinates about mistakes in their performance doesn't allow them to make the necessary corrections to improve their performance. Indeed, one executive highlighted the

importance of giving warnings with these words: "If they are surprised, you're not fulfilling your responsibilities as a manager."

#### ***Delivery Phase***

The 9th Commandment: Thou Shalt Never Delay.

Delivering bad news with due speed, or without unreasonable delay, is of critical importance. Many people "sit" on bad news such as a decline in sales or product shipment delays, hoping that things will get better. But such delays prove costly, when conditions continue to worsen due to delays in implementing necessary changes. In the recommendation of one executive: "As soon as you know bad news must be delivered, deliver it!"

The 8th Commandment: Thou Shalt Never Hide the Facts.

A common tendency of people is to withhold or hide some of the facts because it may make them look bad, or they fear the anger of their bosses. Such a reaction, while natural, can prove costly to the organization. For example, if the bad news involves a decline in product quality, the failure to divulge all the facts may cause a wrong diagnosis of the problem or underestimate the extent of the problems causing the bad news, thus creating even worse news down the road. In a wise reminder from one executive: "When the hidden facts become public--and they always do--you will look worse than if you had disclosed all the facts in the first place."

The 7th Commandment: Thou Shalt Always Put It in Writing.

In the era of "The Litigious Organization," it has become mandatory to keep detailed records of any meetings and warnings associated with the bad news. This is particularly true in the case of employee performance problems, but it is also true when one is concerned about such issues as a decline in product safety. "Good" records should include any evidence or reasons for the problems. "The new law of organizations is to document, document, document," as one executive put it.

The 6th Commandment: Thou Shalt Always Justify.

When delivering bad news, it is absolutely critical to "justify, justify, justify," in the words of one executive. Increasingly, bosses and subordinates want, expect, and even demand, to know why the bad news occurred, whether it is negative performance reviews, budget cutbacks, or job layoffs. Such justifications should include the specific and concrete reasons for the bad news.

The 5th Commandment: Thou Shalt Always Look for the Silver Lining.

Consistent with conventional wisdom, you should look for any positives associated with the bad news. Although such efforts are viewed as "spin"--and accurately so in some cases--emphasizing any positive and temporary aspects of the news may be useful for keeping morale and motivation up throughout the organization, particularly in times of budget cuts, job layoffs, and corporate turnarounds. Indeed, one of the major tasks facing leadership during difficult times is keeping people positive and future-oriented.

The 4th Commandment: Thou Shalt Always Bring Solutions.

When delivering bad news, you should always try to present "solutions" or an

action plan to solve the problems that caused the bad news. For example, when announcing bad news of a major customer lost to a competitor, providing solutions about how to get new customers or working on ways to keep current clients, keeps the attention on future improvement, and it also underscores that the situation, however bad, is being addressed with a problem-solving approach. In the judgment of one executive: "Bad news without solutions is truly bad news."

The 3rd Commandment: Thou Shalt Always Remember the Multiple Audiences.

What often gets overlooked in delivering bad news is that there are usually multiple audiences involved. For example, in job layoffs, not only the primary receivers of the news--the victims--are important; in addition, the survivors are important along with other interested audiences (e.g., the local community, the investment community). For, in the words of one executive: "Remember, when you deliver bad news, it is never just to one, it is to many. Many others will be listening and watching, even more will be interested."

### ***Transition Phase***

The 2nd Commandment: Thou Shalt Always Follow-Up and Follow-Through.

After the bad news is delivered and the solutions identified, you should always "track" any progress made in solving the problems that created the bad news. Keeping your boss updated on the situation and the speed of progress is a key responsibility. Early and frequent feedback on progress is critical to solving the problems that created the bad news. One executive summarized his experience in this way: "Once I got lazy. I forgot to follow up on the changes. Things went off track and my boss went ballistic. That was the first and last time I failed to follow through."

## **Across All Phases**

The 1st Commandment: Thou Shalt Always Treat Them with Respect and Dignity.

This commandment, while almost always espoused by executives, is not always practiced by their organizations. My research finds people fired by "e-mail" or those who found out they lost their jobs when their names were deleted from the company directory. Such horrific--and stupid--actions clearly send a message that people don't matter. But my research shows that how you treat people really does matter. For example, in one study, layoff victims who felt they were treated with dignity when hearing the news (e.g. sincere explanation and clear caring conveyed in announcing the news), and also treated similarly afterwards, actually worked harder than before they received the news. Moreover, survivors worked harder when they saw their soon to be laid off co-workers dealt with respect and dignity. Respect and dignity not only make moral sense, they make business sense. In the sage wisdom of one executive: "We are not just communicating bad news; we are communicating to human beings."

## **Dealing with Anger and the Risk of Revenge**

As we work our way out of these difficult times, leaders should be cautioned that the stage is set for employees acting out their anger with the increased possibility of workplace revenge.

So, what can and should leaders do? Drawing on my work on revenge with Tom Tripp (*Getting Even: The Truth about Workplace Revenge—and How to Stop It*, Jossey-Bass, 2009), there are two key strategic imperatives for leaders. First, they need to really understand the potential for anger and what causes it. Second, they must treat people fairly.

Sounds too simple? It's not, but it is basic and sticking to basics fundamentals are

keys to success. Indeed, the late Vince Lombardi recognized the importance of the basics when he started every preseason practice with the Green Bay Packers by holding up a football and saying to his players: "Gentleman, this is a football."

## **What Makes Employees Angry?**

So, what can and should leaders do to mitigate employee anger? Basic Rule #1: Don't trigger their anger! Anger is triggered when one is harmed or sees wrongdoing. Two of the wrongs that trigger enough anger to motivate revenge are: *breaking of rules/social norms*, and *abuse of power*. Examples of rule violations include promoting someone who doesn't meet the promotion criteria, or changing the rules for determining salaries or budgets to favor some individuals or departments over others who are more deserving. For example, are those in the board room judged by different (meaning lower) standards of accountability relative to those in the mail room or the loading dock? Common examples of violating social norms are shirking your job responsibilities as leaders, blaming employees for your mistakes, and lying to your employees.

Examples of abuse of power are the "petty tyrant" boss and the corrupt boss. The petty tyrant boss is one who is overly harsh, and even cruel, in dealings with subordinates across time. Corrupt bosses are ones who "pig out" on bonuses while others suffer. These are the ones who used the bailout money for bonuses or massages.

For employees to become dysfunctionally angry, employees must blame a leader for the harm or wrong. The assignment of blame is critical. To assign blame, the employees assess the leader's motives. Did the leader *intend* to cause harm? If the employees judge that the leader's action or inaction was outside of their control, little blame will be assigned. If the leader's actions were not causal, but were merely

negligent because they should have done something to stop the harm or wrongdoing, then employees will blame more. If employees judge that the leader caused the harm on purpose or the wrongdoing was intentional, then all of the blame will be placed on the leader.

You may ask, “*So what* if my employees are angry? They should act like professionals and deal with it.” Most employees will deal with it, but often not in a way most people would call “professional” or that the organization would prefer. When employees experience injustice, they seek to *do* justice. They seek revenge.

When individuals do try to get even, revenge can often be a very creative act. Small, everyday acts of revenge include refusing to help others, working slower, or the very common “silent treatment.” More extreme forms of revenge include badmouthing others, including one’s organization in an online blog, giving bad service to customers, stealing or destroying company resources, quitting, and suing the organization. Such actions tend to damage productive workplace collaborations, and ultimately hurt the bottom line.

### ***Treating People Fairly***

In this time of bad news and change, employees are extremely sensitive to fairness concerns. Fortunately, much research shows that as long as employees perceive that the process is fair, they don’t complain so much about not getting the outcomes they wanted. Such processes are perceived as more fair if they have certain features, all founded in a justice framework. For instance, were the rules applied consistently across different people, or were some people “above the law?” Did the decision-makers have any conflicts of interest, perhaps by somehow benefiting from one particular outcome over another? Did those who received the outcomes have any say or input into the decision, or was the decision merely

imposed on them without even consulting them? In short, if leaders do not provide fair process, employees will be more likely to seek justice themselves.

## ***(Re)Building the Trust***

So, how should a leader begin (re)building trust? There are four basic principles that serve as the pillars of trust.

### ***Principle #1: Tell the Truth***

With all due respect to Jack Nicholson in the movie, *A Few Good Men*, people *can* handle the truth. What they find difficult is handling the lies. So tell the truth.

If leader actions played a role in creating a bad situation, then they must explain their actions. What employees are looking for first in the offering of truth is a sincere and honest explanation. The explanation must acknowledge responsibility, and, not just privately, but also publicly.

Employees want an explanation for controversial management decisions and for leaders’ behaviors, particularly when it results in bad news. In the face of bad news, secrecy seems to be the default response of many leaders. Too often leaders say it is “on a need to know basis and *YOU* don’t need to know.” To rebuild trust, tell the truth and take responsibility for your actions. Don’t shift the blame or pass the buck.

### ***Principle #2: Listen, Listen, and then Listen***

In the era of bad news, your people are looking to their leaders. Do leaders care, employees are asking themselves. Leaders are signal-senders. One of the most important signals that leaders can send to convey that they care is this: LISTEN!

Listening is the most important leadership skill. Why? Because when leaders listen, employees will tell them LOTS of stuff. And when leaders listen, and we mean *really* listen, employees feel

valued and important. Listening is absolutely critical for (re)building trust. And as leaders listen, they should do the following: listen for the *content* (what are people concerned about?); listen for the *emotions* (what are people afraid of?); but also listen to *act* (are people suggesting solutions or new ideas to act on, to help the organization?).

### **Principle #3: Share Information on a Regular Basis**

Another important way that leaders (re)build trust is to share information with their people—early and often. Keep employees informed as to how things are going, whether it is good news or bad news. Sharing information is one of the sure ways to (re)build trust.

But, often leaders want to withhold information out of the need for control or power. Leaders operate under the mistaken belief that, by sharing the information, it will only make matters worse. But, by withholding information, it will only make matters worse for you in terms of (re)building trust. Why? The reason: in the absence of information, people will create rumours, which contributes to everyday paranoia in the workplace. What are the situational conditions that encourage rumours? Two conditions: lack of information and the existence of an important issue. What are the situational conditions that encourage paranoia in the workplace? Two conditions: lack of information and the existence of employee-status uncertainty. What do rumours and paranoia have in common? Both are fuelled by a lack of information. While rumours and paranoia are created by the landscape of bad news,

leaders can lessen their negative impact on the workplace by sharing information on a regular basis.

### **Principle #4: Practice C<sup>3</sup> and Over-Communicate**

In these times of turbulent change, leaders need to first practice C<sup>3</sup>: *Crystal Clear Communication*. Second, leaders must over-communicate their vision, their strategy, their plans, and their message. Repetition is absolutely critical. Why? First, not everybody hears you, as they are distracted if not fearful. Second, not everybody hears the message accurately if it is only said once and not everybody hears the message at the same time. Third, repetition breeds familiarity, which can lead to understanding, which can lead to trusting you and supporting your initiatives. As a rule of thumb, communicate more than feels normal. By the way, because over-communication will involve all the senior leadership team—make sure everyone stays on message!

### **A Call to Action**

Leaders must lead in good times *and* in bad. In fact, a leader's ability is most tested in times of distress when anger, distrust, and the risk of revenge seem most immediate. Delivering bad news effectively, dealing with anger constructively, and rebuilding trust—these are the skills needed to lead change successfully in today's world. Indeed, we must answer the call to leadership found in the words of David Starr Jordan, first president of Stanford University: *Wisdom is knowing what to do next. Skill is knowing how to do it. Virtue is doing it.*